

THE RISK REPORT

The top 10 risks for 2019 suggest a gathering storm

By Ian Bremmer



THE GEOPOLITICAL environment is the most dangerous it's been in decades, and yet the global economy is mostly doing well. What's

wrong with this picture? Nothing ... yet. While the most serious risks, such as cyberwar with Russia or military confrontation with Iran, are more plausible than they've been, none are particularly likely to play out in 2019. But we are heading for serious longer-term trouble down the road. That's the first of my Eurasia Group's top 10 risks this year:

1. BAD SEEDS TAKE ROOT

2019 is the year "bad seeds" are being planted that will eventually threaten the entire global order. Examples? The transatlantic alliance, NATO, the European Union, the G-20, the World Trade Organization, U.S.-China, Russia and the West ... none of these will explode this year, but every one of them is headed in the wrong direction.

2. U.S. VS. CHINA

The U.S.-China relationship is broken, and even a truce in the trade war won't fix it. Trust between the two sides is almost gone. The U.S. agrees China poses threats. The Chinese believe they can't afford to back down. Both sides will work to make themselves less vulnerable to the other by reducing the connections that bind them together.

3. THE CYBERGLOVES ARE OFF

There are still no realistic rules of the road to help avoid cyberconflict. It's hard to halt an attack. You can't tell who's shooting at you. Your cyber-defenses fast become obsolete. And 2019 will be the year the U.S. government goes on offense.

4. POPULISM MARCHES ON IN EUROPE

The E.U. will hold parliamentary elections in May, and populists will score



a victory that will help them challenge current European policy on migration, trade and enforcement of E.U. rules inside member states.

5. THE U.S. AT HOME

Infighting in Washington will be especially intense in 2019. Trump will face challenges from House Democrats, the media, the courts, and investigations of his Administration, his campaign, his businesses and his family. Trump will return fire, raising the risk of a constitutional crisis.

6. THE WINTER OF OUR INNOVATION

Security fears persuade governments to avoid foreign suppliers. Privacy concerns lead them to tightly regulate how citizens' data can be used. Economic worries lead them to build barriers to protect their firms against foreign competitors. We see these trends in U.S.-China relations, but also in Europe, Japan, Brazil, India and even California. Innovation depends on cooperation. Expect less of that in 2019.

7. COALITION OF THE UNWILLING

Donald Trump now has imitators in Italy's Matteo Salvini and Brazil's Jair Bolsonaro. Russia's Vladimir Putin and North Korea's Kim Jong Un have tactical reasons to promote the U.S. President. Saudi Arabia's Mohammed bin Salman

and Israel's Bibi Netanyahu need his support. These leaders don't salute a common flag, but each will bolster Trump's challenge to the status quo.

8. A LEFTIST IN MEXICO

New President Andrés Manuel López Obrador is popular, but his bid to roll back macroeconomic policies, privatization and deregulation threaten a return to the 1960s. In 2019, he'll spend money Mexico doesn't have on problems like poverty and security that resist straightforward solutions.

9. TENSIONS IN UKRAINE

Ukraine will hold a presidential election in March and a parliamentary vote in the fall. Russia will interfere to a far greater degree than in U.S. and European elections. Each has political incentives to pick fights with the other. Though both want to limit their battles, conflict can take on a life of its own.

10. NIGERIA ON A KNIFE EDGE

If the ineffective President Muhammadu Buhari wins this year's fiercely contested election, much-needed reforms must wait and militant attacks will worsen. His opponent, Atiku Abubakar, wants mainly to enrich himself and his allies in office. The wildcard risk: an inconclusive result, followed by violence and chaos. □