

Bankers Trust
Company



International
Assessment

International Economics

280 Park Avenue, New York, N.Y. 10017 U.S.A.

POLITICAL RISK BRIEFING CHARTS

William H. Overholt
Vice President
Political Assessment Group

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DRAFT

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POLITICAL RISK

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GENERIC PURPOSES OF POLITICAL RISK ASSESSMENT

- RISK AVOIDANCE
- OPPORTUNITY SEEKING
- COUNTRY PLANNING
- INTERNATIONAL ANALYSIS
- NEGOTIATING STRATEGY
- STRATEGIC PLANNING
- INFLUENCING EVENTS

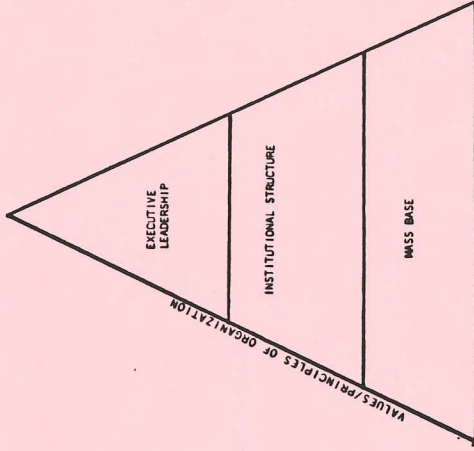
2

WHY QUANTITATIVE METHODS DON'T WORK

- LACK OF THEORY
- LACK OF RELIABILITY
- LACK OF VALIDITY
- LACK OF RECENCY
- LACK OF COMPLEXITY
- EXCESSIVE GENERALITY

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ORGANIZATION OF A POLITICAL REGIME



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KEY EXECUTIVE LEADERSHIP QUALITIES

- PATRIOTISM
- HONESTY
- PRIORITY FOR ECONOMICS
- SKILL
- STRENGTH
- UNITY

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CRITERIA FOR JUDGING INSTITUTIONS

- PERSONNEL
- PERFORMANCE
- COHERENCE
- CRISIS ADAPTABILITY

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CANDIDATE GROUPS FOR SOCIAL COALITIONS

- MILITARY
- CIVIL SERVICE
- INTELLIGENTSIA
- STATE FIRMS
- INDUSTRIALISTS
- SMALL BUSINESSMEN
- SKILLED WORKERS
- UNSKILLED WORKERS
- LANDLORDS
- PEASANTS
- ETHNIC GROUPS
- RELIGIOUS GROUPS
- (FOREIGN SUPPORT)

TIES TO INSTITUTIONS AND SUPPORT GROUPS

POLITICAL RISK

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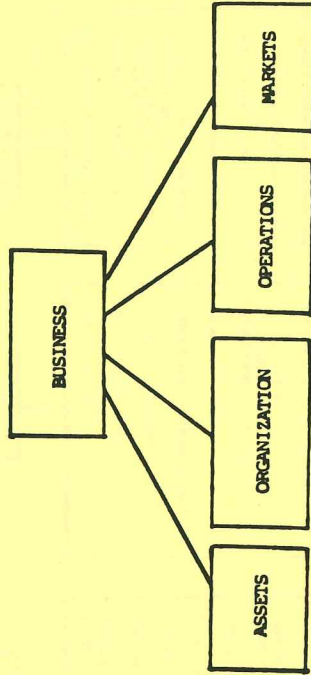
DIFFERENTIATING RISKS II:

DIFFERENTIAL VULNERABILITIES

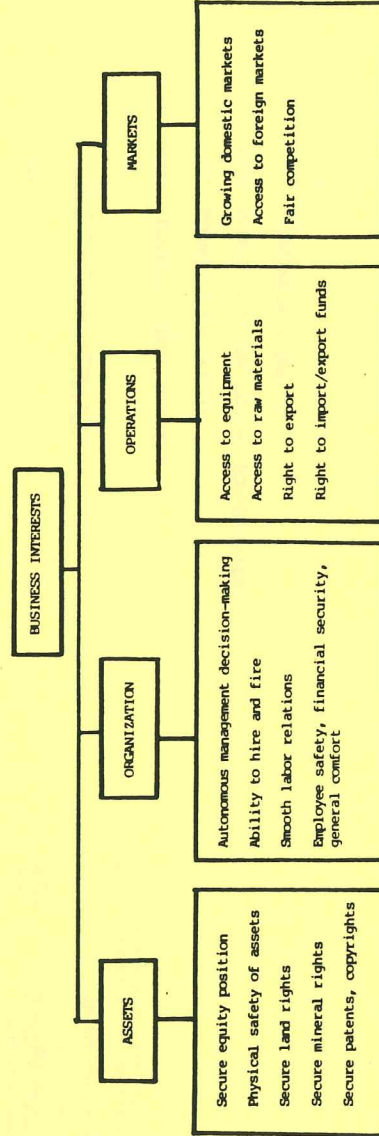
- A. LONG-TERM VS SHORT-TERM COMMITMENTS
—OR LONG VS SHORT PAYBACK PERIODS
- B. SMALL VS LARGE PARTNERS
- C. SINGLE VS MULTIPLE PARTNERS
- D. SIMPLE VS COMPLEX MARKETS
—GOLD VS CHROME
—MINING VS FINANCE
- E. LOW VS HIGH TECHNOLOGY
- F. SLOW VS RAPID TECHNOLOGICAL CHANGE
- G. LOW VS HIGH EMPLOYMENT

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COMPONENTS OF BUSINESS



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POLITICAL RISK

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CENTRAL ISSUES OF GLOBAL POLITICS

- I. WEST-WEST AND EAST-EAST
 - A. POLITICAL COHESION
 - B. ECONOMIC VITALITY
 - C. INSTITUTIONAL STRUCTURES & TRENDS
--NATO, WARSAW PACT, EEC, CMEA...
- II. EAST-WEST AND NORTH-SOUTH
 - A. STAKES OF CONFLICT
 - B. STRATEGIES OF CONFLICT & COOPERATION
 - C. TONE OF RELATIONSHIPS
 - D. RELATIVE COHESION, VITALITY, BARGAINING POWER
- III. MILITARY - PRIMARILY EAST-WEST
 - A. COMPARATIVE STRATEGIES
 - B. TECHNOLOGICAL DEVELOPMENTS
 - C. LOCAL CONFLICTS WHICH COULD SPREAD
 - D. ARMS TRADE
 - E. NUCLEAR PROLIFERATION
- IV. GLOBAL ECONOMY
 - A. GROWTH RATE
 - B. STRUCTURE
 - C. TECHNOLOGIES
 - D. DISTRIBUTION
 - E. DEMOGRAPHY
 - F. TRADE
 - G. INSTITUTIONS

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KEY RISK STUDY TECHNIQUES

- EARLY WARNING INDICATORS
- EXPERT CONSULTATIONS
 - ORAL
 - WRITTEN
 - VICARIOUS
- PIGEON-HOLED STAFF
- STAFF-SUPPORTED DECISION-MAKING
- STAFF-LINE INTEGRATED ANALYSIS
- STAFF-LINE INTEGRATED PLANNING