



# MONTHLY INSIGHTS

February 2016

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# A WORD FROM THE DIRECTOR OF THE ANALYTIC COMMUNITY

We are pleased to send out this monthly update summarizing some of Wikistrat's activities during the month of February.

This month, Wikistrat continued to explore events that were on the public's radar: Putin's Russia, the turbulence in the global oil market and the Zika virus. In addition, Wikistrat concluded a simulation that dealt with emerging technologies and their influence on several industries. That simulation, the insights from which will be published in a separate report, marks the beginning of Wikistrat's new *Disruptive Technologies* series, which once a month will look into current technology trends and their potential future influence on various industries. Next month, Wikistrat will also conduct a simulation in which analysts and journalists from prominent media outlets will explore the future involvement of Russia in Syria.

As always, you are welcome to comment, suggest activities or share your insights with us.



Dr. Shay Hershkovitz  
Chief Strategy Officer and Director of the Analytic Community

# WIKISTRAT'S PUBLICATIONS

## THEWORLDPOST

### The Re-Emergence of the Zero-Problems Policy? Don't Get Your Hopes Up



Wikistrat  
The World's 1st Crowdsourced Consultancy



By Dr. Shay Hershkovitz

Wikistrat's Chief Strategy Officer and Adjunct Professor at the Department of Political Science at Tel-Aviv University

The January 12 terror attack in Istanbul was the latest in a series that began last July at the border city of Suruç and continued in October within Ankara's city center. However, this most recent attack can be considered to be fundamentally different. The two previous attacks were aimed at specific groups (the Kurds and human rights activists), while this week's attack was aimed at Western tourists. This attack therefore demonstrates consistency in the strategy of ISIS. The downing of a Russian plane in Sinai last October, the November attacks in Paris, and even the December shooting in San Bernardino demonstrate this deadly organization's commitment, by inspiration or coordination, to a global jihad against the West.

## HUFFPOST TECH

### Science Just Wants To Be Free



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By Dr Roey Tzezana is a senior analyst at Wikistrat, an academic manager of foresight courses at Tel Aviv University, blogger at [Curating The Future](#), the director of the [Simpolitix](#) project for political forecasting, and founder of TeleBuddy.

For a long time now, scientists were held in thrall by publishers. They worked voluntarily - without getting any pay - as editors and reviewers for the publishers, and they allowed their research to be published in scientific journals without receiving anything out of it. No wonder that scientific publishing had been considered a lucrative business.



Dr. Shay Hershkovitz  
Chief Strategy Officer and Director of Analytic Community at Wikistrat inc.

### Making Ourselves Uncomfortable: Red Team Methodology

A recent [article](#) by Micah Zenko in the latest issue of *Foreign Policy* looks at the experience of the CIA in challenging its own strategic predictions. According to Zenko, the "Red Cell" initiative began on September 12, 2001, when then-Director of Central Intelligence George Tenet formed a group of contrarian thinkers to challenge conventional wisdom in the intelligence community and mitigate the threat of additional surprises through "alternative analysis." On that evening, his instructions were simple: "Tell me things others don't, and make senior officials feel uncomfortable."



Elad Schaffer  
Co-Founder and COO at Wikistrat

### Analysis in the Digital Age: From Revealing Secrets to Solving Puzzles

Today's strategic environment – whether in the realm of geopolitics or business – is characterized by great complexity and a propensity for rapid change. In order for one to make educated decisions, this complexity demands many sources of information from various fields of expertise. The propensity for rapid change requires decision-making based on the most updated information and analysis, as well as preparation for a spectrum of futures.



# LIGHTS OUT FOR PUTIN?



Wikistrat recently ran a crowdsourced red-teaming exercise entitled “Lights Out for Putin?” following [Alexander J. Motyl’s February article in \*Foreign Affairs\*](#) arguing that Vladimir Putin's regime is nearing its end.



**Dates:** February 8–22



**Purpose:** Motyl’s thesis is based on three arguments: Russia’s economy is in free fall, Putin's political system is disintegrating, and Putin himself has passed his prime. Wikistrat asked its analysts to red-team Motyl's thesis and determine if Putin's regime really faces a collapse or if the argument is overstated.



**Participation:** 60 community analysts



Over the years, Putin has created a system that will have trouble operating without a figure such as himself: a leader who is at once separate from the day-to-day management of the system and rivalries within the elite, and yet who retains the “mythical” and practical authority to resolve disputes and manage the oligarchy.

# LIGHTS OUT FOR PUTIN?

Putin the Placeholder

- It’s hard to see any Putin 2.0 in the wings, or even a candidate able to muster an adequate level of support whom the elite would trust.
- Putin is not the most popular figure in Russia – he’s the regime’s *only* popular figure. Thus, any leader who might wish to replace him will need to build his popularity from scratch.

A Christian Leader

- Putin relies heavily on the Orthodox Church in Russia as a key factor in maintaining the stability of his regime and his own legitimacy. He uses religious conservatism as a way to promote his values and war with the liberal values of the West.

Controlling the Narrative

- Putin controls the narrative in Russia via a sophisticated propaganda machine that portrays him as the anchor of the country’s stability, establishing himself as the only figure who can stand against Western attempts to bring Russia back to the turmoil of the dreaded 1990s.



# LIGHTS OUT FOR PUTIN?

Is Russia's economy in free fall? While Russia must continue to contend with the effects of Western sanctions and low oil and gas prices, it appears that the worst may be over. According to IMF statistics, Russia's economy looks to have already bottomed out, with a 3.7 percent contraction in GDP in 2015. It is forecast to contract by another 1 percent in 2016 before returning to a low rate of growth in 2017.

## Budget Optimization

- If needed, Russia can cut its military spending. A simple 10 percent decrease could provide 1.5 percent of GDP to cover the budget deficit of social programs.
- Pension reform could decrease budget deficits. Additionally, there are unused funds from the 2015 budget available.

## EU Sanctions?

- EU members are losing patience with the pace of Ukraine's reforms and may not be willing to maintain the sanctions regime against Moscow. When the sanctions end, it will provide a much-needed boost to the Russian economy.

# MAPPING OIL MARKET VOLATILITY



Wikistrat recently ran a crowdsourced voting exercise entitled “Mapping Oil Market Volatility” in order to explore possible shifts in the commodity’s price due to a combination of various system shocks.



**Dates:** February 1–5



**Purpose:** In this exercise, analysts were asked to assess via voting the impact of a number of expected and unanticipated events on the oil market.



**Participation:** 85 community analysts



With oil fundamentals leading to low prices and only a slight probable increase over the next year due to current oversupply, geopolitics and terrorism remain the largest short-term drivers for oil price variations. In particular, only strong, sudden (“shocking”) events would have the impact power to overcome fundamentals in bringing prices up rapidly – partially because of the reversal of financial speculation expectations.

# MAPPING OIL MARKET VOLATILITY

## Supply Lines

- Threats to supply lines (especially sea lanes) may upwardly impact prices, especially if multiple threats arise that limit alternative routes in key areas. An increase of prices would be caused both by a direct threat to supplies and to indirect effects like higher insurance premiums for oil tankers imposed by insurance companies.

## Saudi Arabia

- Trouble in Saudi Arabia is considered a key factor in future oil price jumps – particularly, a possible ISIS attack. Saudi scenarios were voted by our experts to have the most significant upward effect on oil prices due to the shock effect and fear of the country and its oil assets becoming frequent targets.

## Marginal Players

- Due to current oil fundamentals, geopolitical and economic issues partly reducing marginal players’ production (like Indonesia, Angola or Kazakhstan) are not considered relevant enough to provoke a serious increase in prices.



# EVOLUTION AND EFFECT OF EMERGING TECHNOLOGIES



**Dates:** January 25–February 4



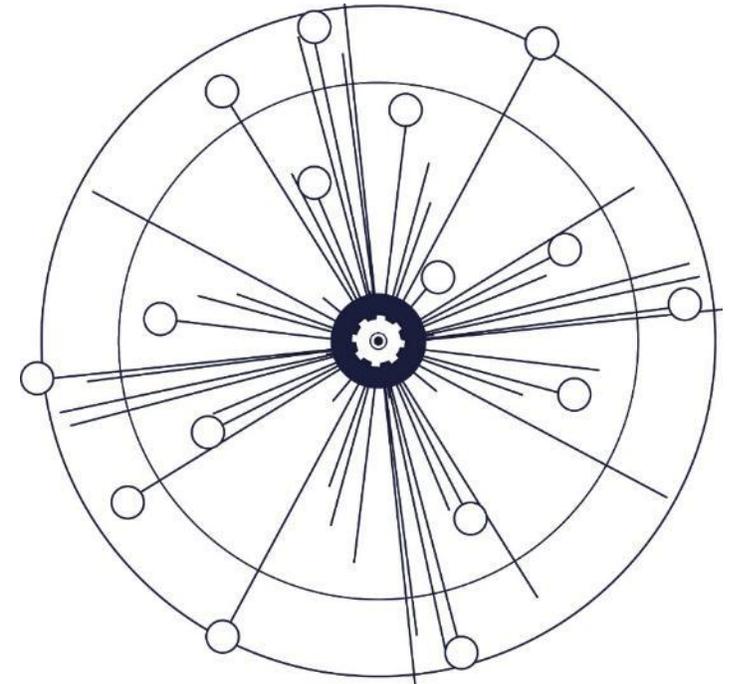
**Purpose:** In this exercise, analysts were asked to explore the ways in which emerging technologies will undergo new developmental stages – and how those developments will substantially alter the business environment over the next 10 years.



**Participation:** 45 community analysts

# BOTTOM LINES

- Artificial intelligence (product intelligence) is the leading pathway to technological advancement. It is the glue between individual devices, and stands as a primary force behind seven of the entries, including 3D printers and solar panels.
- Virtual assistants are starting to change the business and service worlds, and are expected to expand quickly.
- Wireless electricity will have a large impact on many other fields – including artificial intelligence, virtual reality and wearables.
- Virtual reality is primarily used for gaming at this time, but forecasts are that it will start growing rapidly as an industry in the next five years.
- Artificial intelligence in healthcare services will be highly disruptive to the current medical system, and will have a massive impact on the pharmaceutical and health technology industries.





# ECONOMIC IMPACT OF THE ZIKA VIRUS



Wikistrat recently ran a crowdsourced simulation entitled “Economic Impact of the Zika Virus” to examine the various effects of the disease’s spread.



**Dates:** February 11–25



**Purpose:** In this simulation, analysts were asked to explore the potential repercussions of the Zika virus.



**Participation:** 30 community analysts



# IMPACTS OF THE ZIKA VIRUS

Over the long term, the economic impact of the Zika virus will partly depend on the number of babies born with microcephaly and brain dysfunction. These babies will suffer from lifelong disabilities, lifetime healthcare costs, diminished or lost wages of parents, and remedial education. In addition, those who develop Guillain-Barre syndrome will require prolonged intensive care and rehabilitation – assuming they recover.

## Effect of Climate Change

- The Aedes mosquitoes are the species of greatest concern. It is unclear what effect global climate change will have on their range, but it is clear that we are likely to see an increase in mosquito-borne viruses introduced into new regions.

## Brazil

- Brazil is already familiar with treating the dengue virus (DENV) and taking preemptive measures during disease outbreaks. Thus, the risk of the virus spreading is relatively low once discovered in a particular area. What the recent Zika outbreak has highlighted is the relative weakness of Brazil's health system, which failed to discover the virus at an earlier phase.

# UPCOMING ACTIVITIES: MARCH



## ACTIVITY

Disruptive  
Technologies  
Underestimated by  
Business



## METHODOLOGY

Simulation



## SIM'S OBJECTIVES

Simulation exploring which disruptive  
technologies are currently being  
overlooked/ignored by companies



## LAUNCH DATE

March 2

Russia's Surprise  
Move in Syria

Wargame

Wargame exploring a sudden  
Russian move in Syria against an  
attempt to overthrow Assad

March 8



For more information on Wikistrat's crowdsourced solutions and systems,  
contact [info@wikistrat.com](mailto:info@wikistrat.com)

[www.wikistrat.com](http://www.wikistrat.com)