

Geo-World: Conflict & Social Unrest February Update

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The Russian-Ukrainian conflict displayed some improvement during February, thanks to the Minsk II agreement. However, the situation is still fragile. The international coalition continued to fight ISIS in the Middle East with some victories in the ground (Kobane), but conflicts are still alive in other parts of Syria and Iraq and risks to spill-over to North Africa (Libya and Egypt) have increased. Social unrest has relaxed in Europe and geopolitical tensions in East Asia remained contained.

Geopolitical conflicts around the world slightly relaxed in February...

BBVA Research World Conflict Heatmap (from 2H 2014 to Feb 2015) (Number of conflicts / Total events)



Source: www.gdelt.org & BBVA Research

•The BBVA Research Conflict index decreased in February

But it still remained in the medium-high tension area

•Ukraine-Russia continued to be a key issue

A new ceasefire agreement has been reached, but is still very fragile

•Some victories against ISIS but risk of spreading to North Africa

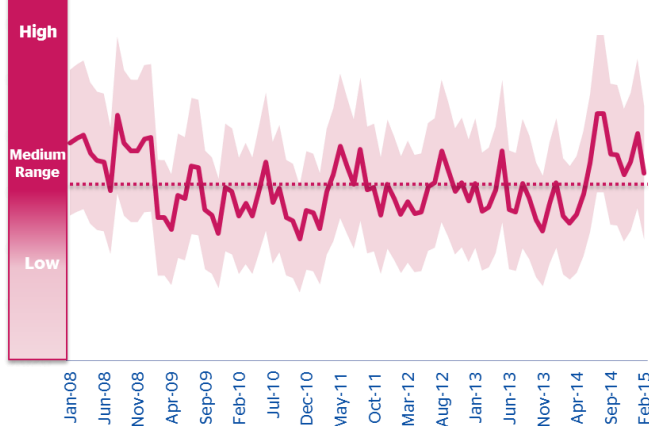
Some victories on the ground in Syria but conflict extended to Libya and Egypt

• Social tensions relaxed in Europe

Unrest in Europe decreased in February after Paris and Belgium terrorist attacks

The BBVA Research World Conflict Intensity index¹ started to decrease during February on a monthly basis, but still remained in the medium-high tension area. The decline has been mainly the result of the **mild de-escalation of the Ukraine-Russian crisis given the Minsk II agreement**, following which a new full-scale ceasefire was implemented in mid-February. Although the ceasefire was broadly recognised by both sides it is still fragile and the risk of new obstacles to the truce is still high. The situation remains tense and the possible failure of the Minsk II agreement will increase the prospects of US military aid, increasing “deterrence” and significantly escalating the conflict. Instability in neighbouring countries (Armenia, Belarus, Georgia...) remained high and the Minsk II agreement’s evolution will be key to the reduction of tensions in the region.

BBVA Research World Conflict Intensity Index 2008-2015 (Number of conflicts in the world / Total events in the world)

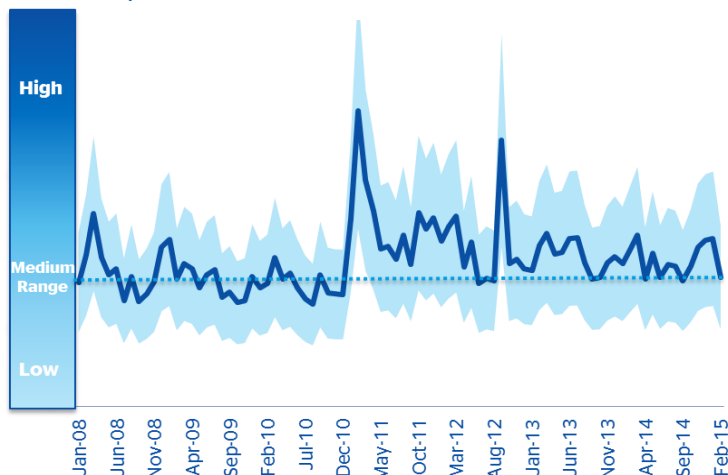


Source: www.gdelt.org & BBVA Research

Conflict activity continued to be a threat in the Middle East, although than the international coalition (IC) has increased efforts to stop ISIS and has recovered some ground such as in Kobane (Syria), tensions remain near Mosul (Iraq) and Aleppo (Syria). Besides, ISIS is now more active in North Africa, especially in Libya and to a lesser extent in Egypt. Instability in Europe has relaxed, reducing social tensions in the region. In Latin America and Asia, the situation is now relatively calmer.

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

BBVA Research World Protest Intensity Index 2008-2015
(Number of protests in the world / Total events in the world)



Source: www.gdelt.org & BBVA Research

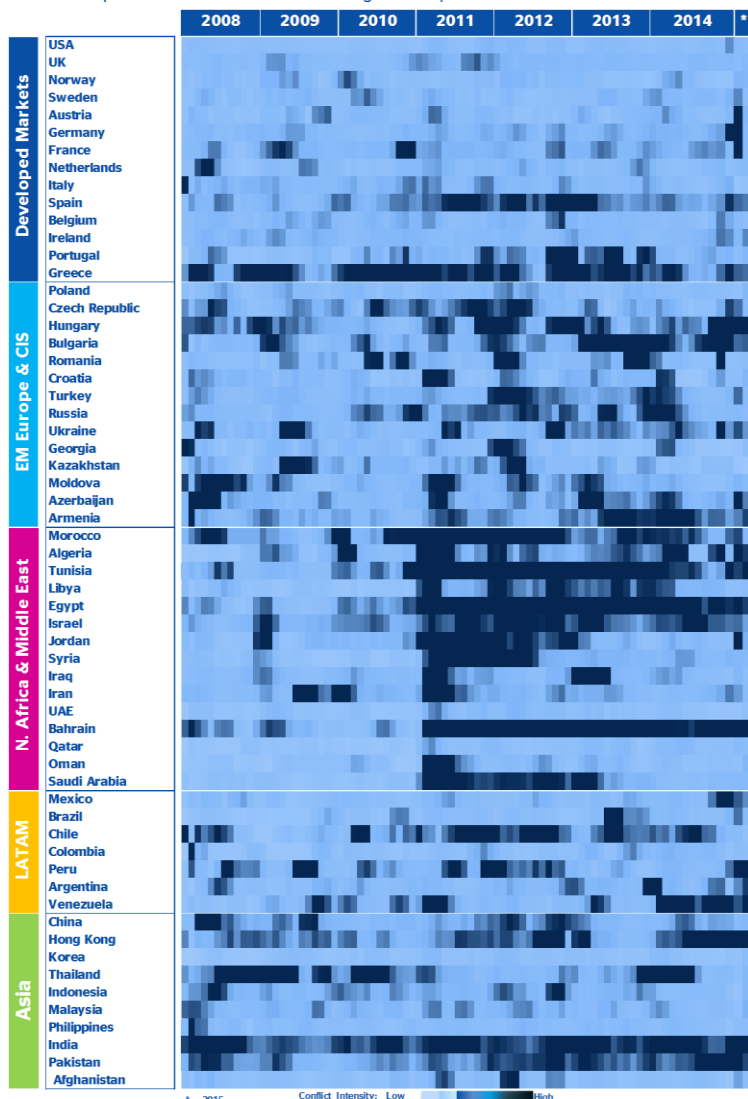
...while social unrest experienced a sharper decline

Protests around the world soothed in February, retracing to the medium tension area (as shown by our BBVA Research world protest intensity index²) and reversing the increasing trend observed in January.

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, social pressures continued in the Middle East and North Africa (MENA) countries. Demonstrations diminished in western and central Europe but increased in some Latin American countries. The situation in East Asia remained calm.

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



Source: www.gdelt.org & BBVA Research

-In Western Europe, social unrest has decreased since terrorism demands observed last month seemed to moderate. In particular, social instability calmed in France, Germany, Austria and, with lower intensity, in Spain. Recent developments of the Greek situation after Alexis Tsipras' election victory and new demands by the Greeks to the Troika prompted some social pressures during the month.

-In Emerging Europe and CIS countries, protest intensity dropped in Ukraine thanks to the ceasefire agreement, as well as in some of its neighbours such as the Czech Republic and Bulgaria. In Hungary, anti-government demonstrations continued, especially after Vladimir Putin's visit to the country.

-In the MENA region, long-term pressures remained. Social and democratic demands continued in North Africa with high instability in Egypt, Algeria and Tunisia. In contrast, social unrest has moderated in Jordan and Israel.

-In Latin America, protests moderated in Mexico and Brazil, while they intensified in Peru, Argentina and Venezuela given social and anti-government protests.

-Pressure remained eased in China, while Hong Kong is still in the high tension zone, as are India and Pakistan.

In sum, social unrest seemed to moderate its increasing pace observed since the fourth quarter of 2014 in February. A critical outlook remained in North African countries, while instability relaxed in Europe and was focused on Greece (given the still existing economic uncertainties), Ukraine and its neighbouring countries.

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



Geo-World Monthly Update

February 2015

Geostrategic Analysis

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