

Geo-World: Conflict & Social Unrest January Update

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Geopolitical analysis is becoming a key element on the agenda for 2015. With the aim of tracking the evolution of conflicts and social unrest, we introduce the new BBVA Research conflict & social unrest monthly update. During January, the presence of ISIS in the Middle East continued to be a threat while the Russian-Ukrainian crisis escalated, increasing geopolitical worries in the region. In contrast, territorial disputes and geopolitical tensions eased in South-Eastern Asia. Social unrest related to demands for democracy (North Africa), together with terrorism and economic demands (Europe) have also increased.

Geopolitical conflicts around the world intensified in January...

BBVA Research World Conflict Heatmap (from 2H 2014 to Jan 2015)

(Number of conflicts / Total events)



Source: www.qdelt.org & BBVA Research

• The BBVA Research Conflict index increased sharply in January

International conflicts become an important global threat in 2015

• Ukraine-Russia conflict escalated

Russia-Ukraine tensions have escalated amid negotiations with western countries

• The international coalition has recovered some ground from ISIS

The coalition is stopping ISIS' advance but the threat very much remains

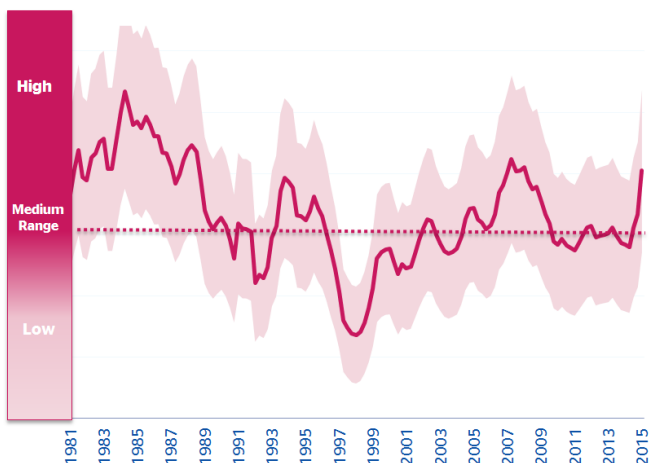
• Paris-Belgium terrorist attacks

Islamic Terrorism hit Western Europe. Social tensions increased

The BBVA Research World Conflict Intensity index¹ increased sharply during January and entered in the medium-high tension area. The increase has been the result of the still high conflict activity in the Middle East, an escalation of the Ukraine-Russian conflict and increasing conflicts in central Africa. Beyond this, the security situation in North Africa remained weak and a revival of security pressures in Europe has been observed. By contrast, we appreciated some relaxation of southern Asian sea pressures and some mild tensions in Latin America.

BBVA Research World Conflict Intensity Index 1981 - 2015

(Number of conflicts in the world / Total events in the world)

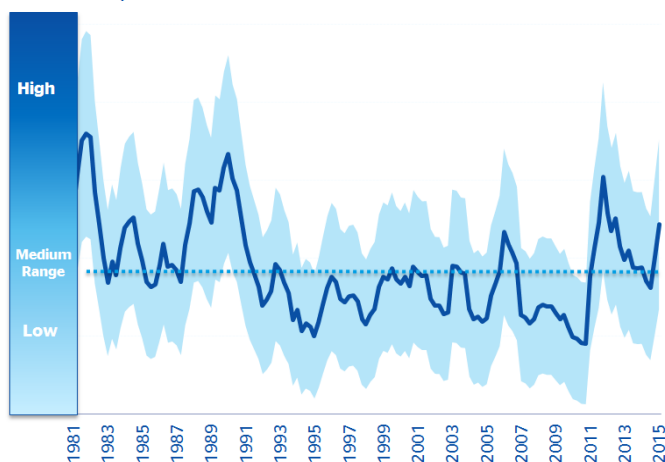


Source: www.qdelt.org & BBVA Research

The key hot spots continued to be the Russia-Ukraine and ISIS conflict. [The Russian-Ukraine crisis escalated](#) again in January (see our previous hot topic) after a relatively calmer period during October-November. This triggered a new meeting in the EU level to discuss new sanctions. The situation in neighbouring countries (Armenia, Belarus, Georgia...) also remained tense. In the Middle East, the International coalition forces regained some ground in Northern Syria (Kobane) and were able to stop the advance of ISIS in Iraq. However, it will take more time to secure peace in the region. Tensions also increased in Western Europe after the attacks in Paris and in Belgium.

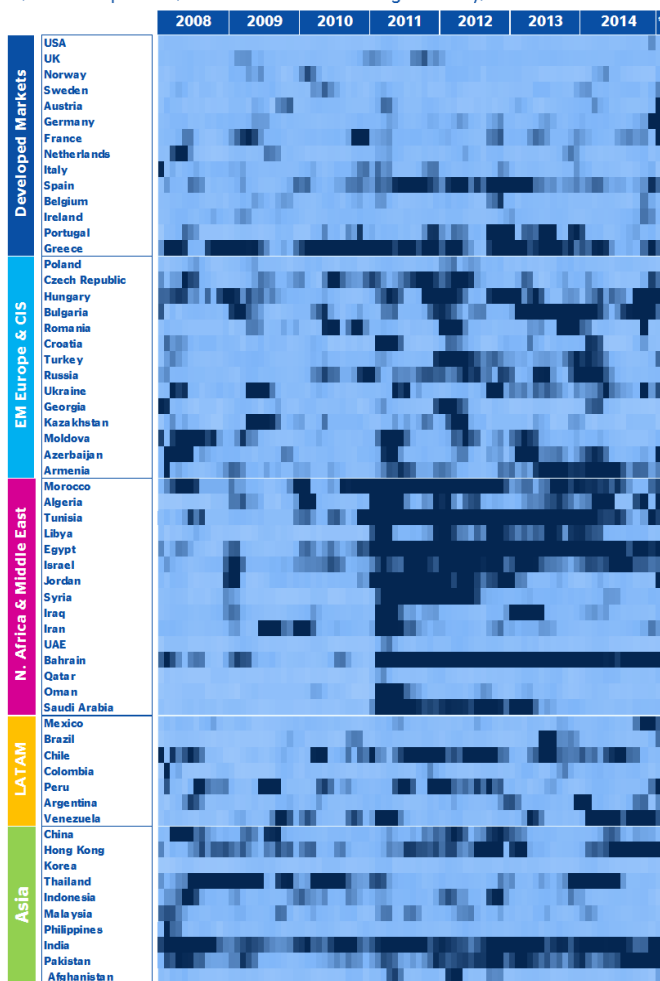
¹ Details about methodology can be found in the annex of our [BBVA Research Geo World Report](#).

BBVA Research World Protest Intensity Index 1981 - 2015
(Number of protests in the world/ Total events in the world)



Source: www.qdelt.org & BBVA Research

BBVA Research World Protest Intensity Map Jan 2011 - Jan 2015
(Number of protests / Total events. Dark Blue: High Intensity)



Source: www.qdelt.org & BBVA Research

A revival of protests and social unrest

Protests around the world have continued to intensify in January. Thus, the worsening trend since the fourth quarter of 2014 is still alive (as shown by our BBVA Research world protest intensity index²). This means a return to tensions after the relaxation during last two years after the peak during the Arab Spring in 2011. Our BBVA Research World protest intensity map below shows the evolution of protests on a country basis, allowing us to identify flare-up points.

In regional terms, the **Middle East and North Africa (MENA) countries** continued under social pressure. Demonstrations also intensified in western and central Europe and some Latin American countries, while they remained contained in most countries of East Asia.

- In **Western Europe**, terrorism and economic demands are triggering some increase in social unrest. The Charlie Hebdo attacks in France have awoken social unrest and have prompted demonstrations against Islamic extremism. In particular, social pressures have revived in France, Germany, Austria and, with lower intensity, in Spain and Sweden, perhaps given the fear of a second attack. The Greek election, on the other hand, has also revived social and economic demand pressures.

- In **Emerging Europe and CIS countries**, protest intensity rose in **Ukraine**, spreading social discontent to its neighbours such as the Czech Republic, Bulgaria and Hungary (where corruption, austerity measures and cuts in social welfare programmes will be joined by interest rate rises after the Swiss franc depreciation). **Local tensions also increased in Armenia** and to a lesser extent in **Russia and Ukraine** as economic deterioration, due to the conflict, hit local sentiment.

- In the **MENA region**, social and democratic demands continued to be high in **North Africa**. Instability increased in **Egypt** but also in **Algeria** and, somewhat less, in **Morocco**. In **Jordan and Israel** social unrest also increased while some **Gulf countries**, such as **Yemen and Bahrain**, maintained extreme levels. The situation in **Saudi Arabia** has remained calm after the death of the King. Mild protest demonstrations took place in **Iran**.

- In **Latin America**, protests moderated in **Mexico**, while they emerged in **Brazil, Peru, Argentina and Venezuela**.

- Pressure eased in **China**, although the situation in **Hong Kong** remains uncertain and large demonstrations were focused on **India and Pakistan**.

In sum, social unrest continued to increase in the first month of 2015. The outlook in **North African countries**,

already facing long-term pressures, remained uncertain as to how to meet social demands with [lower energy revenues](#) (see our previous hot topic). In **Europe**, social demonstrations increased after terrorist attacks and social demands revived somewhat after the Greek elections.

² Details about methodology can be found in the annex of our [BBVA Research Geo World Report](#).

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