

# Press release

Press enquiries:

Joanne McKenna Tel: +44 (0)20 7576 8188 / joannemckenna@eiu.com

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## **Social protest likely to topple governments as economies founder, says Economist Intelligence Unit**

Bouts of social unrest are set to disrupt economies and topple governments over the next two years, according to a new report from the Economist Intelligence Unit. Of 165 countries assessed in the report, 95 are judged to be at high or very high risk. Of the remainder, 53 are considered to be at moderate risk—far from a clean bill of health. Only 17 countries are rated as low risk.

“Warnings of the dire social consequences arising from the economic downturn have come with increasing frequency, but have often been dismissed as self-serving, political or scare-mongering,” says Alasdair Ross, the report’s editor. “But we believe that the threat is grave, and that the risk of complacency far outweighs any risk of exaggerating the dangers.”

The report, *Manning the barricades: Who’s at risk as deepening economic distress foments social unrest*, outlines four factors driving political discontent:

- **The depth of the economic crisis** The most serious downturn since the 1930s, global and synchronised as never before, will drive up poverty and unemployment.
- **A very personalised crisis** This downturn is not seen as the product of impersonal social forces, but of the ineptitude and greed of identifiable individuals. This is fuelling a deep anger, raising the risk of a popular explosion.
- **Underlying anxiety** There is a suspicion that things are even worse than officials are saying. The anxiety is fed by the seeming powerlessness of authorities to stem the crisis.
- **The contagion factor** Just as the economic crisis has proved to be global in ways not seen before, so local incidents have a potential to spark unrest not only in neighbouring areas, but even further afield, especially in view of the almost instantaneous nature of modern communications.

Using a specially constructed **Political Instability Index**, which combines 15 social and political indicators, the report pinpoints the countries most at risk from social protest.

Many of the members of the group in the highest risk category in 2009-2010 will not surprise. These include countries like Afghanistan, Zimbabwe, Chad, Sudan, and Pakistan, which are in a state of almost permanent conflict or upheaval. Of the 27 in this group, 13 are in Sub-Saharan Africa.

There are six Asian countries, four in Latin America and three in Eastern Europe. There is only one Middle Eastern country in the very high risk group (Iraq). Among developed states, a fairly large number are rated as having a moderate risk of unrest, whereas until recently almost all would have been rated as low risk. Even the US is not considered free of risk. It has significant problems with minorities and social provision is low relative to levels of development.

China and Iran, two countries often singled out as being at considerable risk of social unrest, are not in the high risk category. Poor countries feature prominently among the countries in the highest risk group, although this category also includes some medium-income countries.

The index evaluates the vulnerability of states to social or political unrest, defined as those events or developments that pose a serious extra-parliamentary or extra-institutional threat to governments or the existing political order. The events will almost invariably be accompanied by some violence as well as public disorder.

The report also sets out three scenarios for the global economy over the next three-to-five years, and concludes there is a 30% chance of the world falling into depression. This would see growth rates in developed economies average less than 1% between 2009 and 2013, insufficient to make inroads into mass unemployment and greatly increasing the risk of social breakdown.

There is a 60% chance that the stimulus operations now underway will restore stability by 2010/11, albeit at lower growth levels than we've been accustomed to in recent years. A third scenario, in which falling confidence in the US economy leads to mass withdrawal from dollar-denominated assets and a collapse in the US currency, carries a 10% probability.

***Manning the barricades: Who's at risk as deepening economic distress foment social unrest***

is available free of charge at [www.eiu.com/special](http://www.eiu.com/special)

**Press enquiries:**

Joanne McKenna, Press Liaison, +44 (0)20 7576 8188; [joannemckenna@eiu.com](mailto:joannemckenna@eiu.com)

Alasdair Ross, Global Country Analysis Product Director; +44 (0)20 7576 8230; [alasdairross@eiu.com](mailto:alasdairross@eiu.com)

**About the Economist Intelligence Unit**

The Economist Intelligence Unit is the world leader in global business intelligence. It is the business-to-business arm of The Economist Group, which publishes *The Economist* newspaper. As the world's leading provider of country intelligence, the Economist Intelligence Unit helps executives make better business decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies. More information about the Economist Intelligence Unit can be found at [www.eiu.com](http://www.eiu.com).

Rank	Country	Index score	Rank	Country	Index score
1	Zimbabwe	8.8	82	Saudi Arabia	6.1
2	Chad	8.5	82	Mongolia	6.1
3	Congo Kinshasa	8.2	86	Bulgaria	6.0
4	Cambodia	8.0	86	Jamaica	6.0
4	Sudan	8.0	88	Benin	5.9
6	Iraq	7.9	88	Ghana	5.9
7	Cote d'Ivoire	7.8	88	Nicaragua	5.9
7	Haiti	7.8	88	Tanzania	5.9
7	Pakistan	7.8	92	Namibia	5.8
7	Zambia	7.8	93	Armenia	5.8
7	Afghanistan	7.8	93	Syria	5.8
7	Central African Republic	7.8	95	Malawi	5.7
13	North Korea	7.7	95	Mozambique	5.7
14	Bolivia	7.7	97	Morocco	5.6
14	Ecuador	7.7	98	Bahrain	5.5
16	Angola	7.6	98	Cape Verde	5.5
16	Dominican Republic	7.6	98	Israel	5.5
16	Ukraine	7.6	98	Kuwait	5.5
19	Bangladesh	7.5	98	Slovakia	5.5
19	Guinea	7.5	103	Spain	5.5
19	Kenya	7.5	104	Brazil	5.4
19	Moldova	7.5	105	Egypt	5.4
19	Senegal	7.5	105	Jordan	5.4
19	Guinea Bissau	7.5	107	Togo	5.3

19	Nepal	7.5	107	Bhutan	5.3
19	Niger	7.5	109	France	5.3
27	Bosnia and Hercegovina	7.5	109	Iceland	5.3
28	Liberia	7.4	109	USA	5.3
29	Venezuela	7.3	112	Azerbaijan	5.2
29	Timor Leste	7.3	112	El Salvador	5.2
31	Sri Lanka	7.3	114	Uruguay	5.2
32	Sierra Leone	7.2	115	Gabon	5.1
33	Argentina	7.1	116	Chile	5.1
33	Kyrgyz Republic	7.1	116	Ethiopia	5.1
33	Myanmar	7.1	116	Laos	5.1
33	Panama	7.1	116	South Korea	5.1
33	Tajikistan	7.1	120	Italy	5.0
38	Colombia	7.0	121	Rwanda	4.9
38	Lebanon	7.0	122	Madagascar	4.9
38	Peru	7.0	123	Portugal	4.8
38	South Africa	7.0	124	Belarus	4.8
38	Thailand	7.0	124	China	4.8
43	Lesotho	7.0	124	Kazakhstan	4.8
43	Nigeria	7.0	127	Botswana	4.7
43	Mali	7.0	127	Swaziland	4.7
46	Burkina Faso	6.9	127	Trinidad and Tobago	4.7
46	Burundi	6.9	130	Malta	4.7
46	Cameroon	6.9	130	Singapore	4.7
46	Papua New Guinea	6.9	132	Ireland	4.6
46	Mauritania	6.9	132	UK	4.6
51	Honduras	6.8	134	Tunisia	4.6
51	Indonesia	6.8	135	India	4.5
53	Philippines	6.8	136	Poland	4.5
54	Turkey	6.8	137	Libya	4.3
55	Eritrea	6.7	137	Sao Tome & Principe	4.3
55	Estonia	6.7	139	Taiwan	4.3
55	Gambia	6.7	139	Vietnam	4.3
55	Latvia	6.7	141	Cuba	4.2
59	Guyana	6.7	142	Cyprus	4.1
60	Algeria	6.6	142	Qatar	4.1
60	Guatemala	6.6	142	Seychelles	4.1
60	Macedonia	6.6	142	UAE	4.1
63	Malaysia	6.5	146	Belgium	4.0
63	Uganda	6.5	146	Hong Kong	4.0
65	Russia	6.5	146	Netherlands	4.0
66	Paraguay	6.4	149	Oman	3.9
66	Romania	6.4	150	Germany	3.8
66	Serbia	6.4	150	Japan	3.8
66	Montenegro	6.4	150	Slovenia	3.8
70	Greece	6.3	153	Czech Rep	3.7
70	Uzbekistan	6.3	154	Australia	3.6
72	Congo (Brazzaville)	6.3	154	Austria	3.6
72	Georgia	6.3	154	Luxembourg	3.6
74	Albania	6.2	154	New Zealand	3.6
74	Belize	6.2	158	Costa Rica	3.5
74	Iran	6.2	158	Mauritius	3.5
74	Turkmenistan	6.2	160	Switzerland	3.4
78	Croatia	6.1	161	Finland	3.2
78	Equatorial Guinea	6.1	161	Sweden	3.2

78	Mexico	6.1	163	Canada	2.8
78	Yemen	6.1	164	Denmark	2.2
82	Hungary	6.1	165	Norway	1.2
82	Lithuania	6.1			

### Political Instability Index

