

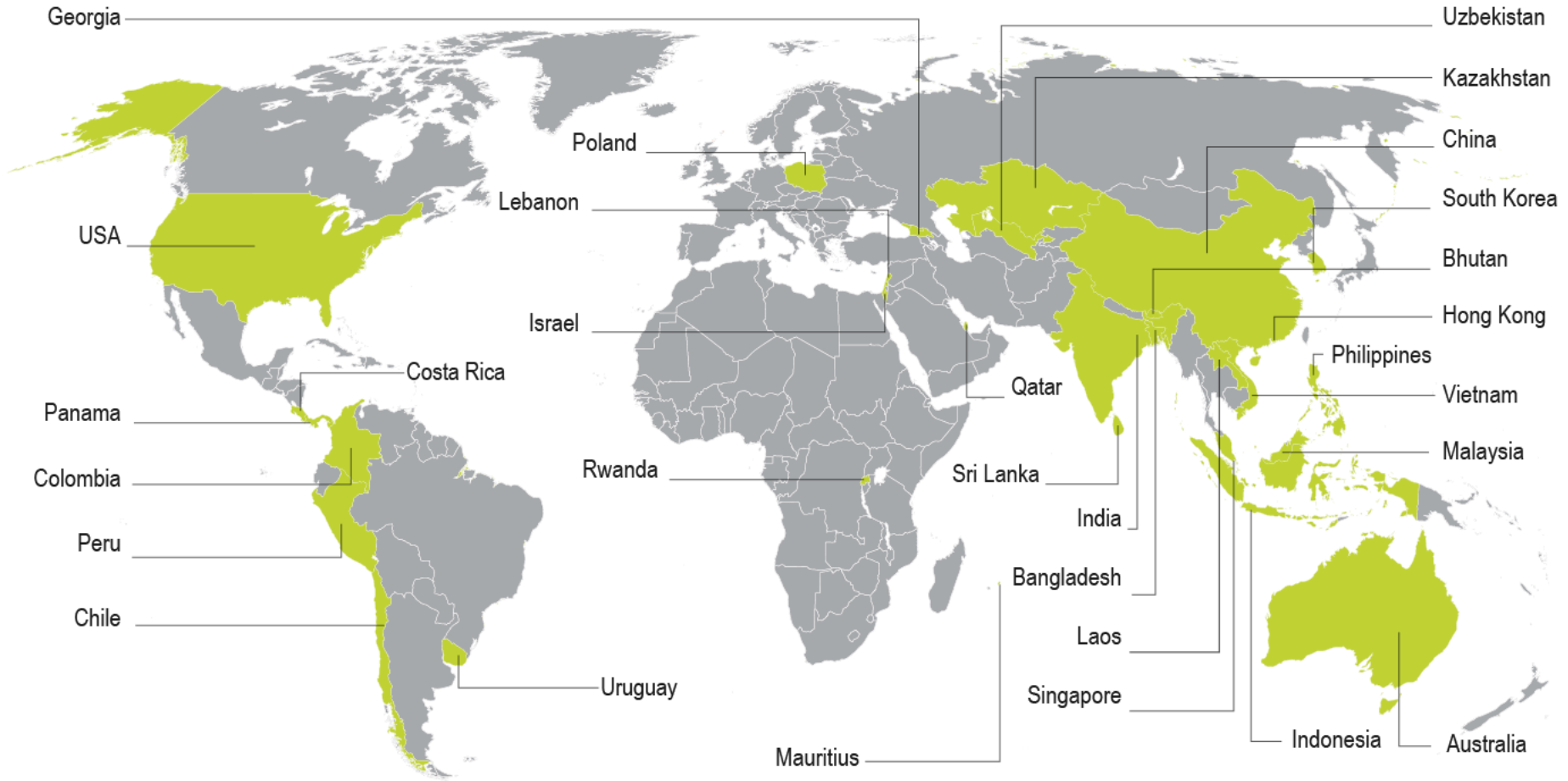
With Growth Comes Risk – Forecasting Political Instability and Civil Unrest

March 12, 2014

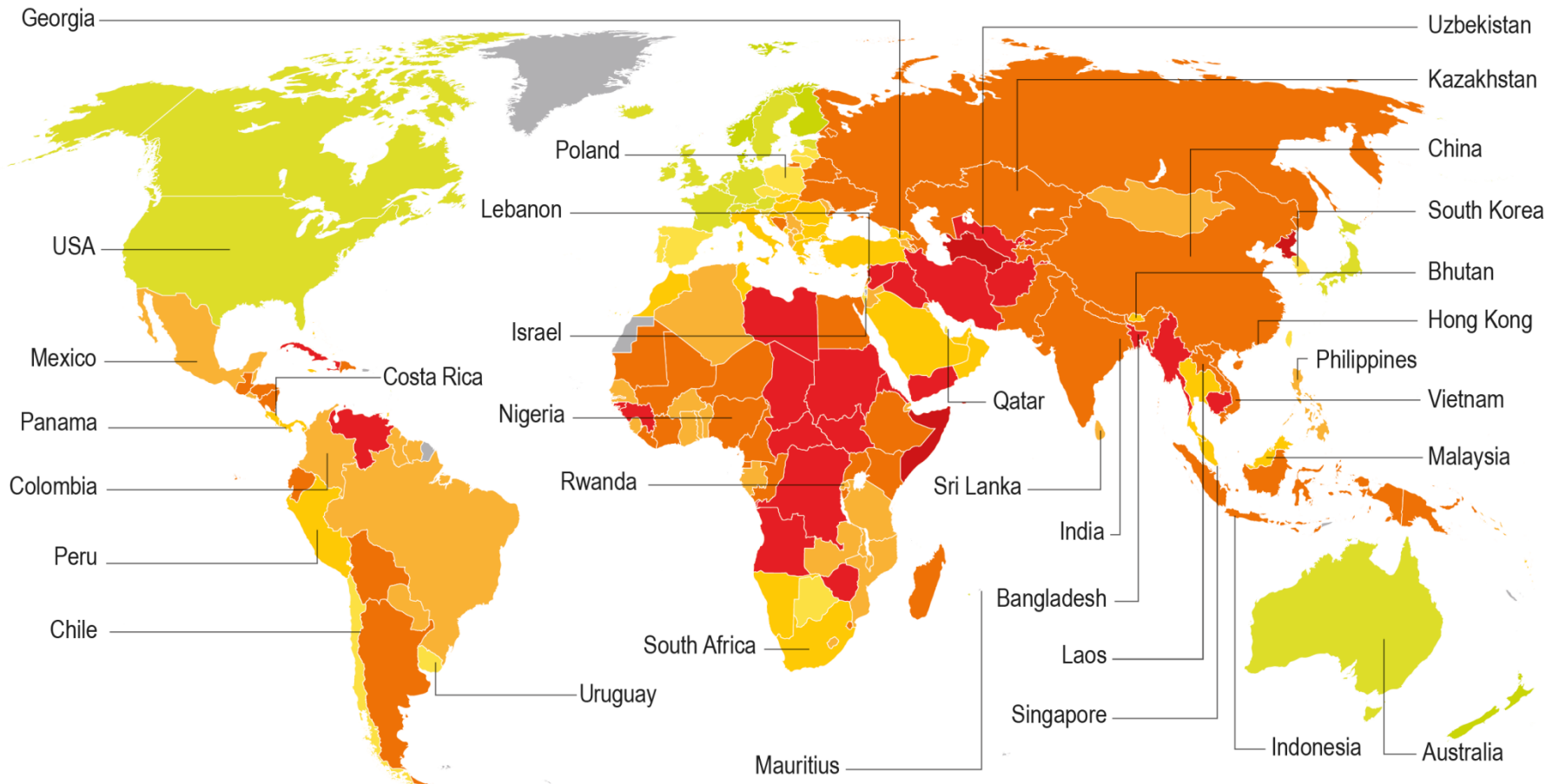


GLOBAL RISK ANALYTICS

Top 30 Growth Markets 2015



Legal and Regulatory Environment Risk Index 2015



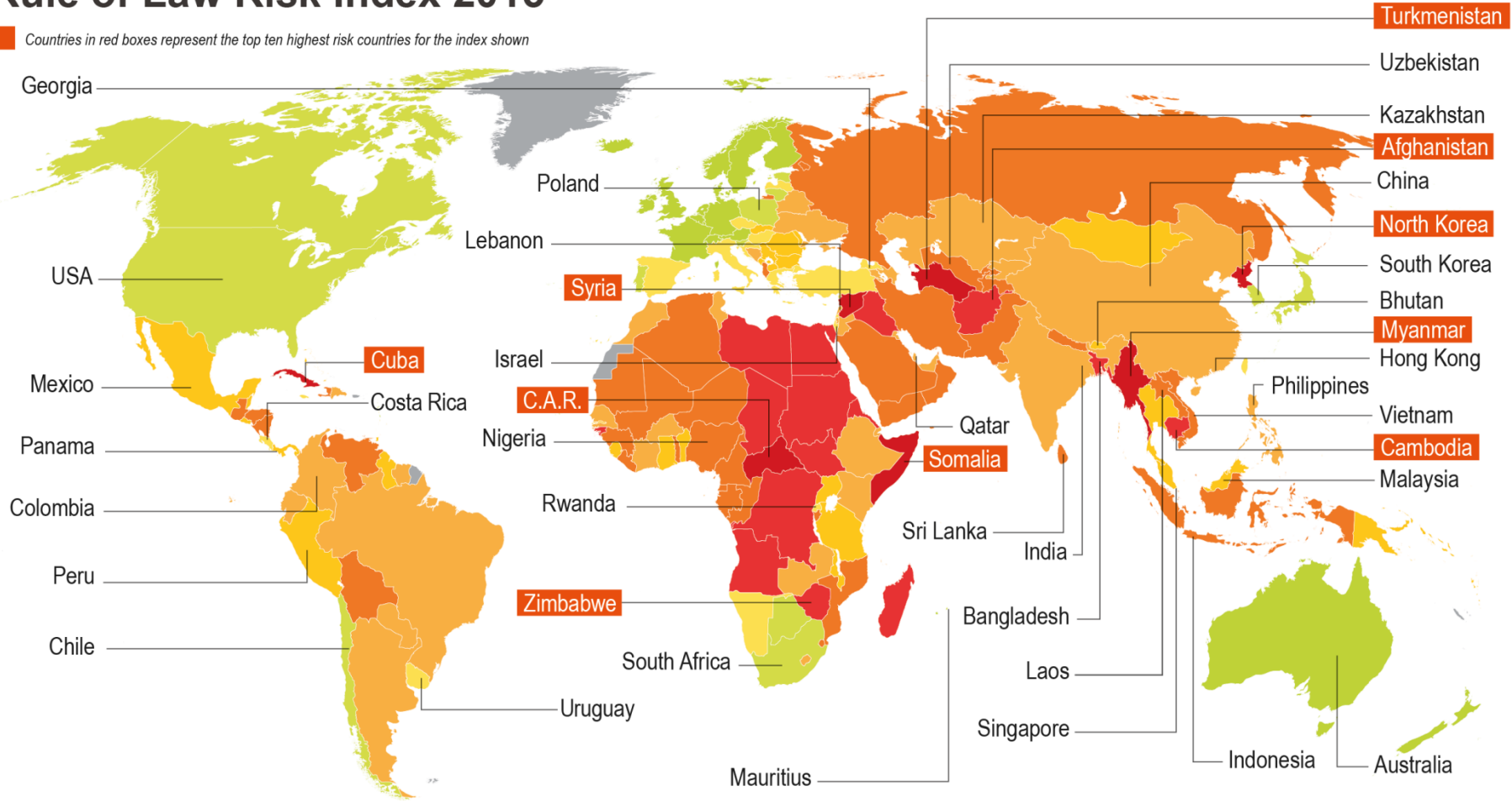
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Legend

Extreme Risk	High Risk	Medium Risk	Low Risk	No data
0.00 - 1.25	>1.25 - 2.50	>2.50 - 3.75	>3.75 - 5.00	>5.00 - 6.25
				>6.25 - 7.50
				>7.50 - 8.75
				>8.75 - 10.00
				Grey

Rule of Law Risk Index 2015

Countries in red boxes represent the top ten highest risk countries for the index shown



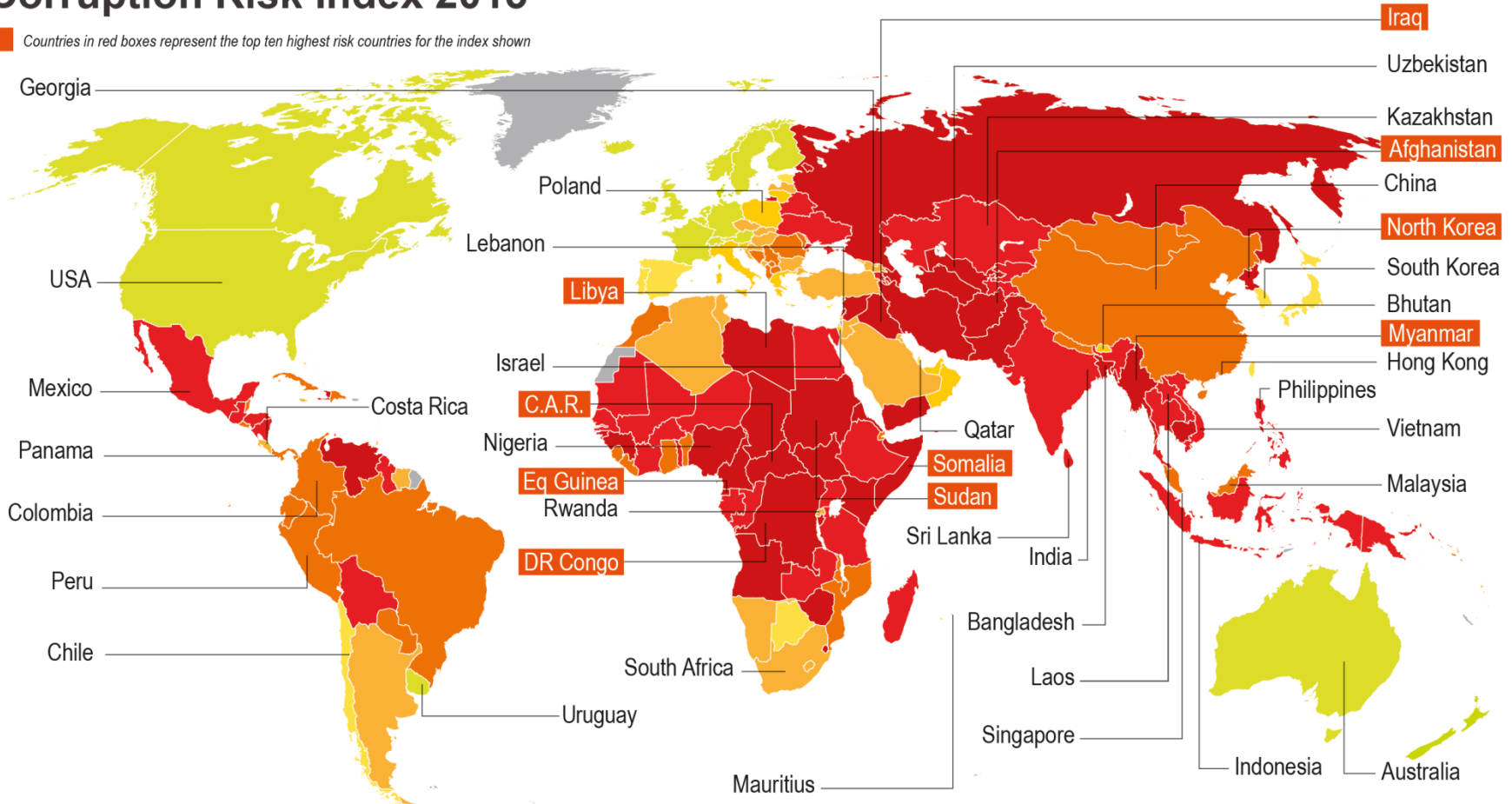
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Legend	Extreme Risk	High Risk	Medium Risk	Low Risk	No data				
	0.00 - 1.25	>1.25 - 2.50	>2.50 - 3.75	>3.75 - 5.00	>5.00 - 6.25	>6.25 - 7.50	>7.50 - 8.75	>8.75 - 10.00	Grey



Corruption Risk Index 2015

Countries in red boxes represent the top ten highest risk countries for the index shown

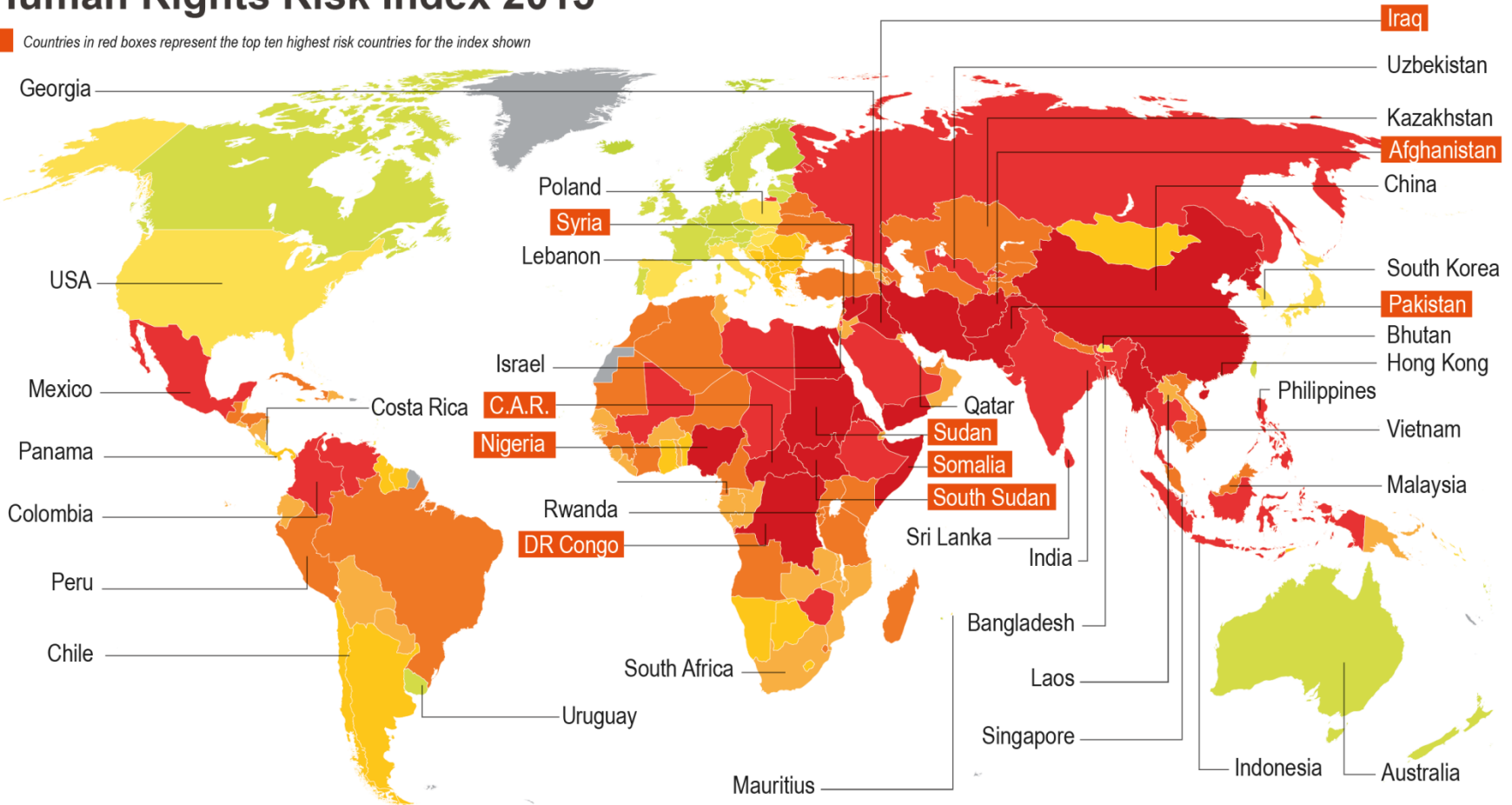


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Legend		Extreme Risk	High Risk	Medium Risk	Low Risk	Low Risk	Low Risk	No data									
	0.00 - 1.25		>1.25 - 2.50		>2.50 - 3.75		>3.75 - 5.00		>5.00 - 6.25		>6.25 - 7.50		>7.50 - 8.75		>8.75 - 10.00		No data

Human Rights Risk Index 2015

Countries in red boxes represent the top ten highest risk countries for the index shown



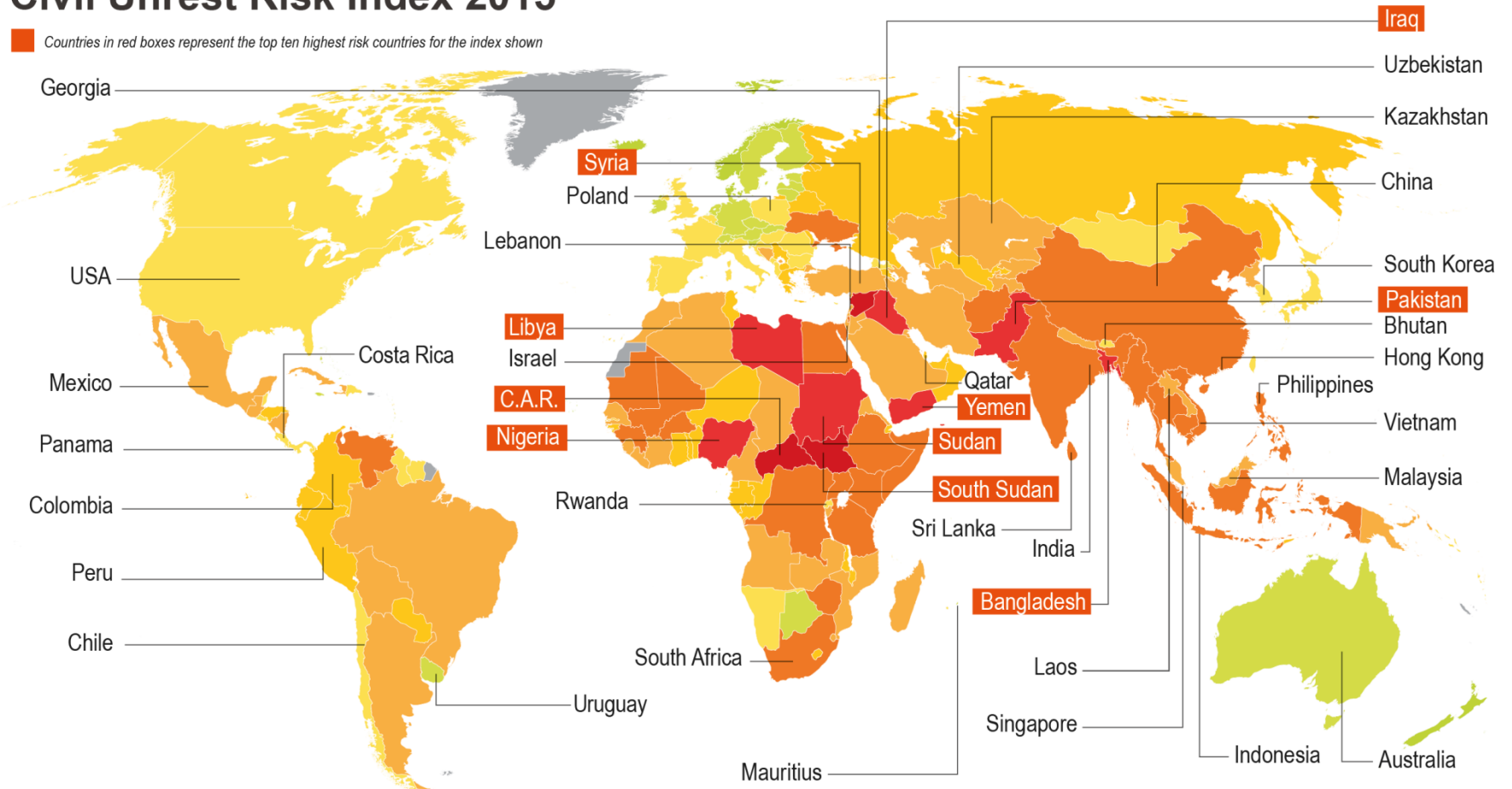
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Legend

Extreme Risk	High Risk	Medium Risk	Low Risk	No data
0.00 - 1.25	>1.25 - 2.50	>2.50 - 3.75	>3.75 - 5.00	
		>5.00 - 6.25	>6.25 - 7.50	
			>7.50 - 8.75	
			>8.75 - 10.00	

Civil Unrest Risk Index 2015

Countries in red boxes represent the top ten highest risk countries for the index shown

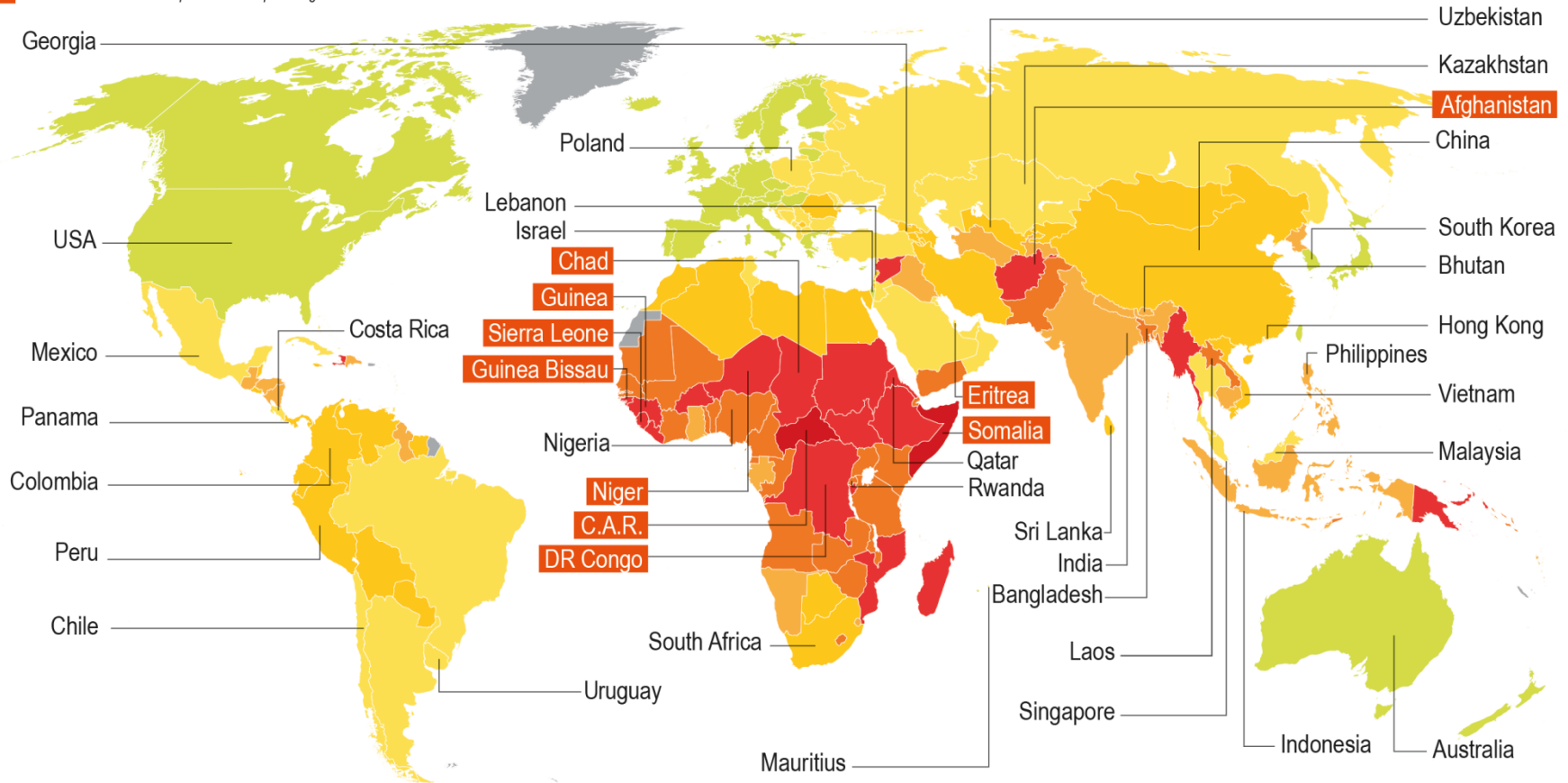


© Verisk Maplecroft 2015

Legend	Extreme Risk	High Risk	Medium Risk	Low Risk	No data				
	0.00 - 1.25	>1.25 - 2.50	>2.50 - 3.75	>3.75 - 5.00	>5.00 - 6.25	>6.25 - 7.50	>7.50 - 8.75	>8.75 - 10.00	Grey

Infrastructure Readiness Index 2015

■ Countries in red boxes represent the top ten highest risk countries for the index shown

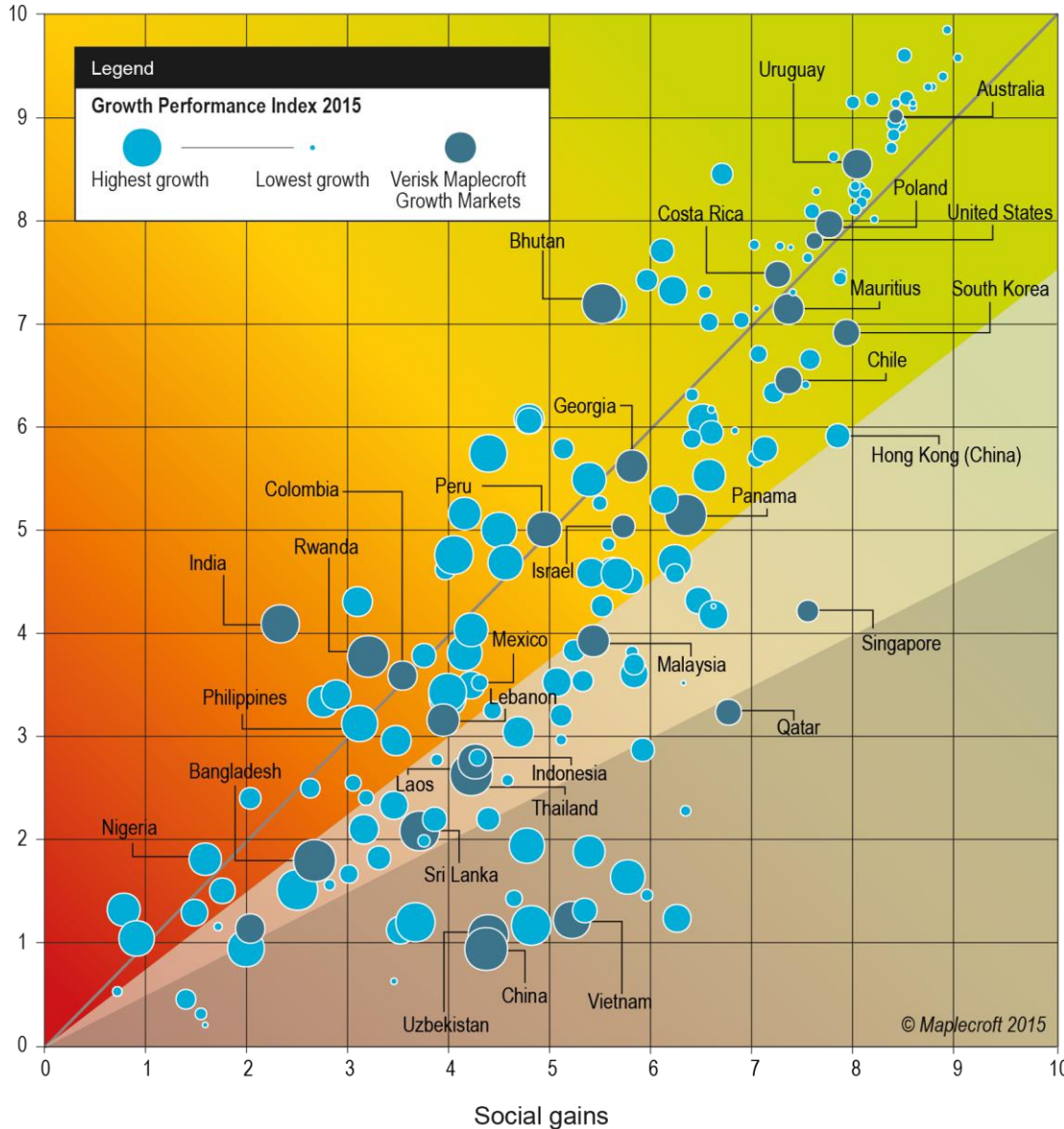


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Legend	Extreme Risk	High Risk	Medium Risk	Low Risk	No data				
	0.00 - 1.25	>1.25 - 2.50	>2.50 - 3.75	>3.75 - 5.00	>5.00 - 6.25	>6.25 - 7.50	>7.50 - 8.75	>8.75 - 10.00	Grey



Restrictions on political freedoms linked to civil unrest



Forecasting civil unrest

Whether civil unrest occurs may be influenced by a host of factors:

- Extent of **entrenched power** (including significant financial resources) of government
- Government willingness and ability to **use force**
- Extent / speed of **policy reform**

Countries to watch in 2015:
Venezuela, Russia, Vietnam, Egypt, Mexico, Nigeria, Thailand



Using political risk to forecast civil unrest

Root cause analysis

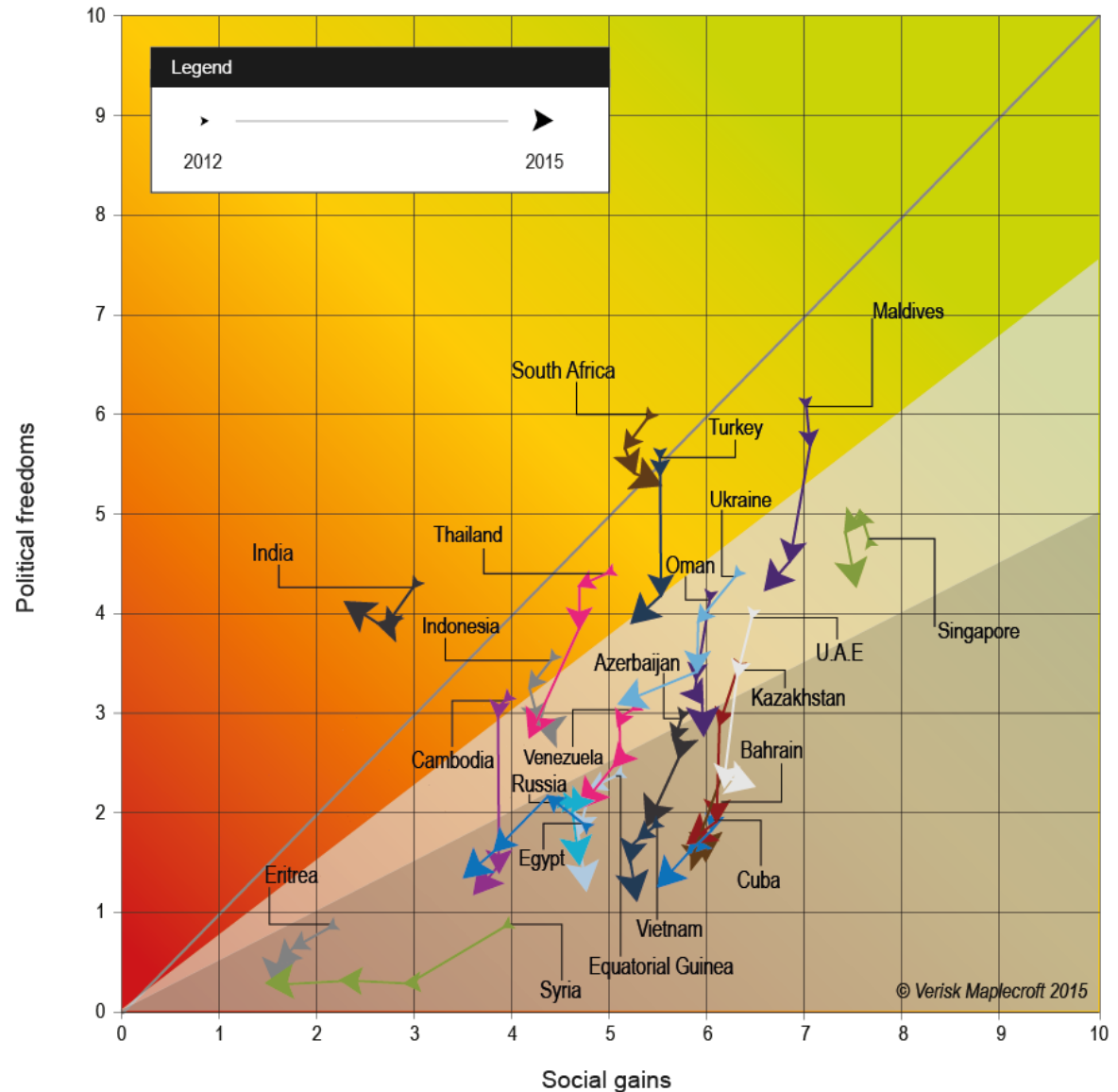
The relationship between **political freedoms** and **social gains** is a leading indicator of civil unrest and instability

Forecasting risk hotspots

Disparity between **relatively high social gains** with **oppressive governance** creates potential for **societally-induced regime change**

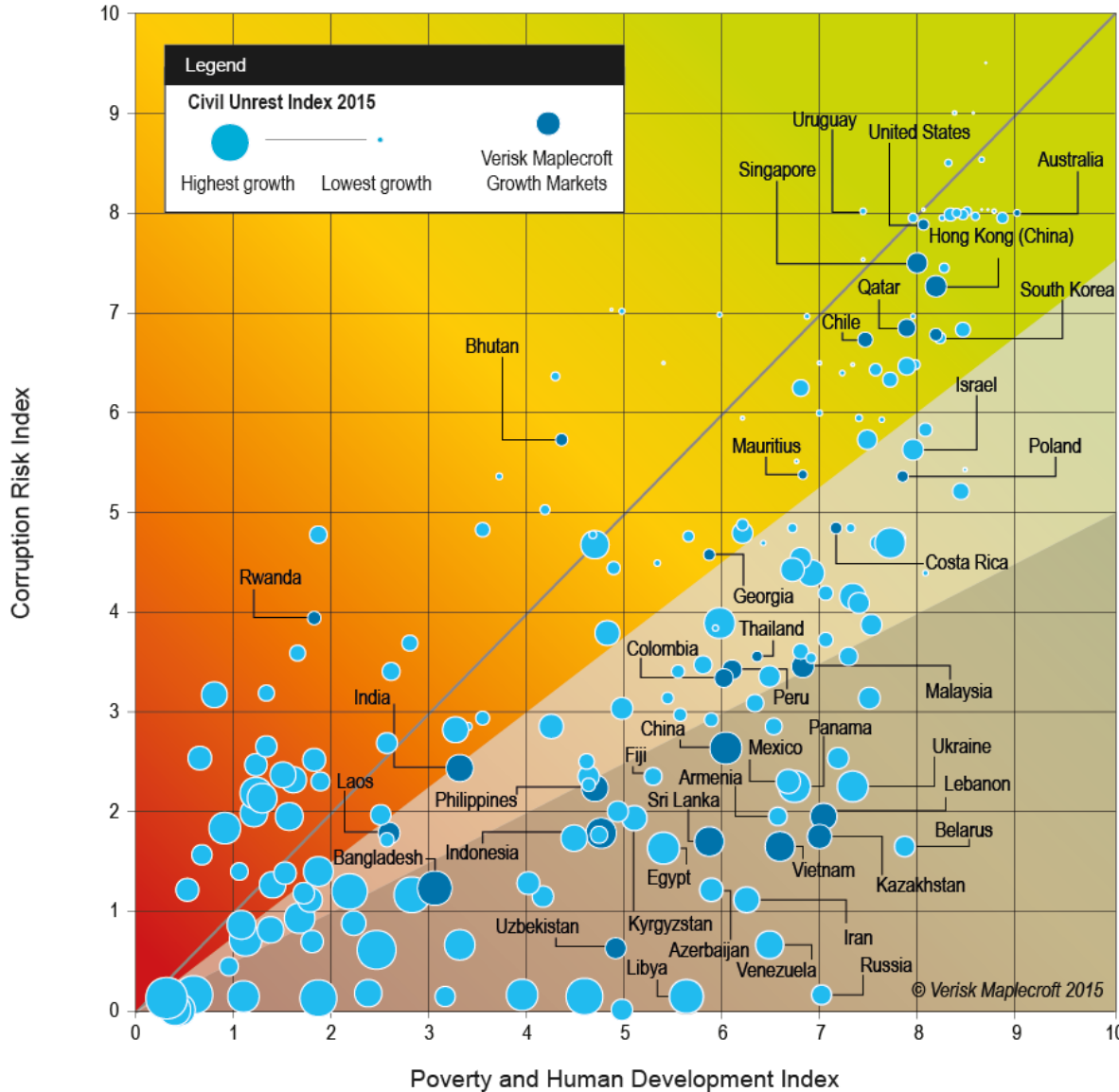
Scenario planning

Depends on: entrenched power, use of force and extent and speed of policy reform





Corruption: A structural cause of poverty



Corruption undermines human development

- The disparity between comparatively **high development** and **extreme levels of corruption** is an indicator of civil unrest
- In recent years, graft has featured prominently as a source of popular anger in mass demonstrations in countries such as **India, Thailand** and **Turkey**
- **Potential for unrest in 2015:** Popular dissatisfaction with corruption in **Russia, Venezuela, Vietnam** and **Mexico**

Thank you!

