



Discussion

The Macroeconomic Impact of Social Unrest

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Measuring Social Unrest is Inherently Challenging

Contributions

- New **cross-country index of social unrest** based on news data from common sources
- **Quantification of the correlation between social unrest and economic performance**
 - Disaggregation by *type* of unrest and prior economic performance

Questions

- **What does the RSUI index measure?**
 - Inherent bias?
- **Causality?**
- **Mechanisms?**

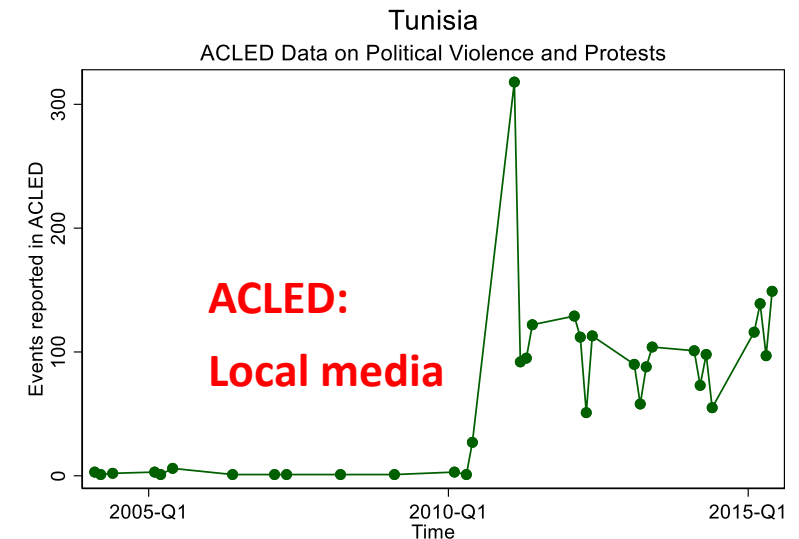
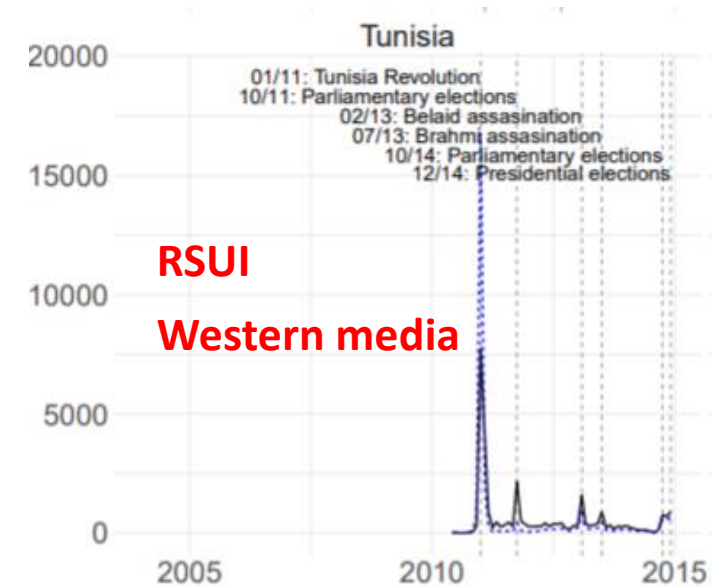
What does the RSUI measure?

Based on Western media sources

- Pro: same source
- Con: bias
 - Selective coverage (see e.g. Do & Das, 2009)
 - Crowding out by other more newsworthy events
 - Coverage is endogenous to unrest & shifting geopolitical interests

What is “unrest”?

- Is it a precursor to war and/or regime change?
 - Sample restricted to non-fragile countries (selection bias?)



Causality: is unrest exogenous?

- Bardett et al. (2020), p1:

*Unrest has a natural connection to economic questions, as economic factors may contribute to social unrest. For example, **increases in taxes and fuel prices were important triggers for recent protests in Lebanon and Iran, respectively***

- IV: unrest in other countries
 - Is the **exclusion restriction** satisfied?

Mechanisms

- **Why do countries with better institutions and greater fiscal space suffer lower output losses?**
 - Increased spending ?
 - Less repression?
 - Less political risk?
- **Testable!** E.g. interact measures of unrest with
 - Government spending
 - Repression
 - Political risk