The popular uprisings of the Arab Spring have propelled Egypt, Libya and Syria into the most severe risk category of an annual study evaluating the intensity of armed conflict across 197 nations, while economic giant India is also rated at ‘extreme risk.’

The third annual Conflict Intensity Index, released by risk analysis and mapping company Maplecroft, rates 12 countries at ‘extreme risk.’ These include Libya and Syria, which are ranked joint 1st alongside Afghanistan, Cote d’Ivoire, Iraq, Pakistan and South Sudan. At equal 8th are Nigeria, Somalia and Yemen, while Egypt and India round off the category.

The index has been developed by Maplecroft as a tool for multinational corporations to assess ongoing trends for conflict and potential risks to operations or investments. It looks at the broad range of conflicts – not only those that take place between two states, but also those within countries between state security forces and rebel militias, or between different ethnic and religious communities. The index is primarily calculated using the number of fatalities caused by conflict in each country between October 2010 and August 2011. However, it also considers critical precursors to conflict, such as threats of violence and economic sanctions.

Conflict intensity data collected and analysed by Maplecroft over the past three years shows that particular regions – MENA, central Africa and the Indian subcontinent – have consistently remained most at risk. Each has a marked concentration of ‘high’ and ‘extreme risk’ states, indicating that these regions pose significant risks for investors, as well as opportunities, if those risks are managed responsibly.

Trends for conflict increasing across MENA

Generally, North Africa has witnessed an increase in its risk profile over the past three years. This trajectory demonstrates that the shockwaves of the Arab Spring are translating into greater conflict severity across the region. Egypt, for instance, shifted by one risk category in each of the three years: from medium risk in the 2010 edition of the index, to high and extreme in the 2011 and 2012 editions respectively. The 2011 revolution in Egypt resulted in significant loss of life with over 800 people estimated killed in the violence.

“Maplecroft’s research shows that growing conflict in the MENA region has been associated with a worsening of scores for political freedoms, combined with medium to good scores for social gains like education,” says Maplecroft CEO Alyson Warhurst. “This helps explain the tenacity...
of an educated but frustrated youth in pushing, sometimes violently, for political change in the face of corrupt regimes and few prospects."

Conflict Intensity Index

Arab Spring countries account for deadliest conflicts

In Libya, which rose from 120th in last year’s index to joint 1st this year, the country’s Transitional National Council (TNC) asserted that approximately 50,000 people have died in the conflict. Although the number of deaths has not yet been established beyond doubt, it is likely that, as a protracted armed struggle that is still ongoing, the death toll will run into the tens of thousands, making Libya’s civil war the deadliest conflict of 2011.

Meanwhile, in Syria, ranked 51st and ‘medium risk’ in last year’s index, the death toll continues to rise in ongoing violent clashes between anti-government, pro-democracy protestors and security forces loyal to President Bashar al-Assad. The extreme force used by the Syrian security forces means that almost all fatalities are civilian. In September, the UN Office for the High Commissioner for Human Rights (OHCHR) estimated that approximately 2,700 people have been killed since major protests began in March.

"Conflict exponentially increases the risk of doing business within a country, as operations are disrupted and employees and assets are endangered,” states Maplecroft Analyst Jordan Perry. “This threat was all too apparent to the oil majors operating in Libya, as they evacuated employees in response to the violence.”

Other countries involved in the Arab Spring include Yemen (8), Tunisia (13) and Bahrain (29). Yemen kept its ‘extreme risk’ status from last year and has slid ever closer towards civil war, with approximately 1,000 people thought to have died during the reporting period. In Tunisia, which rose 107 places in the rankings into the ‘high risk’ category, over 200 people have been killed in the revolution that ousted former president Zine El Abidine Ben Ali, according to estimates from the UNOHCHR. Popular protests in Bahrain, upgraded by Maplecroft from ‘medium’ to ‘high risk,’ have seen almost 30 people killed since February.

BRICs at ‘high’ and ‘extreme risk’

Key territories for the business community to monitor are the BRICs economies. India is ranked 11 and ‘extreme risk’ for conflict intensity, while Russia (13) and China (29) are both rated ‘high risk.’ Protracted insurgencies and terrorist threats within these countries continue to present challenges to the business environment. Conflict, however,
poses less of a risk in Brazil (60), which is rated 'medium risk.'

India, the highest ranked of the BRICs countries, faces significant risks from Islamist terrorism. A particular source of concern is Lashkar-e-Taiba, a pan-Islamist terrorist group that desires the creation of a “caliphate” across the Indian subcontinent and the withdrawal of India from Kashmir. Lashkar-e-Taiba continues to launch attacks in Kashmir and India and is one of several groups suspected of the 13 July 2011 Mumbai bombings that killed at least 26. India is also enduring a 45-year-long Maoist insurgency from 'Naxalite' militants in the east of the country whose aim is to overthrow the current political system.

Improvements seen across the Americas

According to Maplecroft, reductions in the intensity of conflict have also been witnessed, most notably in the Americas, where there is not a single ‘extreme risk’ country. Colombia’s risk profile, for instance, has decreased from ‘extreme’ to ‘high risk’ over the last year. These results suggest that the Colombian authorities are beginning to win their war against their major adversaries: Marxist revolutionary guerrillas, FARC.

“Ongoing monitoring of political risks, such as regime stability and conflict, in turbulent areas of operation is essential for companies to ensure business continuity and the safety of key personnel,” adds Perry. “These risks must not only be looked at national and regional levels to see developing trends, but at sub-national levels to analyse evolving threats to individual assets. Maplecroft's mapping of conflict, terrorism and political violence is a valuable tool to help multinational companies achieve this.”

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