

Geostrategic Analysis

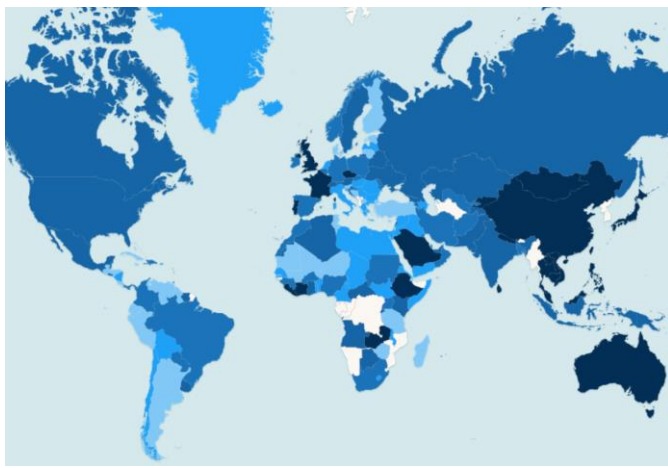
Geo-World: Conflict & Protest January 2020

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January 2020

Coronavirus hits China, spreading rapidly throughout the country and becoming an international concern as declared by the World Health Organization. Virus concerns ripple across markets as fears regarding the impact of the virus on growth increased. President Trump revealed his administration’s peace plan to bring an end to the Israeli-Palestinian conflict. However, some countries and Palestine did not welcome the proposal. Israel and several countries in the Gulf region supported the plan. The situation remains uncertain. Meanwhile, the recent regime offensive in Syria’s Idlib province created further humanitarian insecurity. The UK has left the European Union. President Putin proposes new constitutional amendments in Russia. President Trump signed phase one of the trade deal with China.

China came into the spotlight after Coronavirus outbreak in January.

Figure 1. **WORLD MEDIA SENTIMENT TO CORONAVIRUS OUTBREAK (DARKER BLUE MEANS HIGHER CONCERNS)**



Source: BBVA Research & www.gdelt.org

Coronavirus hits China and alarmed the world

The WHO declared coronavirus a Public Health Emergency of International Concern. Risk-off mood spread in the markets amid rising global fears.

Trump administration revealed plan for Israel-Palestine conflict

Palestine authorities rejected the plan as it allows Israel to annex settlements in the West Bank and Jordan Valley.

Syria’s Idlib offensive created mass refugee flow

New regime attack in Idlib created 390K displaced people since December 1 according to UN estimations.

The UK leaves the European Union

The UK’s departure from the European Union took place at 11pm UK time on January 31.

The BBVA Research World Conflict Intensity Index¹ decreased in January. The main developments during the month were:

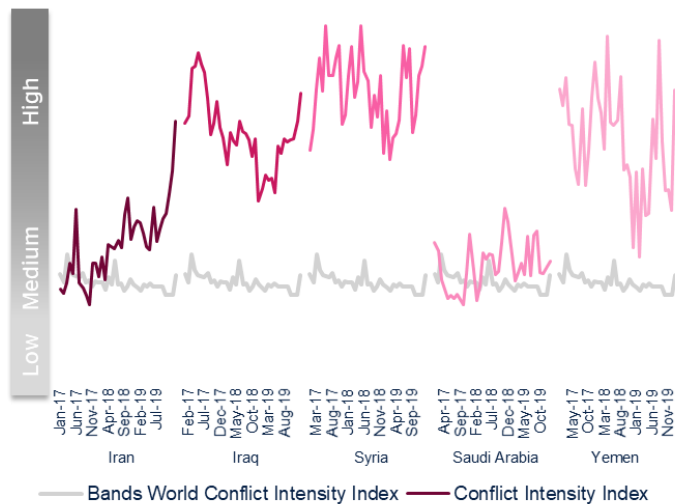
- **The World Health Organization (WHO) declared that the new coronavirus outbreak was a global health emergency.** The coronavirus has sickened more than 31,000 people according to officials. The disease also appeared in at least 20 countries, mostly involving people who travelled from China. Fears over the coronavirus triggered a sharp fall in Chinese shares when the market reopened after the Lunar New Year holiday and the Shanghai Composite index closed nearly 8% lower, its biggest daily drop for more than four years. **President Trump signed phase one of the trade agreement with China.** This is a sign of de-escalation in the trade war. The deal includes commitments by China on American agricultural purchases, stricter intellectual-property rights, and a more open financial sector. The Trump administration agreed to reduce certain tariffs on Chinese goods.
- **On January 28, President Trump proposed a two-state solution for the Israeli-Palestinian conflict.** President Trump’s plan sets a four-year timeline for the creation of Palestinian state, but first, Palestinians have to promise to halt attacks against Israel from Gaza. **Israel will annex the settlements inside the West Bank and the Jordan Valley. Jerusalem will become Israel’s “undivided capital”** and Palestine will have its capital in the east of Jerusalem but far from the center and the holy sites. According to the plan, the State of Palestine will remain under Israeli control. Israel will also retain the right to engage in incursions into the State of Palestine to ensure it “remains demilitarized and non-threatening.” The deal’s economic promises could be summarized as the potential to facilitate USD 50 billion in investment over 10 years in infrastructure, create over one million new jobs and half poverty. Palestinian President Mahmud Abbas will visit the UN Security Council within two weeks on his rejection of the plan. The international community is divided on the issue. So far, Britain, Egypt, Israel, the UAE, and Saudi Arabia have given warm messages in favor of the plan. Turkey, Palestine, Jordan and Iran have criticized it.
- **Syrian Assad regime backed by Russian air forces intensified its offensive in southern parts of the Idlib province and recently captured a strategic town in the province.** The UN estimates that some 390 thousand people have been

1: Further details about the methodology could be found in the annex.

displaced since December 1. The US's Syria Special Envoy James Jeffrey said attacks had escalated. The regime forces travelled through the north towards another strategic town, situated at the crossroads that connect Aleppo to Damascus. **The Berlin Conference on Libya asked all parties to support the ceasefire in Libya but violations occurred during the month.** Meanwhile, Houthi rebels in Yemen claimed they attacked Saudi Arabian Aramco facilities on January 29. **France, Germany and the UK have triggered the dispute mechanism of the Iran Nuclear Deal on January 14 over Iran's recent actions within its nuclear program.** The Iranian Foreign Ministry said that Iran could leave the nuclear non-proliferation treaty if European countries submit Iran's nuclear file to the UN Security Council. **Hundreds of thousands of Iraqi protestors marched through Baghdad on January 24 to protest against US presence in Iraq.** The Iraqi parliament had voted to expel US troops following its attack against Iranian Quds Forces General Qassem Soleimani in Iraq.

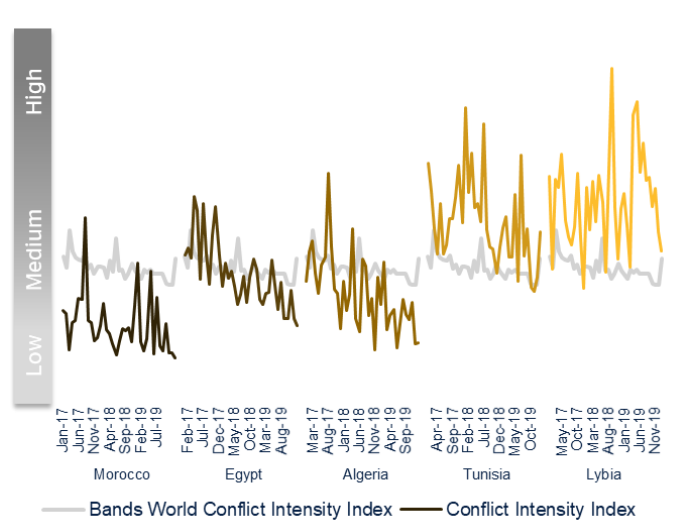
- **On January 31, the UK officially withdrew from the European Union. In Russia, President Putin proposed amendments to the constitution and replaced his Prime Minister Dmitry Medvedev.** The new proposal would transfer powers away from the presidency and strengthen the parliament (Duma), President Putin said. At present, the prime minister and the cabinet are appointed by the president. Under the new proposal, parliament would select the prime minister and the ministers.

Figure 2. **BBVA RESEARCH MIDDLE EAST CONFLICT INTENSITY INDEX JAN 2017 – JAN 2020** (number of conflicts / total events)



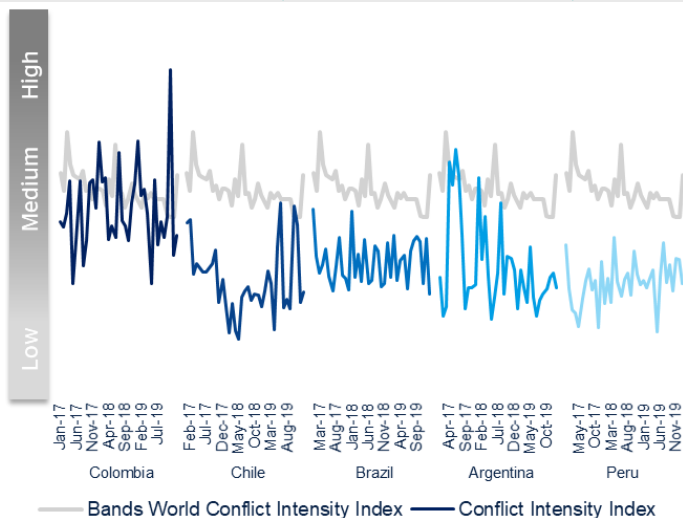
Source: www.dgelt.org & BBVA Research

Figure 3. **BBVA RESEARCH NORTH AFRICA CONFLICT INTENSITY INDEX JAN 2017 - JAN 2020** (number of conflicts / total events)



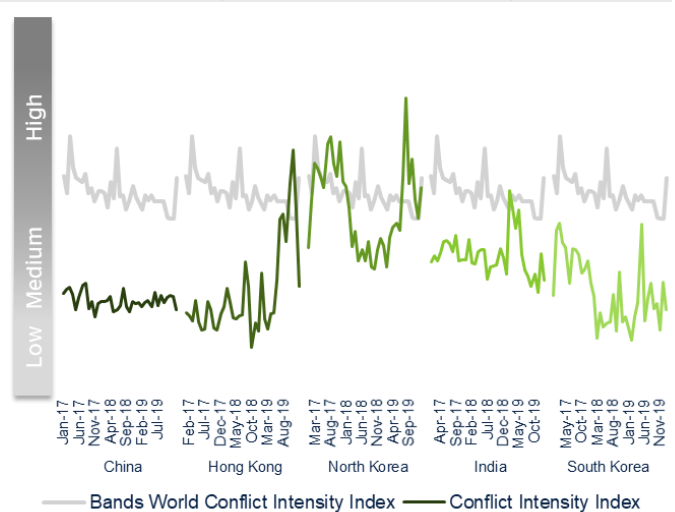
Source: www.dgelt.org & BBVA Research

Figure 4. **BBVA RESEARCH SOUTH AMERICA CONFLICT INTENSITY INDEX JAN 2017 - JAN 2020** (number of conflicts / total events)



Source: www.dgelt.org & BBVA Research

Figure 5. **BBVA RESEARCH ASIA CONFLICT INTENSITY INDEX JAN 2017 - JAN 2020** (number of conflicts / total events)

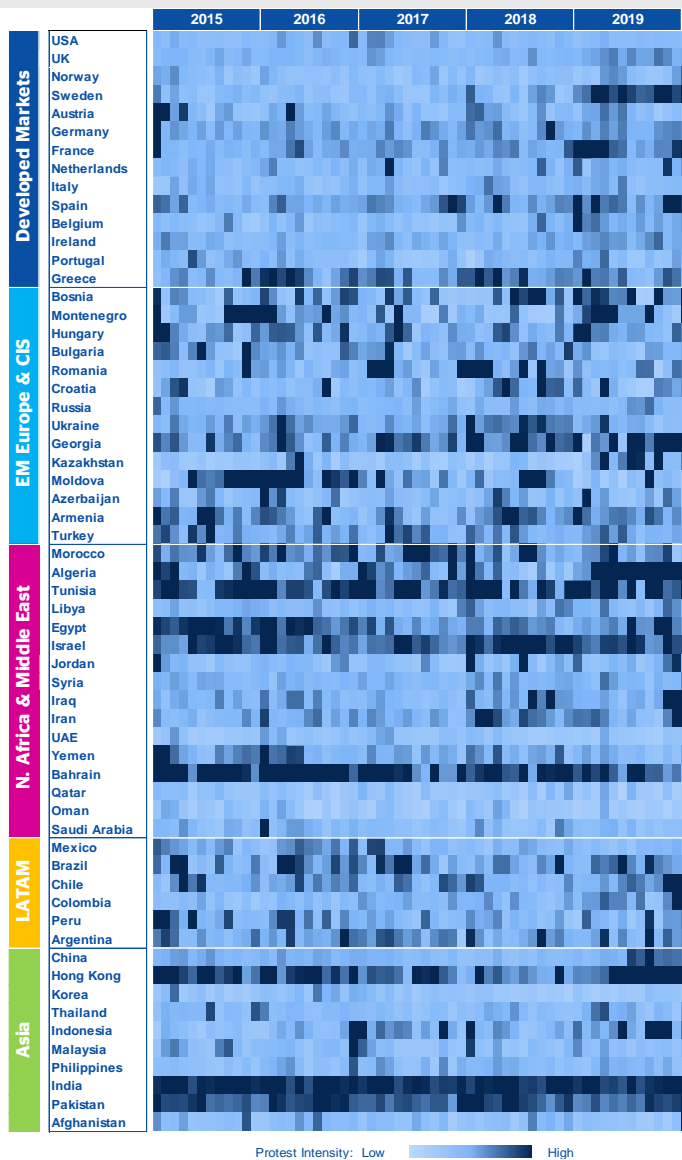


Source: www.dgelt.org & BBVA Research

Global social unrest has grown unsettlingly during the month of January

The World Protest Intensity Index² increased in January (as shown by our BBVA Research World Protest Intensity Index). According to the BBVA Research World Protest Intensity Map, the key facts were:

Figure 6. **BBVA RESEARCH WORLD PROTEST INTENSITY MAP JAN 2015 – JAN 2020 (NUMBER OF PROTESTS / TOTAL EVENTS)**



Source: www.dgelt.org & BBVA Research

- In regional terms, social unrest increased considerably in Asia, North Africa and the Middle East countries as well as in Eastern Europe. Latin America and European countries remained at similar levels.
- Europe kept calm with some social noise. In Sweden climate activism continued. Protests intensified in France over the pension reform; the Labor union cuts the power supply. In Spain, political uncertainty decreased after Pedro Sanchez was reappointed as Prime Minister on January 7.
- In Emerging Europe, in Bosnia-Herzegovina, demonstrators gathered to draw attention to dangerously high levels of air pollution. Altercations continue in Montenegro between police and Orthodox supporters protesting against a controversial religious freedom law. Raul Khajimba, leader of Georgia's self-proclaimed independent region of Abkhazia, has resigned after several days of protests.
- In North Africa and the Middle East, in Algeria, following the election of new President Abdelmadjid Tebboune, 76 prisoners of conscience were released. In Tunisia, three months after the elections, there is still no government. Activist Lina Ben Mhenni, who blogged about the Tunisian revolution, passed away. Israel, Iraq and Iran continue with high levels of unrest.
- In Latin America, in Chile, a new wave of anti-government protests took place. In Colombia, the newly elected mayor of Bogotá, Claudia López, is put to the test after new violent clashes in the capital. Political uncertainty reduced in Peru after the January elections.
- In Asia, the Coronavirus outbreak hit China. Fears spread to neighboring countries such as Hong Kong, which has closed train links with mainland China and 10 of the 13 land border crossings. The Pakistani army is increasingly cautious about the PTM movement after arresting some key figures. In Afghanistan, angry residents protested against the deaths of at least 7 civilians and 13 members of the security forces in an air strike by Taliban fighters.

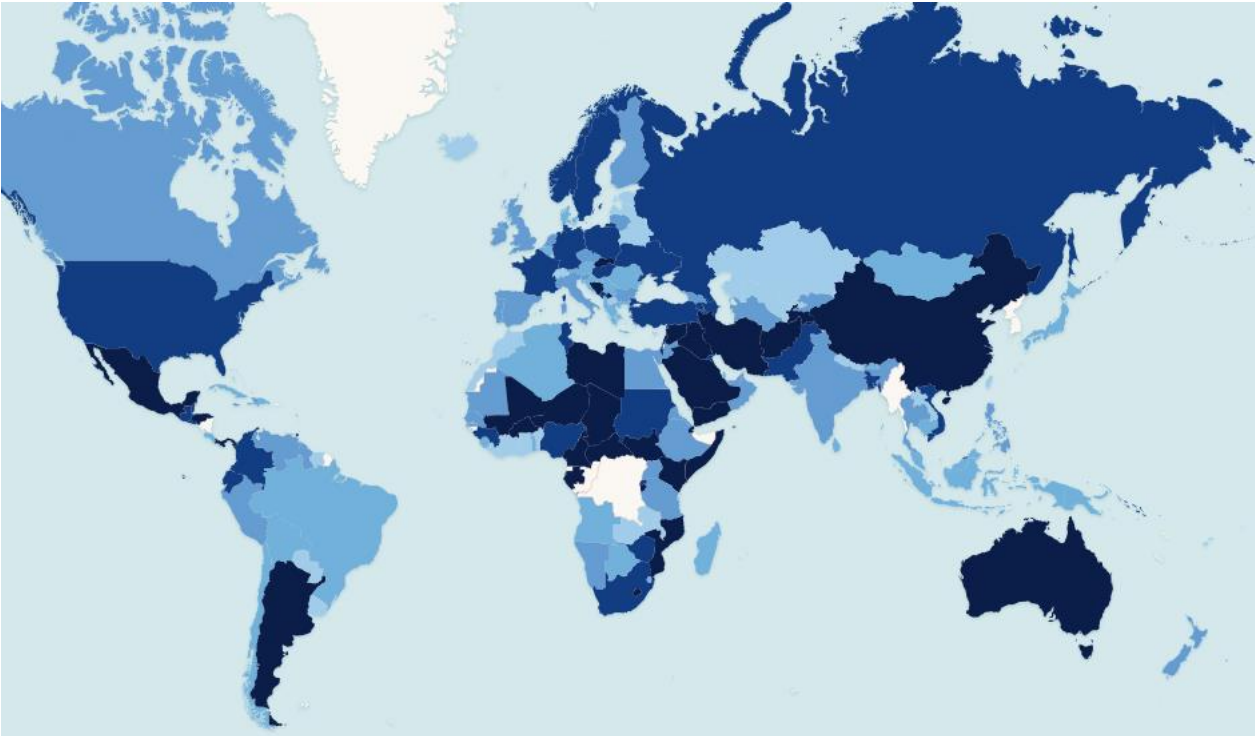
Summary

The coronavirus outbreak became a global concern during the month as it is considered a public health emergency according to the World Health Organization. The disease is spreading quickly throughout China, increasing investor fears, posing risks to the economy and challenging the public sector. On the other hand, the new peace plan proposed by the Trump administration to resolve the conflict between Israel and Palestine triggered new political tensions. It promises Palestinians a state in exchange for annexing settlements in the West Bank and the Jordan valley by Israel. It also declares Jerusalem as the capital of Israel. Although it also promises economic benefits for Palestine, the annexation and the Jerusalem issue complicates the approval of the plan by Palestinians. Meanwhile, Syria became a hot topic in terms of humanitarian security with the new Assad regime. The UK finally left the European Union at the end of January, but uncertainties over the country's relationship with the European Union remain.

²: Further details about the methodology could be found in the annex.

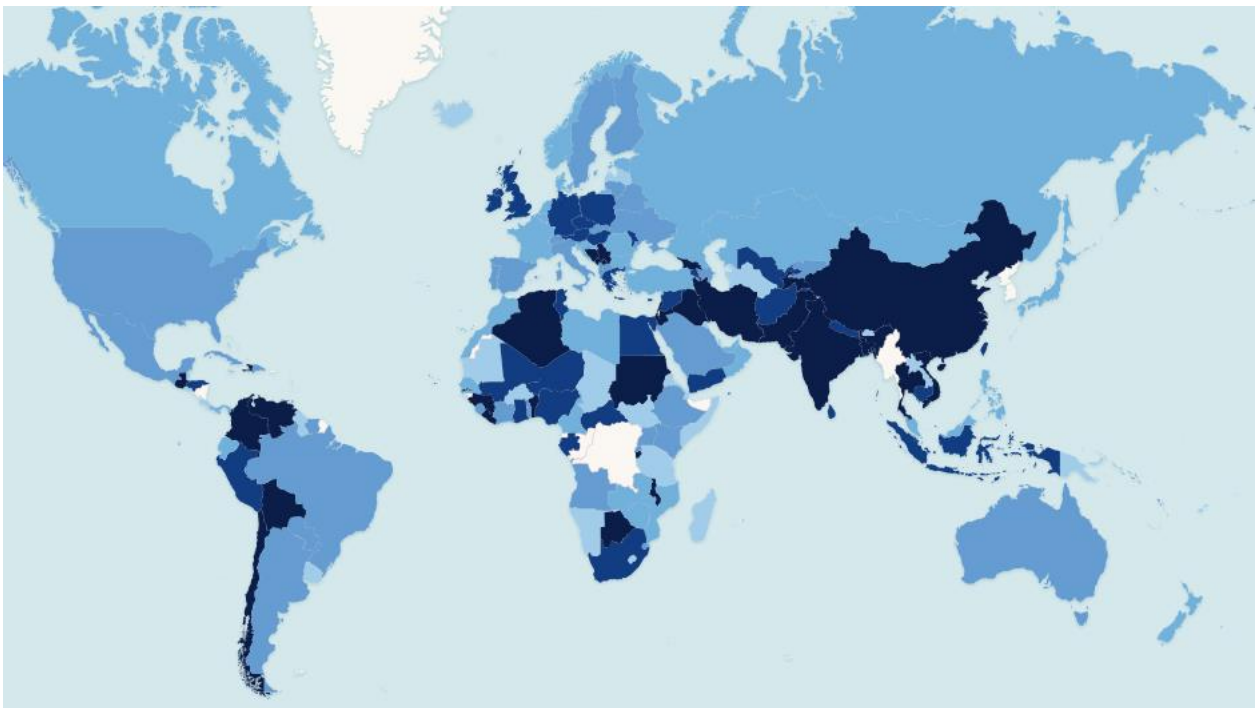
Annex

Figure 7. **BBVA RESEARCH WORLD PROTEST MAP JANUARY 2020** (NUMBER OF PROTEST EVENTS / TOTAL EVENTS BY COUNTRY. DARKER COLORS INDICATE HIGHER VALUES OF THE INDEX)



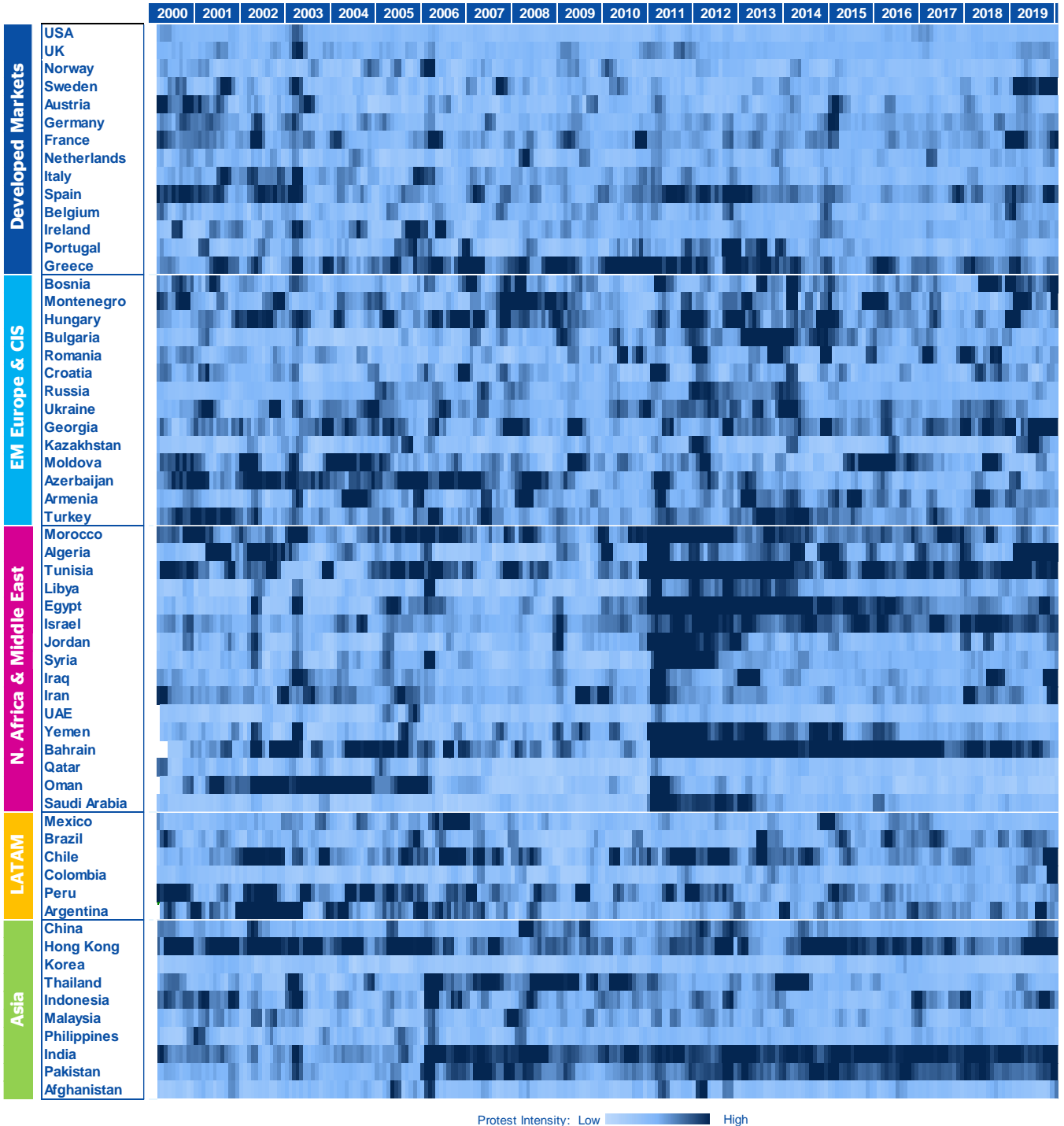
Source: BBVA Research and www.gdelt.org

Figure 8. **BBVA RESEARCH WORLD CONFLICT MAP JANUARY 2020** (NUMBER OF CONFLICT EVENTS/ TOTAL EVENTS BY COUNTRY. DARKER COLORS INDICATE HIGHER VALUES OF THE INDEX)



Source: BBVA Research and www.gdelt.org

Figure 9. **BBVA RESEARCH WORLD PROTEST INTENSITY MAP JAN 2000 – JAN 2020 (NUMBER OF PROTESTS / TOTAL EVENTS. COLOR DISTRIBUTION ACCORDING TO 2000-2020 TIME HORIZON. MOVING AVERAGE: 3 MONTHS)**



Source: BBVA Research and www.gdelt.org

METHODOLOGY: TRACKING PROTESTS AND CONFLICTS

We have developed tracking for protest and conflict indexes for every country in the world from January 1, 1979 through to present day, with daily, monthly, quarterly and annual frequencies. To construct this, we use a rich 'big database' of international events (**GDEL**T), which monitors 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.

- **BBVA Protest Intensity Index:** We collect information on every registered protest in the world for a particular time, which are then separately collated under the various headings of the **CAMEO taxonomy** as: demonstration or rally, demonstration for leadership change, demonstration for policy change, demonstration for rights, demonstration for change in institutions and regime, conducting hunger strikes for leadership change, conducting hunger strikes for policy change, conducting hunger strikes for rights, conducting hunger strikes for change in institutions and regime, conducting previously unspecified hunger strikes, conducting strikes or boycotting for leadership change, conducting strikes or boycotting for policy change, conducting strikes or boycotting for change in institutions and regime, conducting previously unspecified strikes or boycotting, obstructing passage or blocking, obstructing passage to demand leadership change, obstructing passage to demand policy change, obstructing passage to demand rights, obstructing passage to demand change in institutions and regime, protesting violently or rioting, engaging in violent protest for leadership change, engaging in violent protest for policy change, engaging in violent protest for rights, engaging in violent protest for change in institutions and regime, engaging in previously unspecified political dissent.
- **BBVA Conflict Intensity index:** In the same way, we collect information on every registered conflict in the world for a particular time, considering a **wide variety of conflicts under the CAMEO taxonomy headings** as: imposing restrictions on political freedoms, banning political parties or politicians, imposing a curfew, imposing a state of emergency or martial law, committing suicide, carrying out suicide bombing, carrying out car bombing, carrying out roadside bombing, car or other non-military bombing not specified below, use of a human shield, use of previously unspecified conventional military force, impose blockade, restricting movement, occupying territory, fighting with artillery and tanks, employing aerial weapons, violating ceasefire, engaging in mass expulsion, engaging in mass killings, engaging in ethnic cleansing, using previously unspecified unconventional mass violence, using chemical, biological, or radiological weapons, detonating nuclear weapons, using previously unspecified weapons of mass destruction.
- We use this information to construct an intensity index for both events. **The number of protests and conflicts each day/month/quarter/year are divided by the total number of all events recorded by GDEL**T for that day/month/quarter/year to create a protest and conflict intensity score that tracks just how prevalent protest and conflict activity has been over the last quarter-century, correcting for the exponential rise in media coverage over the last 30 years and the imperfect nature in which news is processed by computers.

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