The Drivers of Grievance and Unrest in the World’s Populations: Understanding Instability, Terrorism & Migration

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Chapter 1: General Concept & Approach

- Great power competition is as much over the hearts and minds of populations as it is about strategic force and control of natural resources.

- People’s grievances and frustrations lead to social unrest, acts of terror and politically destabilizing migration.

- The results of this study anticipate hot spots and their effects on US interests for strategic planning, and identify factors potentially influenced by inter-agency efforts.

### Populations are key battlefields in Global Power Competition

- Great powers vie for allegiance of populations
- Great powers manipulate grievances and unrest of populations
- Great power objectives can be frustrated by social unrest

### Products

- *Report Inequality, Risk Sensitivity and Grievance in Context: Summary of Aggrieved Populations Country Reports*
- Individual reports on 25 countries
Background: PITF & Academic Research

- Political Instability Task Force (PITF)
  - 1994 CIA-funded unclassified database of social unrest events, culminated in a series of publications in early 2000s
- Influenced research on political stability, terrorism scales
- Primary finding:
  - Instability predicted 70% of the time with only 4 variables:
    - Weak Democracy
    - Neighboring warfare
    - State-led Discrimination
    - Infant Mortality

Problematics
- Prediction vs theory
- Updating
- New concerns: climate change, food insecurity
- Inequality-driven Risk sensitivity
Aggrieved Populations Project: Concept and Plan

- **Purpose:** Anticipate the Operating Environment 2019-2029 by identifying Emerging Regional and Non-state Challenges

1. **Phase I: Global Analysis**
   - Re-evaluate leading statistical models

2. **Phase II: Country-specific Analysis**
   - Use risk sensitivity methods to search for social cleavages within 25 key countries

- **Central Concept:** Assess inequality, decision making under risk and political stability

- **Control**
  - Finland

- **Eastern Europe**
  - Russia
  - Serbia
  - Croatia

- **Western Europe**
  - Germany
  - France
  - Great Britain
  - Italy

- **North America**
  - US
  - Mexico

- **Central America**
  - Honduras

- **South America**
  - Brazil
  - Venezuela

- **Africa**
  - Nigeria
  - Ethiopia
  - South Africa

- **East Asia**
  - China
  - Indonesia
  - North Korea
  - South Korea
  - Japan

- **South Asia**
  - India
  - Pakistan
  - Afghanistan
  - Iran
Signaling Status with Wealth

- What if value originated in the social distribution of wealth?
  - Keeping up with the Joneses
  - Deadly Sin of Envy
  - Violating the 10th Commandment
- People strive to gain tokens of social status (greed), resent when they are aware others have more (envy), and become distraught when they lose them (loss aversion).
  - Even monkeys do it!
  - It’s the root of the neuropsychology of fairness and grievance
- Kenneth Arrow & John Pratt propose the Arrow-Pratt measure of risk aversion =
  - $-U(\text{wealth})''/U(\text{wealth})'$
Aggrieved Populations Project: Risk

- Previous research in dozens of societies (tribes, ancient states, communities, modern countries, world) established a pervasive distribution of wealth – expo-sigmoid curve
- Gathered data on percent wealth owned by percentiles of population for 162 countries
- Expo-sigmoid curves fit and used to generate estimates of risk sensitivity

Positive Arrow-Pratt values = Risk Avoidance
Negative Arrow-Pratt values = Risk Acceptance
Statistical Approach

• Focused on three dependent variables:
  – Political Instability – World Bank Political Stability Scale
  – Terrorism – START Terrorism Index
  – Migration – UN estimates of net migration

• Began with all variables cited in previous statistical modeling, plus overlooked variables such as:
  – Food insecurity – UN food deficit
  – Impacts from Climate Change – Notre Dame GAIN Index
  – Risk Sensitivity

• Used a stepwise regression and relative value regression to control for multicollinearity and to eliminate variables with no or dubious causality
Political Instability

- Political Instability Model
- DV: World Bank Political Stability Scale
- Explanatory Variables:
  - Hunger
  - Risk Acceptant Elites
  - Corruption/Oil Export
  - Weak Democracy
  - Mountainous Terrain
  - Economic Isolation
  - Ethnic division

- Hungry people have a grievance, but it takes manipulative and restive elites to mobilize them
- Its not just oil, its corruption +!
- Mountains are difficult to govern
- Engagement with world economic system may create disincentives of elites to defect
- Social divisions are problematic
Terrorism

- **Terrorism Model**
- **DV:** Global Terrorism Index
- **Explanatory Variables:**
  - Large Population
  - Ties to MENA Oil Producers
  - Corruption/Oil Export
  - Status loss among the middle class
  - Weak Democracy
  - Religious division
  - Economic Isolation

- More people = more rare people who will engage in terrorism
- There is something about an oil economy and corruption, and ties to such regimes that is problematic
- Loss aversion creates outrage among middle class – main source of terrorists
- Weak democracies lack capacity to deal with terrorism
- Religion motivates on sacred values
Migration

**Per Capita Net Migration**

- **Immigration to Developed Countries Model**
  - Explanatory Variables:
    - Permissive Immigration Policy (High MIPEX Score)
    - National Wealth (High GDP)
  - Wealthy countries with permissive immigration policies attract migrants

- **Emigration from Developing Countries Model**
  - Explanatory Variables:
    - Hunger – Food Deficit
    - Youth Bulge
    - Homicide
    - Political terror at home
  - People flee hunger, young are able to flee, and people flee homicide & political terror
Country Studies of Inequality and Risk Sensitivity

• Risk Acceptant Populations
  • Brazil, Honduras, Mexico, Nigeria, South Africa, and Venezuela
  • Primary manifestation – Homicide & Emigration

• Loss Averse Populations
  • Europe, Pakistan, Venezuela, Iran
  • Angry middle class, protest, political shifts
  • Sanctions exacerbate these effects in Iran
  • Primary manifestation - Nationalism

• Agrarian Populations
  • Afghanistan, Ethiopia, Honduras, India, Indonesia, Nigeria and Pakistan
  • High inequality and competition/unrest in rural areas

• Six Dynamics Identified
  • Baselines: Finland and the US
    • Finland – low inequality, high stability
    • US – high inequality + middle class losses from recession
  • Typical Populations
    • India, Indonesia, Japan, Russia, Serbia and South Korea
  • North Korea
    • Masses just try to survive, intense intrigue & competition among elite; Kim family uses terror to contain dissent
Summary Findings

Global country-level study:

- **Political instability** is driven by hunger, risk acceptant elites, the interaction of fuel export and corruption, weak democracy, mountainous terrain, economic isolation, and ethnic division.
- **Terrorism** is fueled by large populations, ties to MENA oil producers, the interaction of fuel export and corruption, economic isolation, and a risk acceptant middle class.
- **Migration from undeveloped countries** is driven by hunger, a youth bulge, homicide and political oppression, and
- **Migration to developed countries** is driven by permissive immigration policies and the attraction of national wealth.

Country-specific statistical analyses revealed several patterns of stability and instability based on the inequality and risk sensitivity of their populations.

- Countries with **low inequality** are **stable**, such as Finland.
- Countries with **unusually high levels of inequality** are characterized by extremely **high levels of interpersonal violence**, such as Honduras and South Africa. Interpersonal violence is a driver of **illegal migration**.
- **Agrarian countries** have extremely **high levels of inequality** and consequently **experience unrest** in rural areas, which in turn is exacerbated by rural/urban inequalities. Afghanistan, Pakistan, Honduras, Nigeria and Ethiopia are good examples.
- Countries where some **sectors have lost wealth and status**, or perceive an external threat to their status, have **seen nationalist and populist parties gain power**. Examples include Pakistan, Germany, Italy, UK, and to a lesser extent Iran.