

[Asia](#) > [Singapore](#) | [Covid-19](#)

Five countries with the most resilient economies

Experts have already begun assessing how a recovery might look once the Covid-19 virus is contained, and which countries stand to bounce back best.



By Lindsey Galloway
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The Covid-19 pandemic has injected an unprecedented amount of uncertainty into the global economy, as countries across the world battle growing infections, implement wide-ranging social-distancing strategies and attempt early fiscal interventions to stabilise markets.

Top 10 most resilient countries, according to

While managing the immediate health crisis is vital and necessary for economic stability, experts have already begun assessing how a recovery might look once the

the 2019 Global Resilience Index

1. Norway
2. Denmark
3. Switzerland
4. Germany
5. Finland
6. Sweden
7. Luxembourg
8. Austria
9. US Central
10. United Kingdom

[See the full list here](#)

virus is contained and which countries stand to bounce back best.

To better understand this, we turned to the **2019 Global Resilience Index** by insurance company FM Global, which ranks the resiliency of the business environment across 130 countries, based on factors like political stability, corporate governance, risk environment and supply chain logistics and transparency. Pairing these rankings with their country's initial response to the virus, we identified the nations across the globe that have a high likelihood of maintaining stability and resilience through the crisis.

We talked to residents and experts in these places to understand how they're coping now and what they might look forward to in the hopefully near-term future.



Governmental financial aid packages in Denmark are being hailed as a model for the rest of the world (Credit: Viacheslav Chernobrovin/Getty Images)

Denmark

Ranked second in the index, Denmark scores high marks for its supply chain tracking and low governmental corruption. The country also moved quickly when it came to enacting social-distancing measures in light of the spread of the virus. It announced a shutdown of schools and non-essential private businesses on 11 March and closed its borders to foreigners on 14 March,

when the country only had a handful of positive cases. But the moves have already proven effective.

“Regular flu has dropped by 70% versus last year, which must be a good indicator of the effectiveness of the steps taken by the government,” said Rasmus Aarup Christiansen, managing partner of Pissup Tours, based in Copenhagen. “I was sceptical at first but seeing how almost all other countries have taken similar steps [like lockdowns and border closings] soon after Denmark, it seems the government was doing the right thing.”

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Most people feel a moral duty to make sacrifices for the sake of public health

Danish culture, which tends to be trusting of authority and willing to stand together for a common cause, has also had an impact on the effectiveness of the measures. “The word ‘*samfundssind*’ (which roughly translates to “civic sense” or “civic duty”) is the new buzzword in Denmark on both social and traditional media, and most people feel a moral duty to make sacrifices for the sake of public health,” said Aarup Christiansen. “No-one wants to be called out for being responsible for endangering the lives of senior citizens just because they won’t give up their usual luxuries.”



Denmark moved quickly when it came to enacting social-distancing measures (Credit: ClarkandCompany/Getty Images)

That doesn’t mean there haven’t been challenges, however. Aarup Christiansen has personally seen his travel business revenues plummet. While he appreciates the governmental financial aid

packages, announced on 14 March (which include covering some of the costs of worker salaries), the rules and outputs have yet to be fully defined and put in place, leading to more uncertainty and layoffs. Still, the measures, like paying 90% of wages of hourly workers and 75% of those of salaried workers affected by the crisis, are being hailed as a model for the rest of the world, by essentially “freezing” the economy until the storm subsides. The model won’t come cheap however; the measures are expected to cost 13% of total GDP.

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There’s also the sense here that this is a global crisis, and Denmark’s resilience will no doubt rely on how the rest of the world adapts and maintains open trade. “Denmark may be able to gain a relative advantage by having dodged some of the more serious consequences,” said Aarup Christiansen. In fact, the country is already talking about [loosening some of the restrictions by Easter](#) based on the containment so far, according to a Bloomberg report. “Denmark’s well-developed pharmaceutical sector may prove an advantage,” said Aarup Christiansen. “I would, however, find no pride in Denmark being better off if it comes from other countries having to suffer.”

Singapore

Singapore scores high in the index for its strong economy, low political risk, strong infrastructure and low corruption in the survey, pushing it to number 21 in the overall resilience ranking. The country also [moved fast to contain the virus](#) and has had one of the flattest curves in the pandemic.



Singapore managed to keep case numbers relatively low and has had one of the flattest curves in the pandemic (Credit: Tampatra/Getty Images)



Surviving this will make everyone more resilient

“We have tremendous trust in our government, who are relatively transparent about every step they are taking to fight this crisis,” said resident Constance Tan, who works for data analysis platform Konigle. “As a general rule, if the government enforces something, we comply.” That said, there are still rule-flouters, and the country has **taken away passports and work passes** for those in violation, according to a 21 March report by Channel News Asia. “But as a whole, we work together, and we do not need to worry about social unrest, people dying on the streets or economic destabilisation,” said Tan.

As a small country, Singapore depends on the recovery of the rest of the world to have the most successful rebound, but residents generally believe in the strength of the future here. “As a people, like everywhere else, I think surviving this will make everyone more resilient,” said native Justin Fong. “One thing for sure, this has forced the adoption of technology which will bode well for Singaporeans.” Many businesses like Konigle implemented work-from-home policies quickly, and the government released the **Trace Together app** to help track the virus, which many residents have downloaded.

United States

To capture the United States’ broad geographic footprint, the index splits up the country into West, Central and East regions, but as a whole, the US ranks well (9th, 11th and 22nd, respectively) for its low-risk business environment and strong supply chain.



New York City is currently the centre of the epidemic in the US (Credit: SeanPavonePhoto/Getty Images)

Containing the virus has proven challenging in **major metropolitan areas like New York**, and unemployment has already **jumped to historic levels**, in large part due to the mandatory shutdowns of more than half of US states, which has particularly hit restaurant and retail workers and other businesses that rely on foot traffic. But the US government has moved quickly to pass **stimulus measures** to stabilise the economy, and social distancing strategies enacted elsewhere in the country, which seem to be having an effect, should lessen the overall impact of the virus, allowing for a quicker economic recovery.

Financial institutions like **Goldman Sachs** and **Morgan Stanley are predicting** a “V-shaped” recession and recovery, with an unprecedented negative immediate impacts (as is already being seen) but a relatively quick recovery in the later quarters of the year; while consultants like **McKinsey** are taking a more measured, but still optimistic view, on recovery based on the successful implementation of public health measures – like the lockdowns in place – and policy interventions like the already-announced \$2t stimulus package, likely the first of many. The US is also critical to the world economy, representing a **nearly a quarter of global GDP**, and the recovery of the global economy is highly dependent on how the US fares.

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We want money, goods, services, labour and ideas to flow as freely as possible

“Generally speaking, the US economy is better-positioned to recover from large shocks and potential longer-run shifts than much of the rest of the world. The population is on average younger

than much of the rest of the world with more mobility, and labour market restrictions are generally lighter, thereby facilitating greater labour reallocation” said Eric Sims, professor of economics at the University of Notre Dame. “More immediately, the Federal Reserve in the US and the Bank of England in the UK (neither of which have yet gone to negative policy rates) have a bit more space to provide monetary accommodation than other central banks around the world, such as the ECB or the Bank of Japan.”



Social distancing measures in some US cities like Seattle seem to be helping flatten the curve (Credit: Aiisha5/Getty Images)

To further enhance the US' recovery, the presidential administration **has proposed** dividing the nation into areas that are less hard hit and allowing normal economic activity to recur. “I think those measures would go long way towards ultimately setting up the conditions for strong recovery,” said Peter C Earle, research fellow at the American Institute for Economic Research, a not-for-profit academic think tank. “We want money, goods, services, labour and ideas to flow as freely as possible, not just domestically but internationally as well.”

The US' lack of universal healthcare has been one criticism of the country's ability to handle the crisis, and one that needs to be addressed for future resiliency. “I think eventually the world can emerge stronger after the virus is contained and I believe the US can, too. But it all depends on the lessons we learn,” said Michael Merrill, an economist and labour historian in the Rutgers School of Management and Labor Relations. “We are going to have to invest in new forms of public health and create sustainable forms of social protection and institutional resiliency if we are to return to the commercially dense, interconnected, highly networked societies that were the norm only one month ago.”

Rwanda

We felt confident that the Rwandan government would handle the situation way better than in our home countries

Due to recent improvements in corporate governance, Rwanda has made some of the largest leaps in the index in recent years, jumping 35 spots to its current rank of 77th most resilient in the world (and fourth highest in Africa). Most importantly, it looks particularly well positioned to bounce back from this type of crisis as the country successfully contained Ebola from its borders after an outbreak from neighbouring Democratic Republic of the Congo in 2019. With its mix of universal health care, **medical supply-delivering drones** and thermometer checks at its borders, Rwanda stands to be well-equipped to maintain stability throughout the crisis, especially when compared to other countries in the region.

“A lot of foreign students like me stayed behind because we felt confident that the Rwandan government would handle the situation way better than in our home countries,” said Garnett Achieng, digital content curator for Baobab Consulting and student at the African Leadership University, who lives in **Kigali** and is originally from Kenya. “Amongst foreign African students, the only anxiety comes with knowing that our families back home are not in the same situation we are in.”



Rwanda has had experience in similar health crises, managing to successfully contain Ebola from its borders in 2019 (Credit: Sloop/Getty Images)

Rwanda was the first country in sub-Saharan Africa to impose a total lockdown, and is already **distributing free food** door-to-door to the country's most vulnerable. While tourism is expected to be hit hard, as Rwanda is a popular destination for many international conferences and exhibitions, Achieng is hopeful that the country will have relatively few casualties to the virus, making it well-positioned to recover quickly.

New Zealand

Ranked 12th-most resilient in the index, New Zealand scores especially high in corporate governance and its supply chain. The country has also been able to move quickly to contain the spread of the virus by shutting borders to international travellers on 19 March and enacting a **non-essential-business lockdown** on 25 March.



It's our time to sit down as a New Zealand family and decide who we want to be

“As an island nation, it is easier to control our borders, the main source of infections. So the effective border closure makes sense,” said Auckland resident Shamubeel Eaquib, economist at consultancy Sense Partners. “Compared to other countries, the response in New Zealand has been bold and decisive.” The measures are paying off, as some epidemiologists see it as having potential to be one of few **“normal” nations left**, according to a Guardian report, eliminating all cases if measures remain strong for the coming weeks.

With tourism and exports a major part of the economy, New Zealand will face some struggles to its economy in the near term, but this doesn't necessarily have to be a bad thing. “By being insulated, we will have time to recalibrate,” said Dunedin resident Ron Bull, director of curriculum development at Otago Polytechnic. “We had already started talking about the impact of campers and backpackers on the environment, and this gives us time to weigh up what's important against the waves of tourist dollars coming in.”



New Zealand's decisive action to close borders and lock down the country has made it well-placed for a stable recovery (Credit: Martin Vlnas/Getty Images)

Overall, the country is well-placed for a stable recovery, with low levels of government debt and the ability to enact quantitative easing to keep interest rates low. "We have fewer constraints to both blunt the impact of dealing with [the] pandemic and supercharge the recovery," said Eaquib. "Most importantly, New Zealand remains a relatively high-trust country. This will be a strong foundation for recovery from the biggest health and economic shock in generations."

Bull agrees the country has a likelihood to come out stronger. "Just like a family living in the same house, you have to get to know each other," he said. "It's our time to sit down as a New Zealand family and decide who we want to be and make some decisions to make us stronger and better."

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