

Geostrategic Analysis

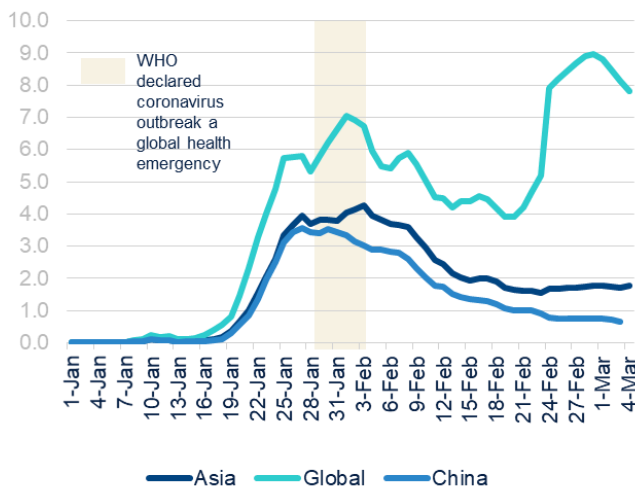
Geo-World: Conflict & Protest February 2020

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The main hot spot in February was the coronavirus outbreak, which spread across the globe, especially in Iran and Europe. The World Health Organization (WHO) raised its level of alert to very high, increasing concerns and posing risk on the economy and markets. On the other hand, geopolitical developments in Syria's Idlib province created further uncertainty as Syrian regime forces targeted Turkish troops and heavy fighting triggered more refugee flows. The great powers are, however, seeking ways to deescalate the situation on the ground. Meanwhile, US President Trump was acquitted from all charges in the U.S. Senate, thus ending the impeachment process in Washington. In the meantime, the United Kingdom and the European Union have resumed trade talks to define the post-Brexit period.

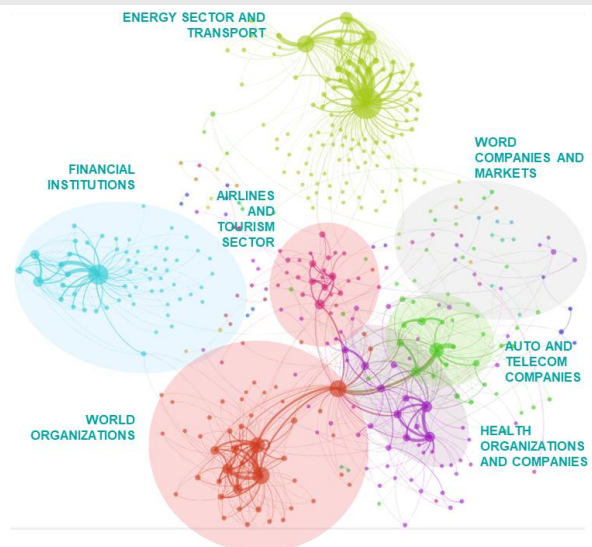
Coronavirus outbreak expanded across the globe, increasing concerns.

Figure 1. BBVA RESEARCH MEDIA STRESS INDEX OF CORONAVIRUS OUTBREAK (TONE IN THE MEDIA WEIGHTED BY COVERAGE, STANDARIZED)



Source: www.dgelt.org & BBVA Research

Figure 2. BBVA RESEARCH COMPANY NETWORK (MOST RELATED FIRMS BY CORONAVIRUS ACCORDING TO THE MEDIA)



Source: www.dgelt.org & BBVA Research

The BBVA Research World Conflict Intensity Index¹ decreased during February by second consecutive month. The main developments during the month were:

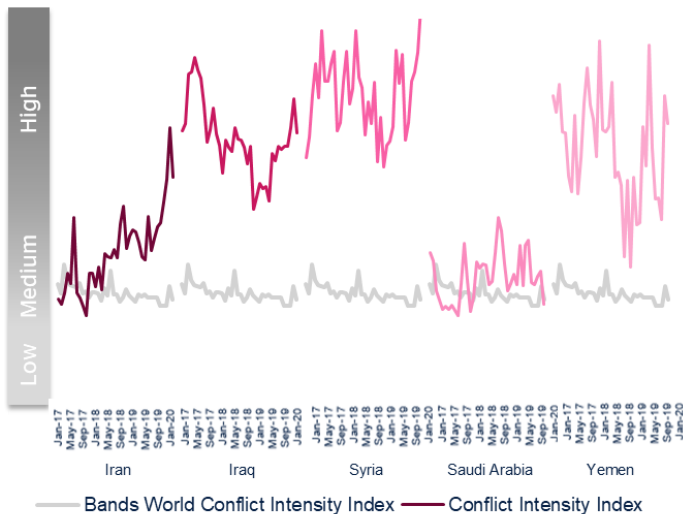
- **The coronavirus outbreak has sickened more than 90 thousand people according to official information.** The disease has been detected in **75 countries** so far, which led the World Health Organization (WHO) to raise the **global level of risk** from high to very high. During last week, the virus has spread rapidly throughout the **Asia-Pacific region, Europe and North America**, increasing concerns as new cases are continuously being reported around the world and the death toll continued increasing. A coordinated response should be needed to contain the impact in the industry, commerce and finance, as well as to restore public confidence.
- **According to United Nations Refugee Agency, heavy fighting in Syria's Idlib province has displaced 900,000 people.** 80% of whom are women and children. After Syrian Assad regime's series of attacks targeting Turkish soldiers in Idlib, Turkey has announced "Operation Spring Shield" targeting only "Syrian regime soldiers, elements in Idlib who attacked Turkish troops under self-defense right," Turkish Defense Minister said. Meanwhile, Turkish President Erdogan will meet Russian President Putin in Moscow on March 5 to discuss developments in Idlib in order to wind down the escalation. In the meantime, Turkey has decided to no longer stop Syrian refugees from reaching Europe by land and sea. Turkish Interior Minister announced that the number of refugees who left the country had reached around 118 thousand.
- **The U.S. signed a deal with the Taliban on February 29, highlighting a schedule for a complete withdrawal of troops from Afghanistan.** According to the deal, the U.S. and its allies, following an initial reduction of troops from 13,000 to 8,000 within 135 days; will reach a complete withdrawal within 14 months. **Iraqi Prime Minister-designate Mohammed Allawi withdrew from forming a government** as Iraq's parliament failed to hold a vote of confidence for his new cabinet.

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

Iran saw a 42% turnout in its parliamentary elections on February 22, (the lowest rate since the 1979 Islamic revolution), which resulted in a victory of hardliners close to Supreme Leader Khamenei. Libya's internationally recognized Tripoli government suspended talks hosted by the United Nations after its port in the capital city was attacked. The United Nations has been holding negotiation talks in Geneva between the Tripoli government (GNA) and Haftar (LNA). Meanwhile, according to Russian media, Russia is to begin delivering S-400 missile defense systems to India by the end of 2021.

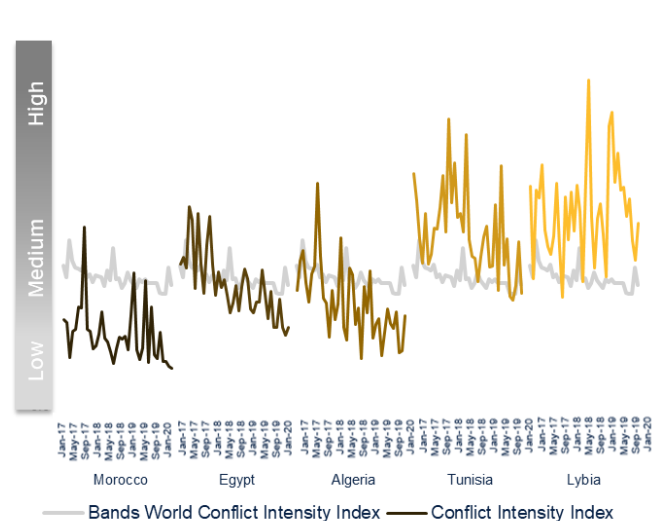
- On February 5, the U.S. Senate acquitted President Trump of all charges (Abuse of Power and Obstruction of Congress) as it fell short of the two-thirds of the votes needed in order to remove a president from office. During his official visit to India President Trump and President Modi agreed on that India would buy defense equipment worth more than USD 3 billion from the US. The two countries are yet to sign a trade deal, but Washington and New Delhi are to begin negotiations, the leaders announced. Venezuelan military, held exercises in the capital Caracas, on February 15.
- On March 3, the United Kingdom and the European Union initiated trade talks after the Brexit decision. The current status-quo transition period expires at the end of the year. The second round of talks will be held in London later in March. Annegret Kramp-Karrenbauer, chairwoman of German Chancellor Angela Merkel's Christian Democratic Unions (CDU), said she would not run for chancellor next year, but she will remain leader of the party until another candidate is found. Croatia's new president Zoran Milanovic formally took office on February 18. Russian President Putin agreed to hold a nationwide vote to allow Russian citizens to decide on constitutional amendments on April 22.

Figure 3. **BBVA RESEARCH MIDDLE EAST CONFLICT INTENSITY INDEX JAN 2017 – FEB 2020** (number of conflicts / total events)



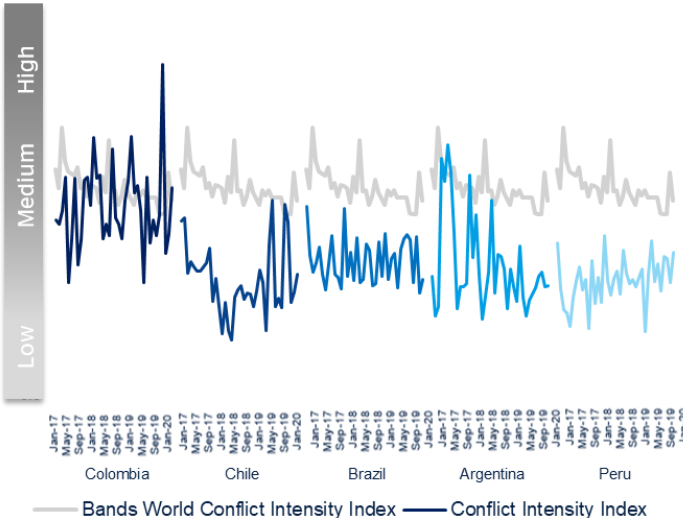
Source: www.dgelt.org & BBVA Research

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



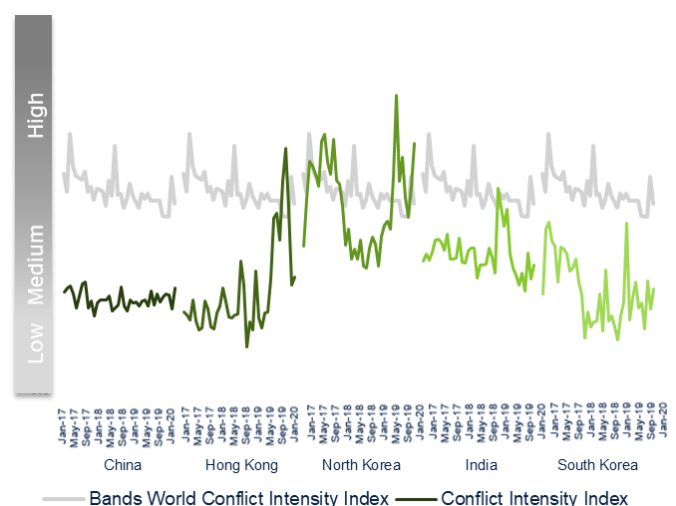
Source: www.dgelt.org & BBVA Research

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



Source: www.dgelt.org & BBVA Research

Figure 6. **BBVA RESEARCH ASIA CONFLICT INTENSITY INDEX JAN 2017 - FEB 2020** (number of conflicts / total events)

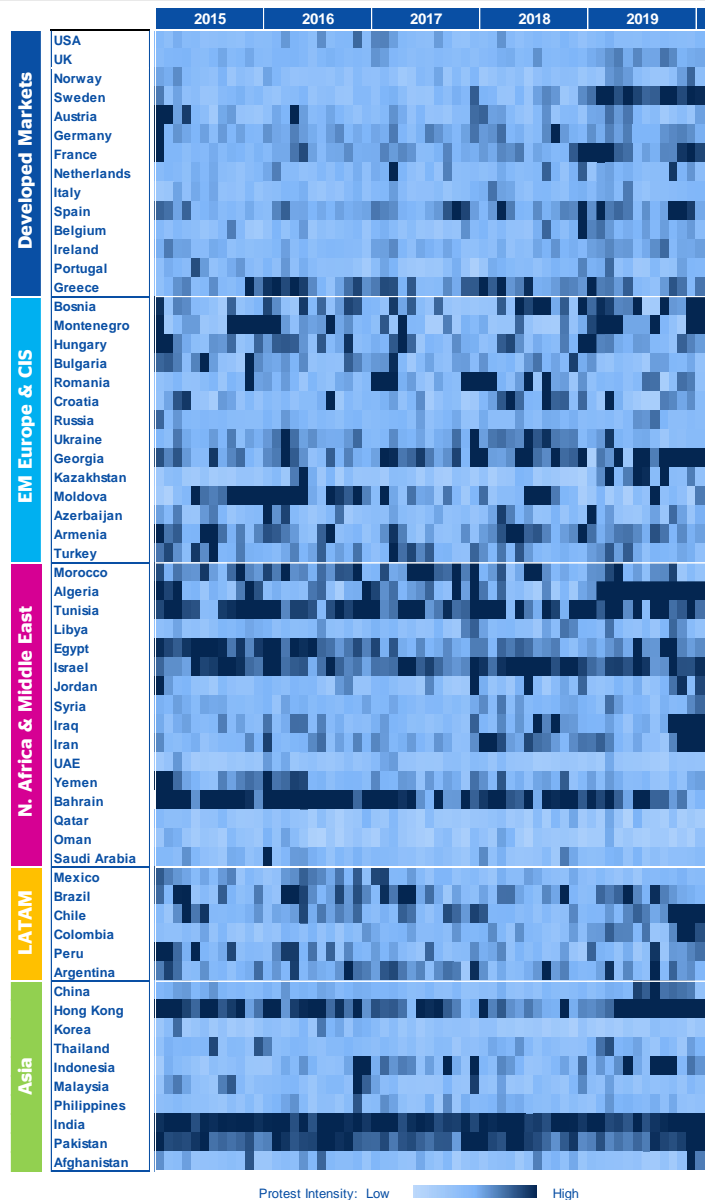


Source: www.dgelt.org & BBVA Research

Global social unrest remains at high levels during February

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

Figure 7. **BBVA RESEARCH WORLD PROTEST INTENSITY MAP JAN 2015 – FEB 2020 (NUMBER OF PROTESTS / TOTAL EVENTS)**



Source: www.dgelt.org & BBVA Research

- In regional terms, protests decreased in Asia given coronavirus outbreak, but they increased in North Africa and the Middle East. Social noise also raised in Eastern Europe and, to a lesser extent, in Western Europe. Latin American indices kept at similar levels.
- In Europe; the migration crisis led to an intensification of inter-island clashes in **Greece** where dozens of people were injured. Thousands of university workers were on strike across the **UK** over higher education pay, pensions and working conditions. In **Spain**, social unrest eased off given that the Catalonia's situation seems to be easing as negotiations are underway. The pension reform in **France** has continued to provoke demonstrations.
- In Emerging Europe, protesters maintained pressure in **Montenegro** over a religious law. A new outbreak of violence surged in **Kazakhstan** given ethnic spats. In **Georgia**, thousands of people stormed the parliament over Russian MP's speech. Anti-government demonstration continued in **Romania**, with clashes that left more than 400 people injured.
- In North Africa and the Middle East, social unrest intensified, especially in **Tunisia**, where demonstrations arose against the Trump plan for the Middle East, calling for a boycott of American products. In a nationwide move, protests took place across **Bahrain** to commemorate the 9th anniversary of the uprising. **Iraqi** anti-government protests continued despite appointment of new 'independent' prime minister.
- In Latin America, mass protests held in **Chile** against the structural inequality and they are expected to intensify before the April referendum. Protesters demanded action on the femicides in **Mexico**, "Not one more" is the cry of rage of women demonstrating. In **Colombia**, the ELN has announced another of its "armed strikes" putting the security forces on high alert.
- In Asia, the coronavirus outbreak deal a blow to the **Hong Kong** protests, but the index still remains high. However, the virus has damaged public confidence, increasing fears in the society. **India** continued to be criticized at home and abroad for its controversial citizenship legislation. A new agreement between the US and the Taliban allowed for the withdrawal of US troops, but is a long way from securing peace in **Afghanistan**.

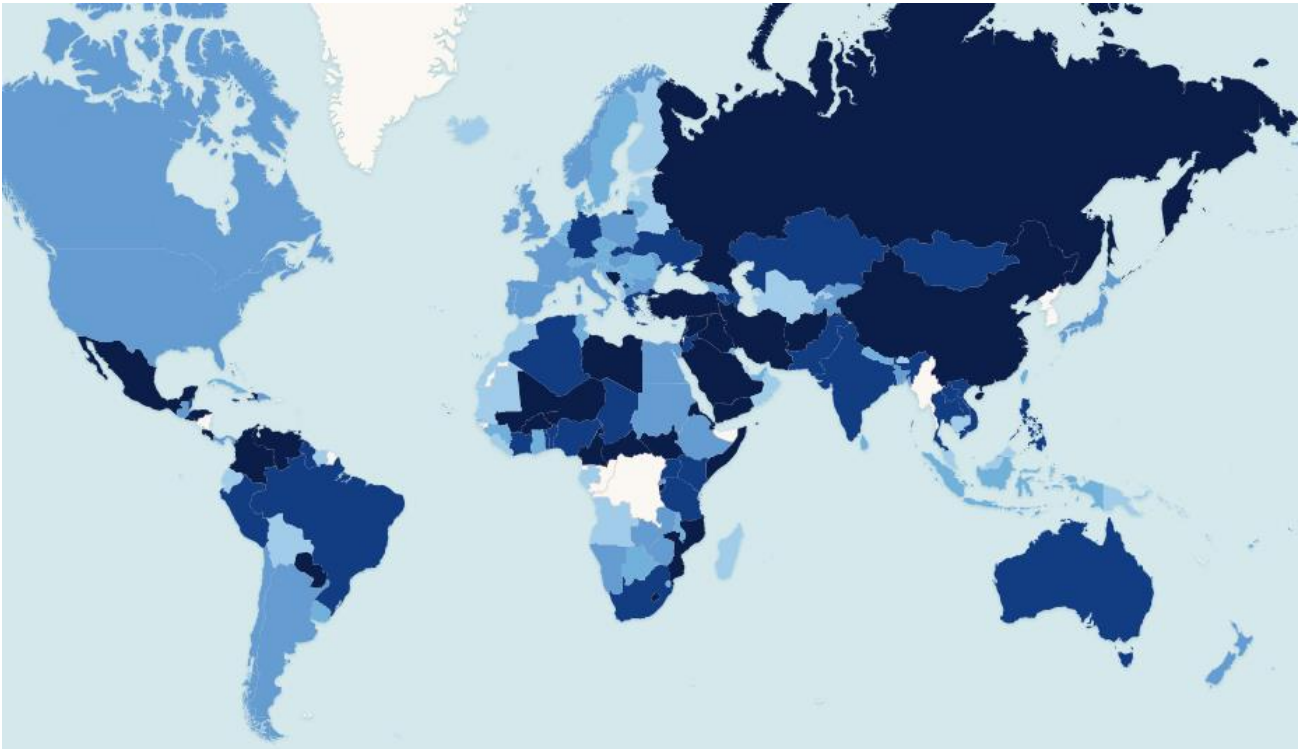
Summary

The coronavirus became the main worldwide concern after it spread rapidly across the globe. The WHO increased the risk level and the OECD warned about its negative impact on global economic growth. On the other hand, the humanitarian crisis in Idlib creating 900 thousand displaced people attracted further attention as the fighting in the province intensified with Syrian regime attacks and Turkish retaliation. Turkish and Russian leaders will meet on March 5 to discuss de-escalation. Meanwhile, President Trump being acquitted from all charges in the US Senate could wind down domestic political discussions until the new election period begins. The UK and the EU talking on post-Brexit trade issues is another hot topic in Europe. UK says a progress should be reached by June.

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

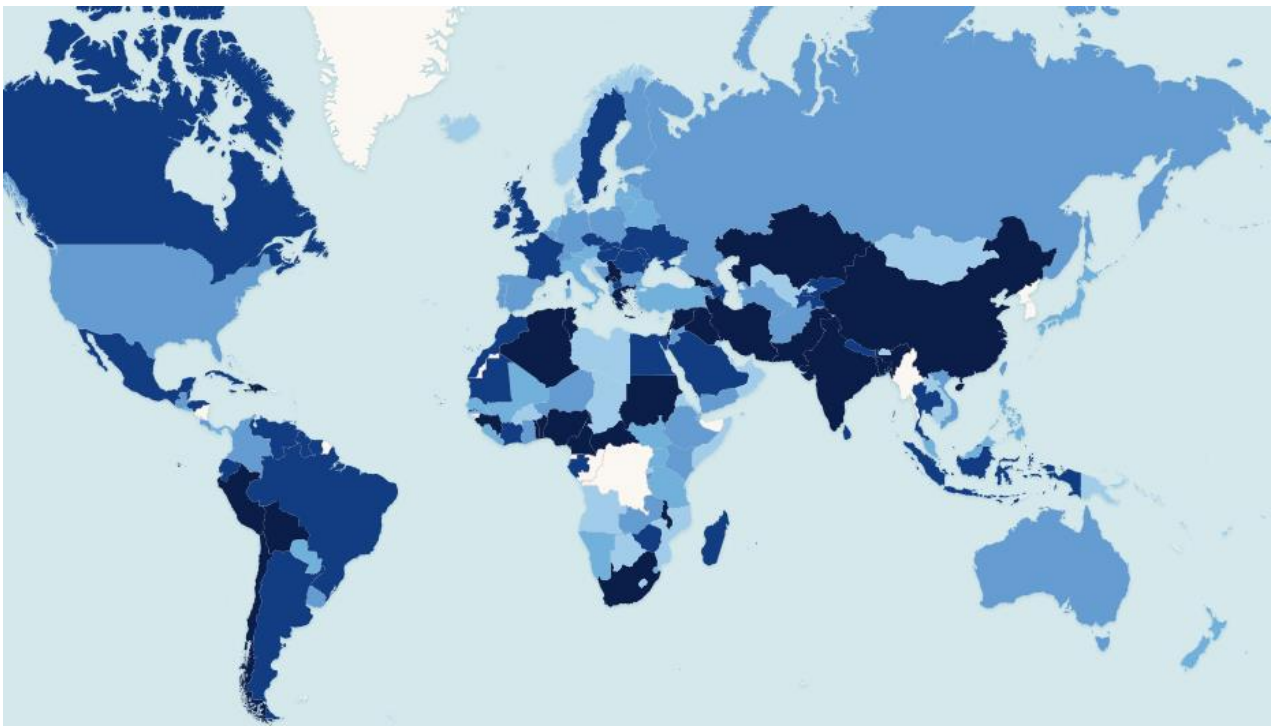
Annex

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



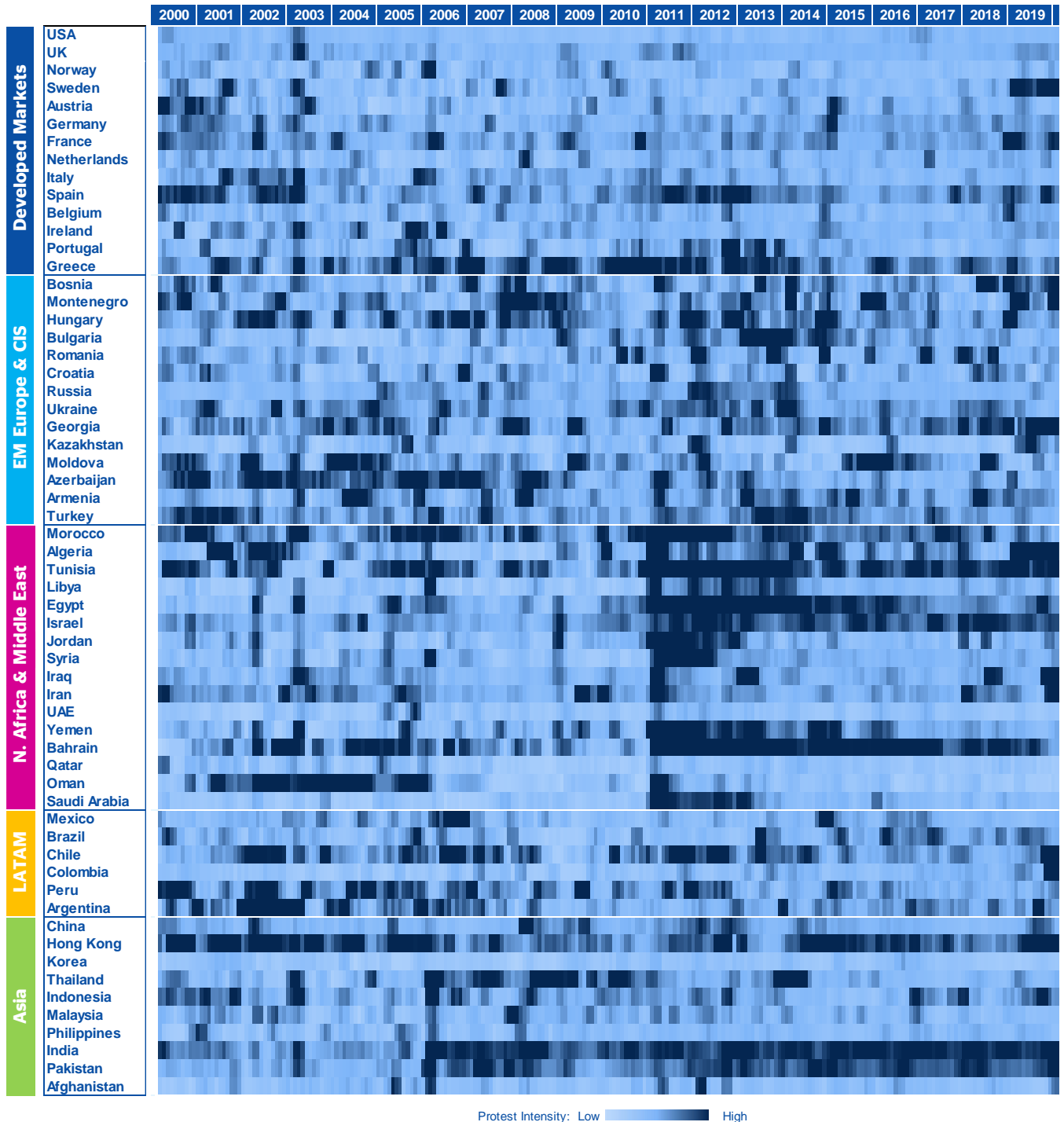
Source: BBVA Research and www.gdelt.org

Figure 9. **BBVA RESEARCH WORLD CONFLICT MAP FEBRUARY 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 10. **BBVA RESEARCH WORLD PROTEST INTENSITY MAP JAN 2000 – FEB 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 (**GDELT**), 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 GDELT 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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