



*Geopolitical Risk Index | Case Studies | 2024*

# Political Risk Index

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# Contents

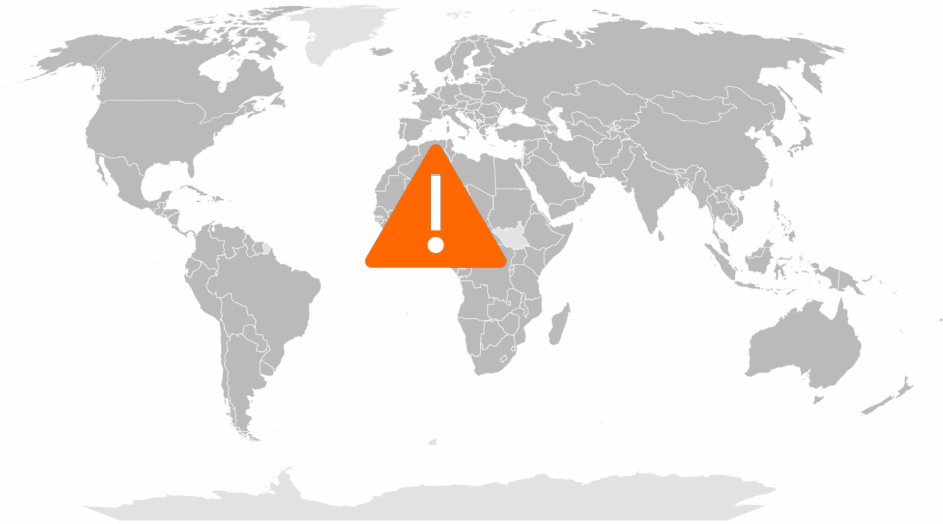
- 1 Introduction
- 2 Political dimension
- 3 Social dimension
- 4 Economic dimension
- 5 Conclusion



# Political Risk Index

## Goals

Providing a comparative and objective analysis of a country's political performance to deepen understanding of global political dynamics and identify potential at-risk nations and significant trends.



50%

### Political Risk

- State Legitimacy
- Public Services
- Human Rights and Rule of Law

25%

### Social Risk

- Group Grievance
- Demographic Pressure

25%

### Economic Risk

- Government Size
- Regulatory Efficiency
- Open Markets
- Uneven Economic Development



# Political dimension

*Fragile State Index*



25%

## STATE LEGITIMACY

- Public confidence in political process
- Political opposition
- Transparency
- Openness and fairness of political process
- Political violence



12.5%

## PUBLIC SERVICES

- General provision of public services
- Health
- Education
- Shelter
- Infrastructure
- State ability to protect citizens against terrorism and violence



12.5%

## HUMAN RIGHTS AND RULE OF LAW

- Civil and political rights
- Civil and political freedoms
- Violation of rights
- Independent media
- Justice and free trials
- Equality



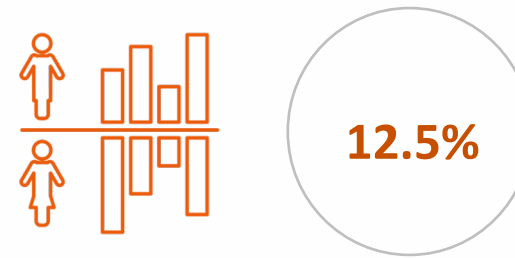
# Social dimension

*Fragile State Index*



## GROUP GRIEVANCE

- Post-Conflict response
- Equality in resource distribution
- Divisions among different groups
- Communal violence



## DEMOGRAPHIC PRESSURE

- Population
- Public Health: diseases, pandemics
- Food and nutrition
- Environment and natural disasters
- Resources: land competition, water supply

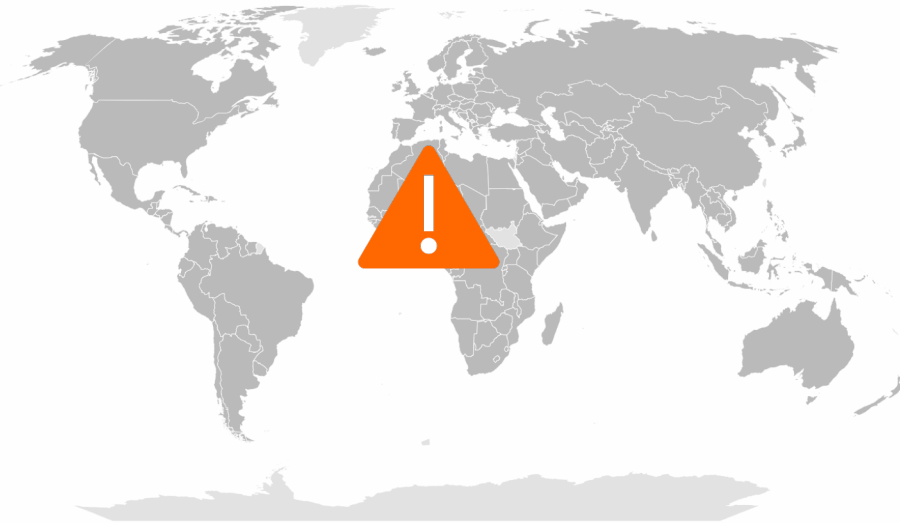


# Economic dimension

The Heritage Foundation and Fragile State Index

## Goals

Economic performance and equality constitutes an essential dimension for assessing geopolitical risk. We consider four aspects of economics: Government size, regulatory efficiency, open markets, and uneven economic development.



25%

### Government Size

- Government Spending
- Fiscal Health

25%

### Regulatory Efficiency

- Business Freedom
- Labor Freedom
- Monetary Freedom

25%

### Open Markets

- Trade Freedom
- Investment Freedom
- Financial Freedom

25%

### Uneven Economic Development

- Structural Inequality



## Conclusion

The result of our work consisted in the creation of an index based on solid assumptions and reliable data, which allows tracking the trend and evolution of political risk **from 2009 to 2023**.

