

Political chaos leads to economic downfall

Keep it up!

DATE 13.07.2023

DAY M T W T F S S

Outline

1. Introduction

Thesis statement: _____?

2. Describing key terms briefly

- Political chaos
- Economic downfall

3. Understanding how political chaos leads to economic downfall

UNCERTAIN CONDITIONS PUT OFF FOREIGN INVESTORS

3.1, Discourages foreign direct investment

- key case of Pakistan of fiscal year 2022-2023

3.2, By triggering brain drain

- key case of Sri Lanka after the political chaos 2023

3.3, By discouraging tourism

- key case of Pakistan

3.4, By disruption in e-commerce

- key case of internet blackout following May 9 riots in Pakistan

3.5, By triggering shut down of big businesses

- key case of wrap of Shell petroleum company

3.6, By slowing down existing development projects

- case in point of China Pakistan Economic Corridor

3.7, By halting ^{cross} border trade

- key case of halted border trade between Pakistan and India
- 3-8, By making businesses tough to operate
 - case in point of Gujarat protests
- 3-9, By destruction of infrastructure
 - key case of Capital riots in United States
- 3-10, By leading ^{to} downfall of currency
 - key case of Turkish Lira

4, Understanding through the prism of Singapore that politically stable countries are economically prosperous

5, Conclusion

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History is witness to the fact that countries mired in political crises had had an economic downfall - irrespective of how much naturally blessed they were. Be it the natural resources rich Afghanistan, Suez Canal blessed Egypt, or ^{perpetually} always fighting civil wars South American countries - all of them ~~fell~~ economically amid their political chaos. It is because of the political chaos

that the countries mired in it fall economically. It discourages foreign direct investment, forces employment seeking youth to leave the country, discourages tourists coming from abroad, hush projects and businesses and devalues the currency.

Hence, making an economic downfall inevitable. Contrary to that, countries with strong political stability, such as

~~of~~ Singapore, achieve economic boom and prosperity. (This essay

will support the stance that political chaos leads to economic downfall, and will illustrate how political crises hurt countries economically.)

write implicitly, not explicitly
such as making announcements
use implicit transition →

(Understanding both key terms is mandatory before going towards for better understanding

of the essay.) If one puts it simply, political chaos is politics of the country being unstable; having disagreements at all levels; protests being staged; riots between rival political groups taking place and political victimizations, with elections disagreements. All this brings political instability and political crises in a country.

leading it to an economic ^{down}fall.
 An economic downfall is economic slowdown of a country, which is caused by decreasing investments, depreciating currency, struggling businesses and by shutting down of big firms and companies.

The succeeding paragraphs will discuss how political chaos leads countries to an economic downfall.
 Firstly, political chaos leads to decreased foreign direct investments, a boom required by every economy. Investors do not see their investment secure in countries facing political chaos. Key case of Pakistan can be a good example in this regard. Pakistan due to continuous political chaos has discouraged investors from investing in the country. A recent report published in business page of prominent newspaper 'dawn' stated that FDI has decreased around 25% in year 2023 when compared to 2022. Thus proving that political chaos costs countries and lead to an economic downfall.

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Secondly, political chaos



forces the qualified individuals of a country to leave the country and seek employment offshore. This hurts the country a lot as the qualified individuals would now be contributing to some other economy instead of their own. Some did happen in Sri Lanka, when the country defaulted amid the political chaos and economic downfall. As a result of which, citizens of Sri Lanka, scores of them, applied for immigration and work visas. This was published by the Pew research as most of them preferred USA as their destination for immigration. Had these individuals been in home countries, they would have contributed to their economies. Thus, the political chaos shuts the window of opportunity for them, forcing them to leave the country. Thirdly, political chaos & shrinks the number of tourists visiting a country, making tourism trends go downward. Pakistan can be a very good example in this regard as the country has majority of

its tourist locations in province of Khyber Pakhtunkhwa & Balochistan, biggest province with beautiful sceneries, too, remains victim of political crises. All of this hampers ^{Prevents?} tourists from visiting these areas. Unfortunately, it ~~makes~~ ^{gives} the economy major shocks as tourism sector contributes a lot to the GDP, and the livelihood of many citizens as of tourist guides; touring companies, resorts, restaurants is all based on the tourists. Hence, political chaos discourages tourism ultimately giving a shock to economy.

Moreover, political chaos creates disruptions in e-commerce businesses as well, which are major contributors to the economy. Consider the May 9 riots ^{in Pakistan} as an example - where amid the political chaos, government decided to shut the internet. This inflicted a major economic pain to economy. All of the businesses operated with internet by KFC, Carrefour, food panda, online e-stores,

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faced crises. Most importantly, freelancers using Fiver; one of them faced a major damage to their reputation when Fiver put them as 'users to work/hire with own risk'. All of these people contribute more to the economy than any other sector do. This shows how political chaos makes an economy bleed.

Furthermore, political chaos slows down the development of existing projects. This can be better understood through the prism of China Pakistan Economic Corridor.

Write English transcription in brackets

massive protests staged in Gwadar, where scores of people are chanting 'Gwadar ko haq do' are the illustration of the fact that how big is the intensity of political chaos there. All of this has slowed down the completion of CPEC. Considering the potential of CPEC and its employment opportunities through special economic zones, the slow down and disruptions in



the completion of project amid the political chaos does nothing but hurts the country economically. Thus, a massive boom to the economy is wasted by political chaos as it slows and causes disruptions in project.

In addition to that, the political chaos disrupts the cross border trade, depriving the countries of millions and billions. This can be best understood from the situation of long rivals India and Pakistan. Having potential of billion dollar trade, and benefiting each other the most - the trade between the both remains minimal amid the heightened political disagreements over Kashmir. Had both countries political stability and cross border trade, both of them would have benefited massively. It is because of political chaos that both countries has a minimal trade number depriving each other of the economic benefits, which would otherwise.



wise had been there.

more importantly, political chaos makes it difficult for businesses to operate.

A politically hostile environment is not conducive for the business community; which is

one the key major community contributing to the national

exchequer. Case in point of

Gujarat riots and protests last year paints the picture

slightly. It caused a major problem for the

transporters, shopkeepers, agro-based workers to work

into the hostility. As the state of ^{Gujarat} was experiencing strikes

on a regular basis. All of this political chaos deprived

the economic growth of the country those days.

moreover, political chaos results in destruction of infrastructure. Mobs and groups

part of a political protest or a strike often damage

public and private property which puts the country

at loss. Capital riots

in United States, ^{caused} ~~aided~~ by then president Donald Trump, resulted in huge losses of public property and it damaged many historical monuments as well. All of this weakens an economy and costs the country. Therefore, it is right to say that political chaos, undoubtedly, results in destruction of infrastructure costing country millions and billions.

Lastly, political chaos leads to an economic downfall by depreciating a currency of a country. Key case of Turkey is a promising one in this regard. Political chaos during the early months of 2023 amid the upcoming elections and rival groups chaos made the Turkish Lira nose-dive. It was continuously nose diving, and still struggling to rise.

It damages the economy by all means possible as the depreciation of currency can put the country at verge of collapse. Eventually, it leads to an economic downfall of the country,

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and all that is due to political chaos. Contrary to that, countries with strong political stability as of Singapore are the icons of excellence and are the growing economic giants. Study of Singapore as a politically stable country will prove that countries with no or minimal political instability are the ones rising to the heights of glory. Singapore is famous for going from Singapore to Singapore. Having a strong political base which is stable, Singapore is a country of scores of opportunities; it pays the best salaries; it has promising politicians and a very strong government with effective and active institutions. Singapore is free from the evil of political chaos, it has set new records by achieving one of the highest scores in economy. Having minimal



unemployment, average inflation unlike other politically instable countries, high minimum wages, biggest investments and strong human capital - Singapore has proved its mettle.

All the ~~above mentioned~~ paragraphs serve to the ~~purpose~~ of illustrating how political chaos ~~is~~ is a cancer for economic prosperity. History has ~~seen~~ many countries in it, which were blessed with the most, but amid the political chaos - they made their economic downfall inevitable. It cost those political instable countries with nosediving investments, forced their qualified people leave the country, devalued their currency, discouraged tourism and hurt the businesses.

All of these devastating impacts resulted in economic downfall - hence costing them a lot and bleed economically. Whereas countries like Singapore with strong political position changed the fate of their nations and achieved prosperity.

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