Anticipating crises

The TAC ECONOMICS approach illustrated by the case of Syria

TAC ECONOMICS

Anticipating crises:
a combined approach for a comprehensive risk analysis

At TAC ECONOMICS, our methodology is based on a three-pronged approach incorporating:

1. Our **economic scorings**, to assess structural constraints and imbalances.
2. Our **political scorings**, focused on the internal nternal fragility of governments and institutions..
3. Our **geopolitical vulnerability measures**, to analyse countries' exposure to regional and international tensions..

This integrated approach enables us to identify both structural vulnerabilities and potential crisis triggers.

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The case of Syria: clear ex ante vulnerabilities

(1) On the political side: Our *Government Management Setting* and I*nstitutional Setting* indicators, included in our measure of political risk, highlighted extremely weak political stability and institutions dominated by authoritarianism and nepotism. These results showed critical weaknesses in government and institutional management, placing Syria in 2024 in the most unfavourable zone of our assessments.

(2) On the geopolitical vulnerability side: Our GeoPolitical Sensitivity Index (GPSI), which assesses exposure to international tensions, ranked Syria among the three most fragile countries in the world, after Russia and Iran. This combination of political and institutional weaknesses and critical geopolitical exposure signalled a major risk of collapse.

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The case of Syria: clear ex ante vulnerabilities

Political & Governance Risk Ratings components

Institutional Setting / Government Management Setting scatter plots showing Syria (SYR) circled in the top-right "Mismanagement Disruptions" quadrant and "Authoritarian Nepotist" quadrant.

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Alert systems: combining vulnerabilities and real-time monitoring

While structural vulnerabilities identify latent risks, our dynamic alert systems provide real-time monitoring of critical signals.

After 30 November 2024, our alerts demonstrated their effectiveness by capturing a significant increase in critical signals, reflecting the rapid collapse of the Syrian regime. These alerts made it possible to monitor in real time the insurgents' lightning advances, the disintegration of international support and the regime's complete loss of territorial control.

Alert systems: combining vulnerabilities and real-time monitoring

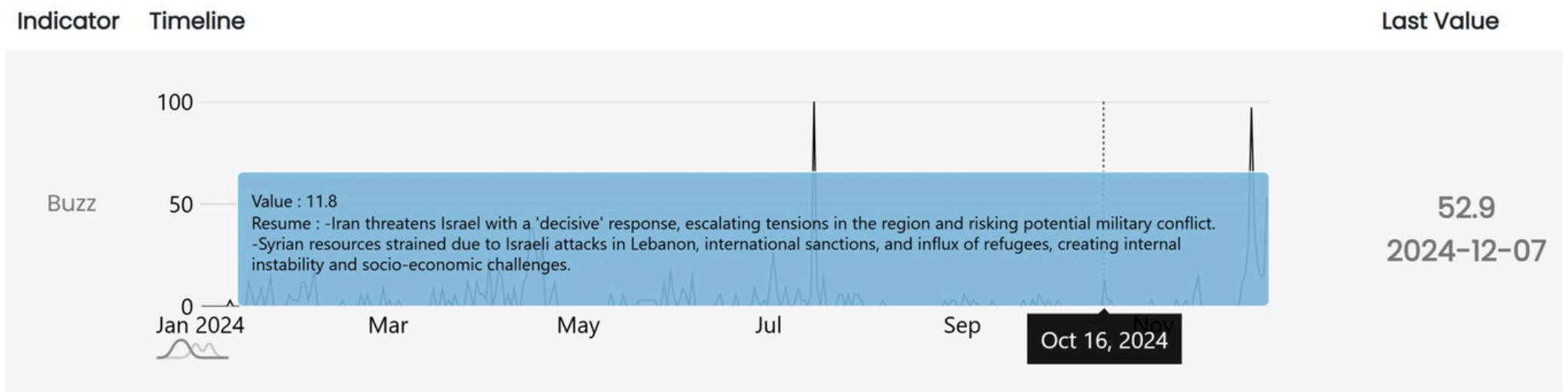However, the first signs of a major crisis were already visible well before this acceleration.

- In mid-November, Iranian reprisals against American bases in Syria signalled an intensification of regional tensions.

- A few days later, major Israeli strikes undermined the regime's international support, pointing to its growing isolation.

- At the end of November, the insurgent breakthrough in Aleppo signalled the rapid disintegration of Damascus' territorial control, making collapse inevitable.

Alert systems: combining vulnerabilities and real-time monitoring

⚡ Alert GPT - Alert on GeoPolitical Tensions

Select a country in the list below

🌐 Syria ▾

Indicator	Timeline		Last Value
Buzz			52.9 2024-12-07

Value : 11.8
Resume : -Iran threatens Israel with a 'decisive' response, escalating tensions in the region and risking potential military conflict. -Syrian resources strained due to Israeli attacks in Lebanon, international sanctions, and influx of refugees, creating internal instability and socio-economic challenges.

Oct 16, 2024

These early warning signals, detected by our alert system, highlighted a dynamic combining erosion of international support, growing internal fragility and accelerating geopolitical tensions. They provided a clear indication of the imminence of the crisis and its likely intensity..

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Why is this approach essential?

The combination of ex-ante structural analysis and real-time monitoring enables our clients to:

- Understand the fundamental vulnerabilities of countries and regions..

- Anticipate the immediate triggers of crises, their impact and strategic consequences.

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Explore our geopolitical risk metrics and alerts on the dedicated page of the TAC ECONOMICS Datalab:

https://app.taceconomics.com/products/GeopoliticalRisk

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