



ISSUE 11

2018

# Deteriorating relationship Russia and the West

& SHOWDOWN IN THE SOUTH PACIFIC  
& RISING ANTIBIOTICS AND PESTICIDE RESISTANCE

Photo on Wikimedia.org

 FreedomLab

# 1. Deteriorating relationship between Russia and the West

The dispute between Russia and the West over the fate of Ukraine has entered a new and risky phase. This month, the Russian navy opened fire on three Ukrainian ships before seizing them in the Kerch Strait, the narrow passageway connecting the Sea of Azov and the Black Sea and the key waterway for sea traffic to both countries. Russia Today reported that the Ukrainian ships entered Russian waters without permission and that the Russian navy had issued a warning as the vessels crossed Kerch strait and accuses the Ukraine of 'acts of provocation'. Russia's federal security service claims that the territorial waters, which the Ukrainian vessels entered, were part of Russia even before Crimea 'rejoined' the country. Ukraine, in turn, called the attack on the ships an "act of aggression" and its parliament voted to declare martial law in its border territories. These **measures** will include a partial mobilization, a strengthening of Ukraine's air defenses, and several unspecified steps "to strengthen the counterintelligence, counterterrorism, and counter sabotage regime and information security". Ukrainian President Petro Poroshenko warned of the "extremely serious" threat of a land invasion. However, critics argue that Poroshenko is using the conflict as a way to delay presidential elections, which are scheduled for **March and which**, according to polls, **he is likely** to lose. European leaders have responded by calling for new sanctions on Russia over its aggression against Ukraine. The U.S. President Trump only reacted via outgoing United Nations Ambassador Nikki Haley who announced that the U.S. would play a supporting role to European efforts to ease tensions. The "**Trident Juncture**," a major NATO military exercise centered on Norway, earlier this month further marked the growing tensions and preparation for a possible confrontation between Russia and Western alliances. The exercise imagined an attack in which the Western alliance was forced to stop an unnamed adversary intent on occupation or even annexation.

**RISKS MARKED ON THE RISK RADAR AS NUMBER 1:**  
DETERIORATING RELATIONSHIP RUSSIA AND THE WEST

Photo by Max Pixel

## 2. Preparing for a showdown in the South Pacific

During the Asia-Pacific Economic Cooperation (APEC) forum earlier this month, tensions spiked among world leaders due to competition over the economic and political structure of the South Pacific. The participants, including China's President Xi Jinping, Japanese Prime Minister Shinzo Abe and U.S. Vice President Mike Pence, did not even issue a communique, a first in the APEC summit's 30-year history. To their dismay, South Pacific states experience growing influence from superpowers. This is especially true for Papua New Guinea, which also happened to host the forum, as it is the poorest of the APEC countries and remains heavily dependent on aid programs. Historically, it is has always had strong ties with Australia, but today China is taking a greater economic hold on Papua New Guinea. Chinese investments in Papua New Guinea have risen sharply over the last years (to more than **\$1.9 billion** in 2018 and China has committed another \$4 billion for building roads). In the face of this growing Chinese influence, in a region that has traditionally been considered within the Oceanian powers' sphere of influence, Australia and New Zealand have been stepping up coordination with the U.S. and Japan. Australian Prime Minister Scott Morrison, New Zealand Prime Minister Jacinda Ardern, Prime Minister Shinzo Abe and U.S. Vice President Mike Pence agreed with Papua New Guinea on a project to increase electricity access in the South Pacific nation to 70% of its population by 2030 (from the current 13%). Moreover, the U.S. has revealed plans to join Australia in the expansion of a naval base on Papua New Guinea's Manus Island. Furthermore, in a pushback against Beijing's rising regional influence, Australia and New Zealand are in **talks** to sign a new "wide-ranging" security pact with other nations in the South Pacific with a specific intent of confronting China's expanding influence. To illustrate, China's plan to build a base in Vanuatu's Luganville wharf earlier this year was quickly met with a counter-proposal from Australia. As such, the South Pacific is becoming a battleground of large power politics.

**RISKS MARKED ON THE RISK RADAR AS NUMBER 2:**  
COMPETITION SOUTH PACIFIC



Photo on media.defense.gov

### 3. Resistance against antibiotics and pesticides

The excessive use of antibiotics, pesticides and herbicides around the world, risks widespread resistance, according to a [study](#) published in Nature earlier this month. Growing resistance among malign bacteria and other harmful organisms, can undermine human health and systems for biomass production. According to the World Health Organization (WHO), 700,000 deaths around the globe can already be attributed to antimicrobial or antibiotic resistance each year and this number is expected to rise to 10 million in 2050. The study found that, so far, only the use of antibiotics for “Gram negative” bacteria have completely surpassed safe levels. These Gram negative class of bacteria are an important medical challenge: their outer membrane protects them from many antibiotics (including penicillin) and thus there are antibiotics especially designed to target them. This class of bacteria includes E.coli, salmonella and gonorrhoea, and

causes widespread diseases globally.

According to the [WHO](#), better control over the prescription of medicines is need to battle growing antibiotics resistance is. In the U.S., and elsewhere to a lesser extent, there has been a trend of “medicalization” since the 1980s; the number of medical diagnoses has expanded rapidly and so has the number of pharmaceutical treatments. To illustrate, since the 1990s, the number of office visits for sleep problems has doubled and diagnoses of insomnia increased sevenfold, but prescriptions for sleep medications increased more than 30 times. An important step forward, to decrease medication, could be to emphasize the effectiveness of [non-prescription remedies](#). That is, for many conditions that are heavily medicalized today, lifestyle changes could be equally or even more effective.

Another measure, according to the WHO, is to reduce antibiotics use in livestock farming. Earlier this month, leaders of the UK’s main medical associations called upon the U.K. government to commit to a complete [ban](#) on the preventive use of antibiotics in animal husbandry. The European parliament has already voted in favor of a similar measure, but this will only come into force after the Brexit (2022), and these experts urge the U.K. government to commit to such a ban as well.

Furthermore, the study in Nature also stated that promoting biodiverse environments can help to suppress outbreaks of pests or pathogens. Although the use of pesticides, herbicides, and fertilizers was key in achieving food security in the mid-20th century, the current excessive use has significant repercussions for food production: it has eroded arable land, toxified groundwater, led to biodiversity loss and greater pesticide resistance.

**RISKS MARKED ON THE RISK RADAR AS NUMBER 3:  
SPREAD OF INFECTIOUS DISEASE**

# RISK RADAR

## EUROPE

### NOVEMBER 2018

The potential political, sociological, economic and technological threats.

### PRIORITY OF RISK

Is a determination of the likelihood of occurrence and the estimated impact.

### NEW RISK



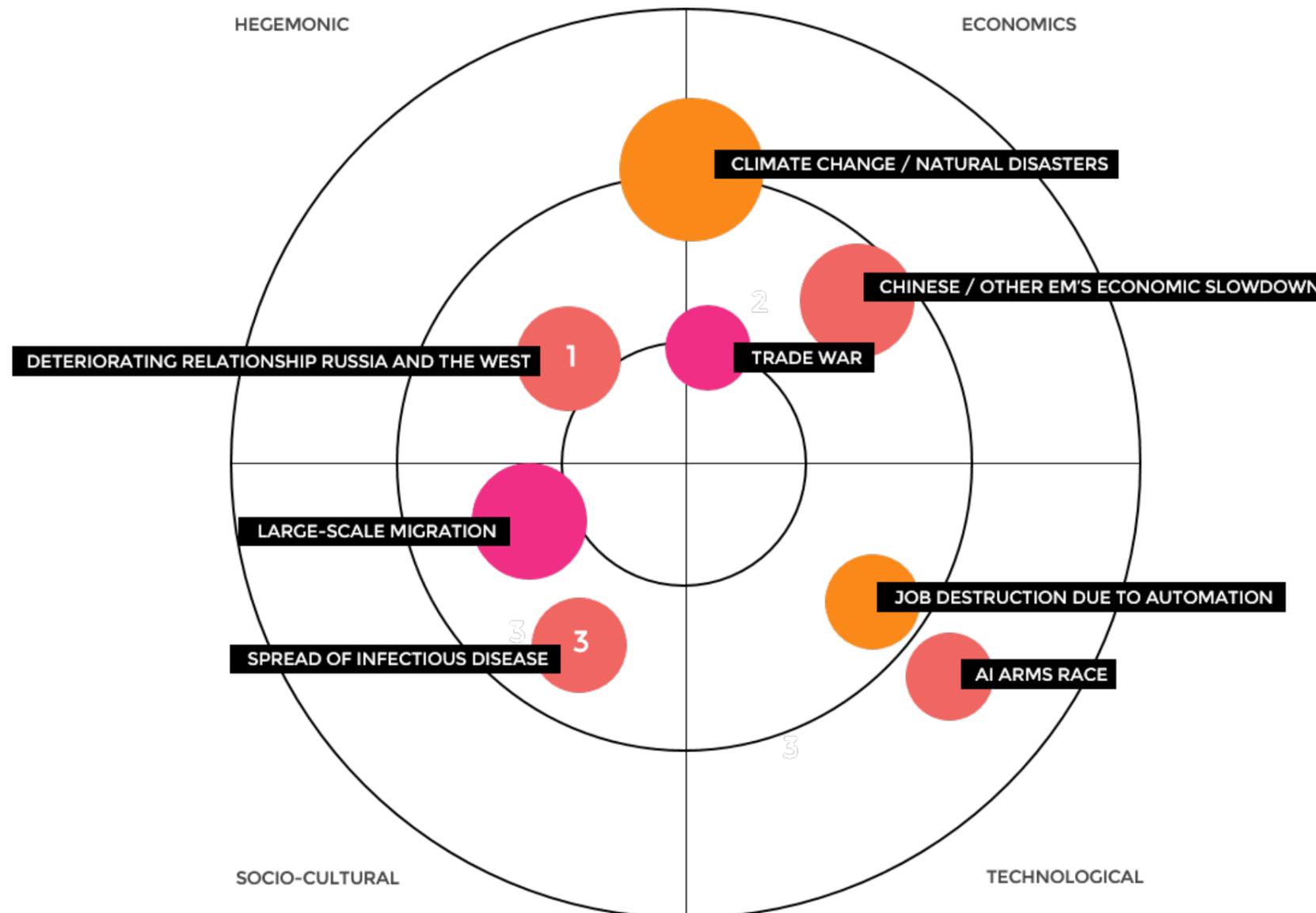
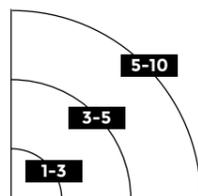
### ESTIMATED IMPACT



### LIKELYHOOD OCCURENCE



### TIME HORIZON (IN YEARS)



### KEY RISK SHIFTS

1. Deteriorating relationship Russia and the West
2. Showdown in the South Pacific
3. Rising antibiotics and pesticide resistance

### OTHER TOP EUROPE RISKS

- Eastern Europe's slow implosion
- Unrest and regime change in the periphery of EU
- Pension Crisis
- Declining internet freedom
- Protectionism
- Rising inequality
- Weak Southern European Economies
- Policy uncertainty
- Friction over Arctic Sea
- Anti-establishment parties come to power
- Terrorism
- Secular stagnation
- Global debt glut
- Digital Infrastructure Failures
- Exits from the EU

# RISK RADAR

## WORLD

**NOVEMBER 2018**

The potential political, sociological, economic and technological threats.

**PRIORITY OF RISK**

**NEW RISK**



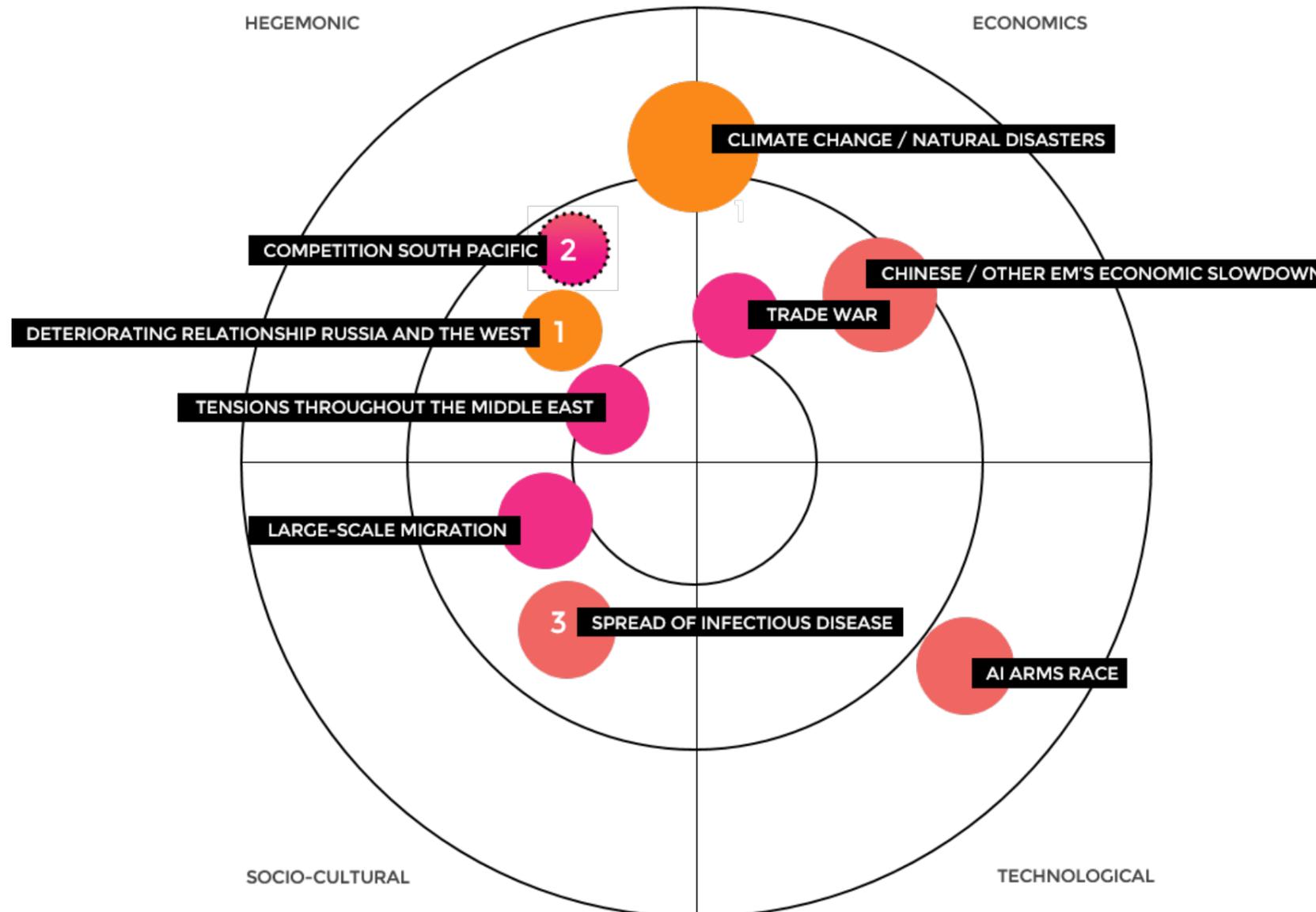
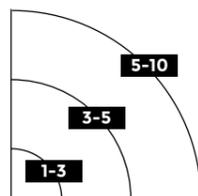
**ESTIMATED IMPACT**



**LIKELIHOOD OCCURENCE**



**TIME HORIZON (IN YEARS)**

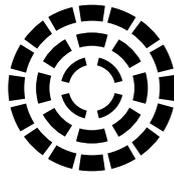


**KEY RISK SHIFTS**

1. **Deteriorating relationship Russia and the West**
2. **Showdown in the South Pacific**
3. **Rising antibiotics and pesticide resistance**

**OTHER TOP WORLD RISKS**

- Protectionism / reform LatAm
- Food insecurity
- Pension crisis
- Rising inequality
- Global debt glut
- Implosion North Korean State
- Water crises
- Territorial disputes South China Sea
- African terrorism
- Friction over Arctic Sea
- Terrorism
- Digital infrastructure failures
- Declining internet freedom



 **FreedomLab**

### **INTERNAL SOURCES**

Filtering Hegemonic Shifts  
Filtering Technological Shifts  
The Macroscope  
Risk Radar

### **EXTERNAL SOURCES**

Bloomberg  
Financial Times  
Geopolitical Futures  
Japan Times  
NATO  
Nature  
Radio Free Europe

Reuters  
RT  
Strait Times  
The Guardian  
The New York Times  
The Sydney Morning Herald  
World Health Organization