

How political instability hurts economic growth?

Outline:

1. Introduction:

Thesis statement: Political stability and economic stability go hand in hand whenever the chain gets **disturbed** the economic growth experiences numerous hardships: Trade deficit, brain drain, out flow of money so on and so forth.

2. How political instability hurts economic growth:

2.1 Political instability creates trade deficit

2.2 Brain drain has been the provision of political instability

2.3 Slow down in foreign investments

⇒ Case study of KSA Investment in Pakistan

2.4 Out flow of money

2.5 Shift of industries and **resultant** unemployment

2.6 Reduces the development of economic infrastructures

⇒ Case study of CPEC Phase 2

2.7 **Increase in** increases imports

2.8 Impacts on local businesses

2.9 Less production of products due to imported hydrocarbons

2.10 Increases inflation

⇒ Hyperinflation 2023

Date: ___/___/20___

- 2.11 Disrupts balance of payment ✓
- 2.12 Devaluation of local currency ✓
- 2.13 High taxes on goods ✓
- 2.14 Down fall of agriculture sector ✓
- 2.15 Food insecurity and price hike ✓
- 2.16 Impacts digital economy ✓

3. Conclusion:

Suggest remedial measures to overcome the issue as well