

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
19 June 2024

Netanyahu dissolved the war cabinet. Political noise on the rise in France. Trump warnings on US aid to Ukraine if elected

Netanyahu dissolved war cabinet & anti-government pressure increases: The resignation of Benny Gantz and Gadi Eisenkot, two moderate members of the cabinet, and the demand from two ultranationalists to be admitted into the war cabinet as replacements, have led Prime Minister Netanyahu to dissolve the cabinet. According to officials, Netanyahu will hold meetings in smaller forums to discuss strategic issues. Beyond the dissolution of the war cabinet, anti-government pressures have increased in Jerusalem, with clashes between protesters and police near Netanyahu’s house and calls for new elections. ([Reuters](#)).

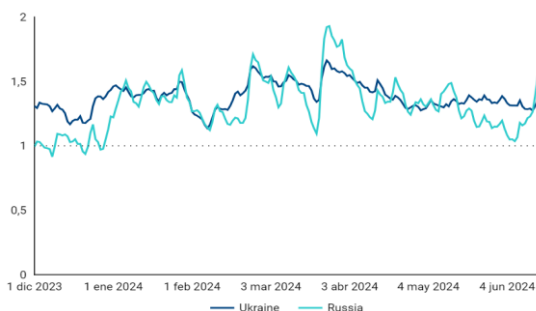
Political Instability in France: The victory of the far-right in France's EU elections and the upcoming snap elections continue to impact the political climate. The French Finance Minister has warned that France could face a "debt crisis" and come under the supervision of the IMF and the EU Commission if either the far-right or the left-wing come to power in the upcoming snap elections and "open the floodgates to public spending." ([Politico](#)).

Trump threatens to cut US aid to Ukraine if reelected: Ukraine's allies are in a hurry to secure long-term aid for Ukraine amid fears of a second Trump mandate. Commenting on aid to Ukraine, the former president warned that if he’s reelected, he would immediately “have that settled,” calling Ukrainian President Zelensky “the greatest salesman of all time” ([Politico](#)). The latest poll-of polls by abc news show a tight race (Trump:40.8%, Biden: 40.2%, Kennedy: 9.2%)

The BBVA Monitor: social unrest and instability rose in several regions compared to the previous week

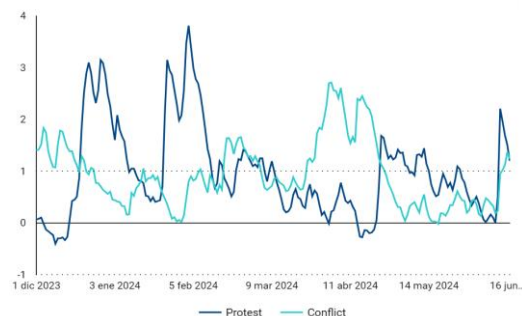
- The main hotspot for geopolitical tensions continues to be the **Middle East**, where the **geopolitical risk** and **conflict intensity** indicators are in the high-risk area. The ongoing Russian attacks on power stations, causing extended blackouts in Ukraine, increase the **conflict indicators** for **Russia and Ukraine**. The conflict index has also risen in **France** due to political turmoil and uncertainties following Macron's decision to call a snap election, raising concerns in other European countries (Fig 1 and Fig 3). Major violent protests in **Argentina** over Milei’s reforms have sharply increased the conflict indicator (Fig 2).
- **Political tensions** indicators remained contained for most of the European countries despite electoral processes. France’s political instability led the political tensions index to sharply increase, but it is still in the neutral area on the contrary to the conflict indicator (Fig 3 and Fig 4).
- **The political tensions index** eased in **Taiwan**, returning to the neutral area (Fig 3 and Fig 5).

Fig1. **CONFLICT INTENSITY INDEX: UP & RS**
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig2. **PROTEST & CONFLICT INDICES: ARGENTINA**
(28-day weighted moving avg, normalized by its own history)

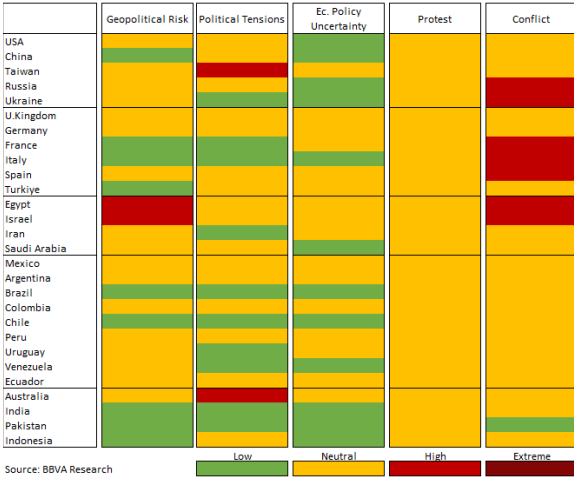


Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

Fig3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES
(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)

Summary of Signals After Hamas-Israel Conflict (June 11th, 2024)
(News Sentiment Map. Sentiment relative to average sentiment in each country)

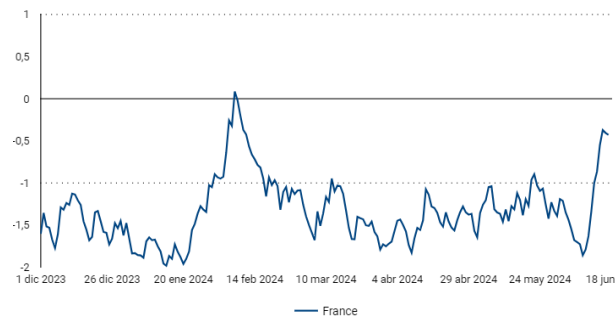


Summary of Signals After Hamas-Israel Conflict June 18th, 2024)
(News Sentiment Map. Sentiment relative to average sentiment in each country)



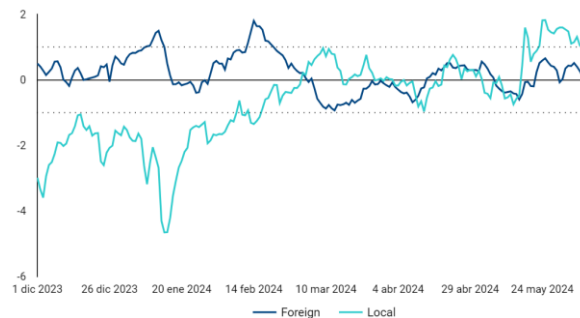
Source: BBVA Research and www.qdelt.org

Fig4. POLITICAL TENSIONS INDEX: FRANCE
(28-day weighted moving avg, normalized by its own history)



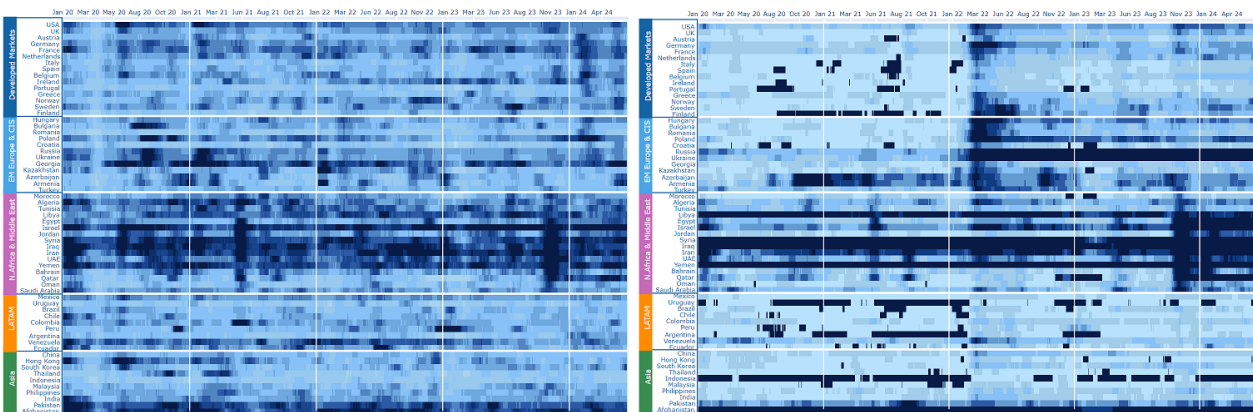
Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. POLITICAL TENSIONS INDEX: TAIWAN
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS
(Evolution of Protest and Conflict over time by regions)



Source: BBVA Research and www.qdelt.org

Methodological annex: indicators' construction

We have developed a daily tracker with weekly updates to monitor protest and conflict indicators for every country in the world from 2019 to present day. To construct this, we use a rich 'big database' of international events (GDELТ), created by Leetaru and Schrodт (2013). GDELТ is an open-source database which extracts and parses digital news monitoring world events covered by news media from nearly every corner of the world, whether broadcast, printed or published on the web, in over 100 languages, every moment of every day, updated every 15 minutes. Thus, it contains a comprehensive and high resolution catalog of geo-referenced events and themes.

Using different dictionaries, several thousands of taxonomies and themes are identified in the news pieces to classify the information. The algorithms used by GDELТ also identify emotions, organizations, locations, news sources and events across the world as well as their average sentiment using Natural Language Processing (NLP) techniques and the lexicon approach.

The included indicators are:

- Geopolitical Risk: or sentiment (weighted by coverage) of the country's geopolitical risk perception.
- Political Tensions: or sentiment (weighted by coverage) of the country's political tensions.
- Economic Policy Uncertainty or sentiment (weighted by coverage) about the country's economic policy uncertainty, also disaggregated by media origin.
- Protests or coverage regarding social protests or unrest in the country.
- Conflict or coverage of armed conflicts, which go beyond verbal protests.
- Bilateral Tensions or the sentiment (weighted by coverage) between a specific pair of countries that appear together in the news article (plus NATO and EU).

The indicators track the evolution of tensions and are normalized by its own country history since 2019, thus they are all expressed in terms of standard deviations from their historical patterns. Indicators usually lie within the range [-1,1]. Therefore, when the values exceed one (the upper boundary of the range), this means escalating tensions. While it's possible to observe simultaneous tensions arising in multiple countries (for example, due to geopolitical events affecting several nations, as seen in some of our heatmaps), using these indicators for direct quantitative comparisons of risk levels between countries is not recommended.

We apply a weighted moving average of 28 days (to include four complete weeks with the same number of days of the weeks) to reduce noise of daily information and identify signals more clearly. The weights have been calculated using a discrete geometric distribution such that it puts more weight on recent data and less on past data (see Graph 1). Aggregating by weeks, the weight of the most recent week has a weight of 68%, the past week 22%, the previous 7% and the fourth 3%. The weight of the 28 days can be seen in the following image. In such a way, the indicators reflect what is happening in the last days.

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