

TERRORISM EATS ECONOMY

Outline :

This statement: Terrorism have huge impact on foreign investment, migration rate, tourism and indeed whole economy of a state.

A. Introduction.

B. Impacts of terrorism on economy:

(i). Terrorism is a big hurdle in the way of foreign investment that negatively impact economy.

(ii). Slowdown and delays in CPEC project is a halt for economy induced due to terrorism.

(iii). Terrorism is the causation behind high migration rate that impact economy.

(iv). Entrepreneur is the basis of economy, which is influenced by terrorism.

(v). High budget allocated to security, because of terrorism impact economy.

(vi). Terrorism impact rural and urban development that influence economy.

(vii). In Terrorism attacks infrastructure is destroyed that eats economy.

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(viii) Terrorism is a hurdle in the way of nation integration which in response cease economy.

(ix) Political instability caused by terrorism is a black mark for economy.

(x) Terrorism effect tourism that impact economy.

(xi) Shut down of internet because of terrorism delays the prosperity of economy.

(xii) Economy is impacted by indulging more resources to tackle terrorism.

C. Remedies

plz write about remedies

D. Conclusion

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A developed country or an underdevelopment country, no body is safe from the evil of terrorism. Terrorism is defined as unlawful acts or threats of violence to achieve any political or ideological goal. Same happen in US on 9/11 and in Pakistan Kumbhar district. It impacts economy and other spheres of state. Terrorism halt economy by creating trust issues for foreign investors, no country wants to invest in a warzone. Highly progressive projects like CPEC and BRI who are hope for economy can come into influence of terrorism. Not only foreign investment but also state internal affairs such as entrepreneurship is at a risk because of terrorism. A huge risk crises is generated in a country and to deal with it all other affairs including budget is ignored and high spending on security issues create a block mark for economy.

In a state where budget is compromised development of rural and urban areas is not possible.

These underdevelopment ~~causes~~ lack of educational institutions and

because of low literacy rate

men power producers are less

write exactly how terrorism impacts

consumers. Therefore,

terrorism impact foreign investment,

migration rate, tourism and indeed

whole economy of a state.

~~Terrorism is a big handle in~~

the way of foreign investment that

negatively impact economy. As no

state is willing to invest in

a war zone. After 9/11 in US

~~the stock market fall by 10% in~~

~~few days as noone was investing~~

~~because of threat of another attack. Hence,~~

lack of investments halts economy. As

per World Bank's report on, "Vidence without

borders: The internationalization of crime and

conflict", terrorism, civil war and organized

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Crime create significant instability as well as adverse affects on economic growth and foreign investment. It hampers investors confidence and disrupts trade, making region less attractive to foreign businesses.

Along with foreign investment big developmental projects like CPEC are also delayed because of terrorism which negatively impact economy. Many national and international projects have been delayed because of terrorism. CPEC phase II was expected to start in 2021 but there have been significant delay in it because of ongoing attacks on CPEC engineers. These attacks not only effect freindshep btw between two countries but also economy of the state where projects have been continued. According to voice of America, Attacks of chinese nationals have impacted upon enduring freindshep between Pakistan and china. 2022, Attack

of BLA, or 2017 attack on 21 Chinese nationals have increased the chances of delaying of big project. Therefore, these projects delay have capacity to halt economy.

~~Moreover, terrorism is the causation behind high migration rate that decreases labour and effect~~

~~economy.~~ In recent years, many countries are facing terrorism including Palestine, Pakistan, Syria, Afghanistan, Lebanon, Egypt and many other middle east countries. Increasing terrorist attacks makes it harder for people to live under continuous threats. Hence, they choose migration, and with increase in migration rate labour force decreases therefore economy goes down. According to Cambridge University press and assessment, global data from 133 countries between 2007 and 2015 shows that increase in terrorist attacks increases migration rate, and in response economy of the state declines.

With more people migrating to other stable and safe states entrepreneurship declines as a result economy declines. Interstate investment is important for growth of GDP.

~~But continuous terrorist attacks increases the fear and threat in people. National and international clients avoid investment in these areas effected by terrorism which becomes the reason of decline in economy.~~ According to

Institute of Science and International Security (ISIS), reports from UN and other institutes shows that ^{in areas} heavily impacted by terrorism, the instability leads to loss of spirit of entrepreneurship. As terrorism drives business away, it causes a downward shift in economy.

To tackle with risky environment of terrorism, high budget is allocated to security, this causes huge burden on economy. Hence, weakens economy. Especially in developing countries where survival is

at risk economy can not stand on huge burden of security. This leads to fall of economies. According to Budget of 2023-24 of Pakistan, Security budget was 3 trillion PK while deficit was around 6.54% of GDP.

A country which can barely survive on its own have budget higher than deficit for security purposes. This leads to decline of economy.

Furthermore, when budget allocation have loopholes and terrorism is on peak, development of rural and urban areas remains stagnant.

World's population majority 56% live in Urban areas and 43% in rural areas, as per UN reports. Both are affected by threats of terrorism. As terrorism grows, it weakens the roots of economy by slowing down the process of development.

In areas like Jerusalem and New York, where terrorist attacks are on their peak triggers a shift of

economic priorities, leaving cities struggling with lack of development as an impact of terrorism. as per US office of justice programs.

In addition, where further development is not possible because of terrorism, already present infrastructure also became malfunction that breaks backbone of economy. ~~Infrastructure take decades to be in functional form and can be destroyed in a single terrorist attack.~~ A destroyed infrastructure of various institutions, hospitals, schools etc take years to come back in original form. Construction of One world trade center took 13 years to rebuild after 9/11 attack. Amount of 15 bn USD\$ that is used on its rebuilding was a burden on economy. Terrorist attack destroy infrastructure, which leads to cascading effects on energy, transportation that amplify economic loss as per RAND corporation survey on threats to critical infrastructure.

Similarly, terrorism is a threat to national integration that in response have negative effects on economy. A nation's growth depends upon its people. When people are separated because of militancy and insurgencies of terrorist groups their integration cease. loss of spirit in a nation have cascading effect on economy as people are not ready to work for betterment of nation instead indulged in individualized propagandas.

There is high level of international conflicts and weak national integration in countries where terrorism is concentrated according to institute of economics and peace.

Also, when national integration is weak there are also evidences of weak economy in such states such as Afgan and Islamic states according to study.

Not only national integration but also Political stability caused as a

the result of terrorism is a black mark for economy. Political leaders indulged in inter party or intra party affairs might not shed light upon terrorism that resultantly declines economy. Moreover, some insurgent group wants there demands to be fulfilled by government it also creates political instability. As opposition parties in Pakistan and Syria wanted there demands to be met and for that purpose they caused political instability. In Pakistan internet, roads and institutions were closed for days during opposition party march to Islamabad which not only causes political instability but also economic loss.

Furthermore, during political instability, terrorist attacks, negative image is portrayed to the world and tourism is highly impacted. Tourism produces/shares a decent amount in economy. But during terrorist invasions tourist avoid visiting endanger countries that further haults economy. According to

university of Greenwich, following terrorist attacks in Turkey between 2015 and 2016, tourism demand saw a sharp decline, with international tourist numbers dropping by 30%. When the tourism revenue decline, business in the tourism sector and whole economy suffers a setback.

Beside tourism, internet shut down during security threat is a big danger for economy. In the 21st century, where half of revenue is generated through online sources break down of power and internet slows down economy. Freelance workers, travellers, software houses, hospitals, factories, critical work factories are disturbed during shut down of internet. These entities produce less profit which not only have cascading effect on economy but also keep them behind in race with other nations. According to Iran news updates, a report indicates restriction on internet in Iran such as blocking of Instagram and whatsapp,

results in economic loss of \$920 million in 2023 alone.

Therefore, most of the resources like military, foreign funds, internal tax payers' money are indulged in tackling terrorist attacks. When a state has only security concerns as a priority then everything falls behind including prosperity of nation and economy. As per World Economic Forum, since 2005, Iraq has spent \$159 billion in purchasing power parity. This represents 32% of country's GDP.

Hence countries spending high percentage of GDP on terrorism reduction measures have declining economy.

In order to mitigate evils of terrorism several bold steps are required. Rule of law should be established. Militancy of terrorist groups have to decline by intelligence based operations by the state. Internal threat should be catered and if possible negotiated with minimum.

loss of economy. While foreign
terrorist groups should be catered
with iron hand. This is only
possible through inter and intra
national policy making.

To summarize, terrorism has
cascaded effects on foreign investments,
big projects, migration rate, tourism,
development and overall economy
of a state. It produces such
circumstances where growth of a
state is slowed down. Political instability
rises up to the sky, where no government
is ready to take responsibility of
circumstances. In such conditions, no
foreign investment or tourist agreed
to stand or visit at tough times.
Shutdown of internet, slow work of
administration and delayed process of
development amplify impact of terrorism
on economy. In such circumstances,
hope still exist. By implementing
rule of law and modifying national
and international policies a nation

can come out of this darkness.
As a French philosopher said: "Out
of difficulties grow miracles". Hence by
restoring national integration a
state can stop terrorism from
eating economy.

Well
elaborated