



#### THE NEW ERA OF POLITICAL RISK

1 // // THE PANDEMIC HAS EXPOSED WEAKNESSES AND ACCELERATED RUPTURES IN THE SYSTEM. PREPARE FOR AN EXTENDED PERIOD OF MORE VOLATILE POLITICAL AND SOCIAL DISRUPTION

2 //RISKS CAN BE MITIGATED BY SOUND LEADERSHIP AND THOUGHTFUL POLICY.
FAILURE TO DO SO RISKS A POPULIST REVIVAL

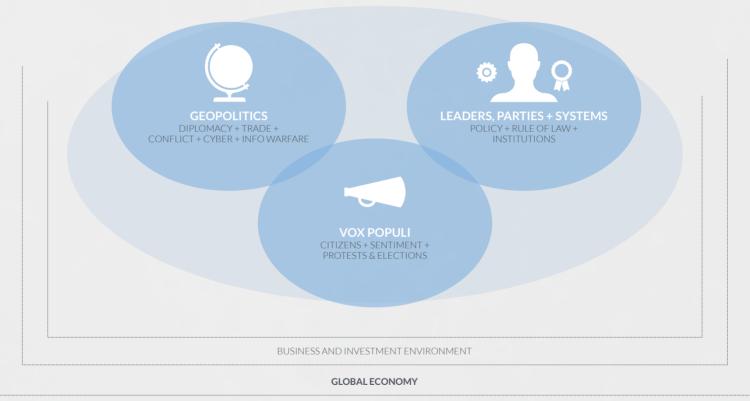
3// BACK TO BASICS: HEALTH AND WELL-BEING, SAFETY AND ECONOMIC OPPORTUNITY ARE CENTRE-STAGE

4// COMPETENCY MATTERS MORE THAN IDEOLOGY. MAINTAINING PUBLIC TRUST IS THE KEY VARIABLE FOR NAVIGATING CRISES

5// GEOPOLITICAL RISKS WILL REMAIN HEIGHTENED AS LEADING NATIONS FOCUS ON FIGHTING THE VIRUS AND OPPORTUNISTIC ACTORS EXPLOIT THE GAPS. GLOBAL COORDINATION CAN HELP.



## THE POST-PANDEMIC ERA REQUIRES AN INTEGRATED, HOLISTIC APPROACH ...BUT MOST OF US WORK IN SILOS WITH SPECIALIST FOCUS



INTERNATIONAL SYSTEM



### 2021 WALL OF WORRY

SOURCES OF DISRUPTION TO MARKETS AND THE GLOBAL ECONOMY ON THE RADAR

VAX

POPULI RISK

VACCINE ROLLOUT MUTANT STRAINS

POLITICAL DISRUPTION

DELAYED RECOVERY

POPULISM, EXTREMISM & POLITICAL VIOLENCE

GEOPOLITICAL TEST FOR BIDEN ADMIN

TURKEY/EASTERN MEDITERRANEAN GERMAN ELECTIONS; ITALY EARLY ELECTIONS?

IRAN: DIPLOMACY OR CONFLICT?

CLIMATE EMERGENCIES

INTEREST

RATE RISES &

INFLATION

CHINA TRADE & TAIWAN TENSIONS FROZEN CONFLICTS THAW REFERENDUMS

**SCOTTISH & IRISH** 

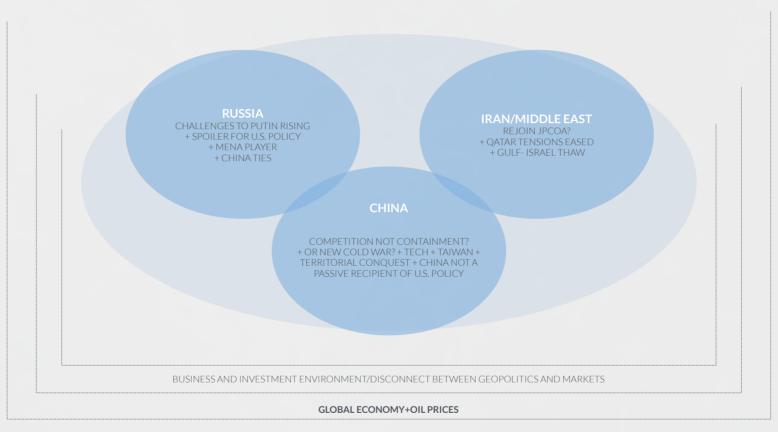
U.S. POLITICAL DYSFUNCTION

RUSSIA INSTABILITY



## THE GEOPOLITICAL BIG 3: CHINA, RUSSIA AND THE MIDDLE EAST

GEOPOLITICAL RISKS ARE MORE DISRUPTIVE IN A FRAGILE ENVIRONMENT BUT THE CURRENT CRISIS IS ALSO AN IDEAL TIME FOR OPPORTUNISTIC ACTORS TO SEIZE ADVANTAGE



REDUCED COOPERATION AND COORDINATION IN INTERNATIONAL SYSTEM



# MANY PANDEMIC-INDUCED CHANGES WILL ENDURE, RE-SHAPING THE ENVIRONMENT FOR GOVERNMENT, BUSINESS SOCIETY AND THE INTERNATIONAL SYSTEM





1// DIGITISATION
2//WFH
3// RESTRUCTURING
5//EMPLOYEE
WELLBEING









1// PUBLIC DEMANDS
2 // ENDLESS STIMULUS
3 // DEBT BURDENS
4 // COVID POLICY FOCUS



## FROM 'VOX POPULI' TO 'VAX POPULI'

SHORT AND LONG TERMS RISKS TO THE RECOVERY AND POST-PANDEMIC OUTLOOK



VAX POPULI 2021



VAX ROLLOUT DELAYS



VAX REFUSAL AND HESITANCY



HEALTH CRISIS
PROLONGED



UNEMPLOYMENT, BANKRUPTCY AND INSOLVENCY



RECOVERY
POSTPONED +
POLICY AGENDA
CONSTRAINED



PHASE II 2022 +



HOUSEHOLD RECOVERY LAGS



PTSD IMPACT GENERATIONAL, REGIONAL, RACIAL AND SOCIAL



CATALYST FOR RADICALISATION + CONSPIRACY THEORIES



NEW POPULIST AND EXTREMIST VARIANTS

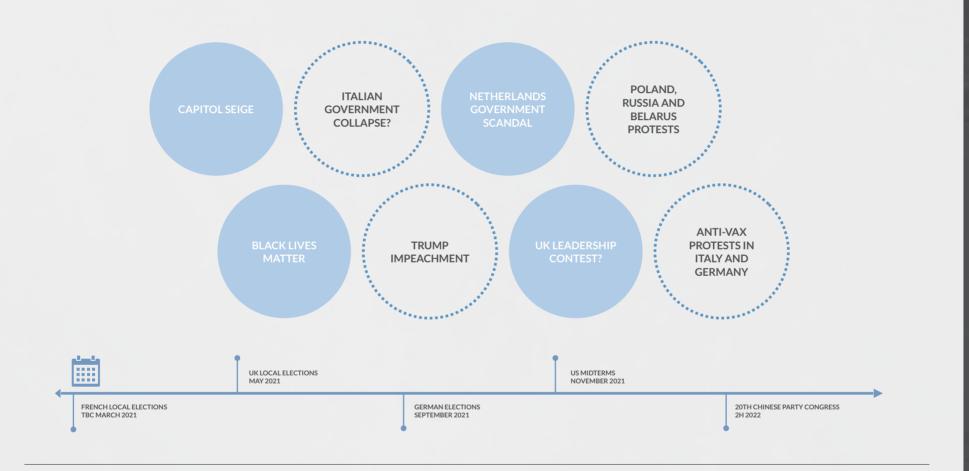


GOVERNMENT COLLAPSES, EARLY ELECTIONS



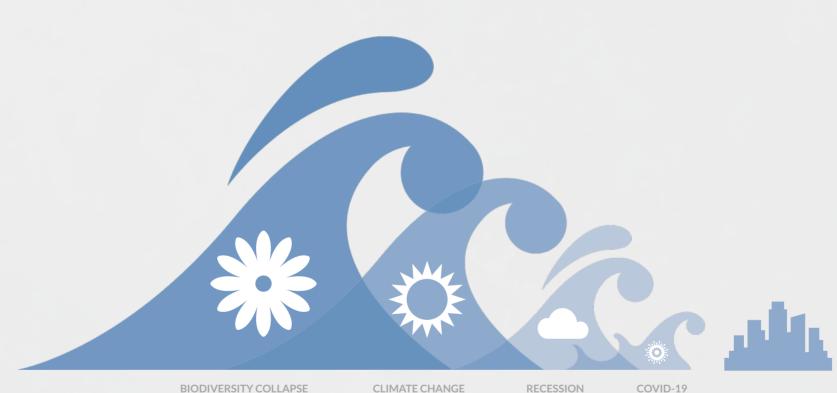
### VAX POPULI RISKS ARE ALREADY IN EVIDENCE

PROTESTS, CIVIL UNREST, POLITICAL MACHINATIONS ARE INCREASING, POTENTIALLY INFLUENCING UPCOMING SCHEDULED ELECTIONS





## IS COVID-19 THE LEAST OF OUR WORRIES IN A HIGHLY-COMPLEX GLOBAL ENVIRONMENT?







About Us

Avonhurst's political strategy services team has extensive experience in analysing geopolitical risk, macro-economic outlook, political affairs and deal-specific transactional risk. We are able to provide a holistic approach which not only highlights issues to consider but provides solutions to political and related legal challenges.

Tina Fordham is a partner and Head of Global Political Strategy at Avonhurst. She has over 20 years' experience assessing global political developments and their implications for markets and the economy, drawing upon her unique political science-based, data-driven approach. Previously, she was Citi's Chief Global Political Analyst, the first person to have this role at a major financial institution. She also spearheaded gender economics research, leading to her appointment to the UN's High-Level Panel on Women's Economic Empowerment and a #1 ESG ranking for Institutional Investor. Earlier in her career she founded Eurasia Group's financial markets research business and was a senior adviser in the UK Prime Minister's Strategy Unit.

Tina serves on the international advisory boards for Columbia University's School of International and Public Affairs, her alma mater, and the think tank Carnegie Europe. She has been named in the Top 100 Geopolitical Experts (alongside Condoleezza Rice) and the FN's Top 100 Most Influential Women in European Finance, and is a frequent commentator in the international press and keynote speaker at global policy and investor conferences.

TINA FORDHAM // PARTNER AND HEAD OF GLOBAL POLITICAL STRATEGY
M: +44 (0) 7764 975 586 // DD: +44 (0) 207 856 2553 // E: tina.fordham@avonhurst.com