



Authoritarianism As Investor Risk

Whether Dedicated Impact or Traditional Investor, Authoritarian Regimes Undermine Social, Natural and Financial Capital

William Burckart, 2026 (used with permission)

For decades, institutional investors have treated authoritarianism mainly as a political or ethical issue—managed by governance committees, exclusion lists, or country-risk experts—not as a primary consideration in portfolio construction.

That approach is no longer defensible.

Authoritarianism today functions less as a discrete regime type and more as a systemic institutional condition: the progressive erosion of institutional checks on power, weakening of the rule of law, and degradation of information integrity. When these conditions take hold, they undermine the systemic frameworks on which modern capital markets depend. Contracts become less reliable. Regulation becomes discretionary. Data becomes politicized. Over time, capital allocation efficiency deteriorates, volatility rises, and long-term growth weakens [1][3][20][10].

For system-level investors, these are not externalities or ‘non-financial’ concerns. They are basic inputs into financial performance. Institutional quality is shared financial infrastructure: when it deteriorates, portfolio financial returns fall; when it is strong, the market’s return capacity improves.

For globally diversified investors with multi-decade horizons—pension funds, endowments, sovereign wealth funds—these dynamics represent a financially material risk. Not because any single country becomes uninvestable overnight, but because institutional erosion propagates across markets, asset classes, and time horizons in ways traditional political-risk frameworks are not designed to capture [1][5][23][8].

And for dedicated impact investors, the damage and blended value destruction of authoritarian regimes creates direct negative impact (in the form of death and degradation of civic practices within stakeholder communities) as well as significant strategic challenges for investing in solar, wind (on land and off shore), and the creation of a damaging enabling environment of policy and funding initiatives directly antithetical to the goals and objectives of impact investors, regardless of specific thematic areas of investment focus.



In the previous post we concluded with a discussion of systems change investing as a concept and referenced a number of actors in the space, including The Investment Integration Project (TIIP). In today's Bonus Post, we follow up on that discussion with an exercise making use of TIIP's System-Aware Investing Launchpad (SAIL), an enterprise management platform for investors that supports systemic risk and opportunity management. What follows is a discussion of how authoritarianism alters portfolio outcomes.

The pattern is clear: Authoritarian risk is systemic, non-diversifiable, and cumulative— a structural, not tail, risk in today's markets [1][20][23].

This post shares our analysis from SAIL regarding the investor risk represented by rising authoritarianism and its effect on markets, society and individuals.

From Regime Labels to Institutional Conditions

Investment analysis should move beyond the democracy-versus-dictatorship binary. What matters is the health of the institutions that underpin economic predictability.

The institutional failures with the clearest financial relevance are well documented:

1. Erosion of judicial independence and contract enforcement
2. Politicization of regulatory agencies and central banks
3. Suppression or distortion of economically relevant information
4. Concentration of discretionary power in the executive without meaningful legislative or judicial constraint
5. Arbitrary property reallocation or expropriation and
6. Absence of durable mechanisms for accountability or peaceful policy reversal [1][3][20].

Research that decomposes regimes into institutional “building blocks” suggests that a small subset—freedom of expression (the right to seek, receive, and impart information), clean elections (elections that are free from fraud and manipulation), and legislative constraints on executive power (legal limits on what leaders can do)—has a particularly strong relationship to long-term economic performance [20]. One might expect the same holds true for impact investors in myriad ways as well.

These institutions function as meta-governance systems, meaning they set the rules and standards that other institutions follow. They restrain opportunistic behavior by those in power and anchor expectations regarding future policy, the impartial application of the law, and the integrity of market-relevant information [20][23].



For all investors, the issue is practical: Institutions that check arbitrary power lower uncertainty in property rights, policy, and contracts. When those safeguards weaken, economy-wide risk shifts—even if near-term growth appears strong [1][29][31][12].

From a fiduciary (acting in others' best interests) perspective, this matters because institutional stability is often implicitly assumed in valuation models, discount rate assumptions, and long-term capital market expectations. When those assumptions no longer hold, portfolios are exposed to risks that are neither priced nor easily reversible.

Why This Is Not “Just Political Risk”

Investors are accustomed to managing idiosyncratic political risk: an election outcome, a tariff dispute, a regulatory change affecting a particular sector. These risks can often be diversified, hedged, or tactically managed.

Authoritarian institutional risk is fundamentally different.

When institutional checks degrade across multiple jurisdictions—meaning courts, central banks, and regulatory bodies lose their independence simultaneously—the resulting risk is systemic, spanning the entire financial system. This risk cannot be managed simply by moving assets to different countries or switching between traditional asset types, because it affects all areas at once, including stock prices (equity valuations), the difference in yields between bonds (credit spreads), national currencies, and tangible holdings like real estate (real assets) [1][5][23].

This distinction demands a new fiduciary response. Idiosyncratic risks can be managed at the country or sector level, but systemic institutional risk requires integration into asset allocation, macro analysis, impact investment strategy and long-term forecasts [1][20].

Universal owners are particularly exposed. Even investors with minimal direct exposure to authoritarian regimes remain vulnerable through indirect channels: global growth drag, supply-chain disruption, correlation spikes during stress, and rising global policy-risk premiums [13][15][19][22][33][17].

From a duty-of-impartiality perspective, this exposure is not optional. Systemic risks affect different beneficiary cohorts unevenly over time. Ignoring long-horizon institutional decay may benefit near-term performance while imposing uncompensated risks on future beneficiaries.

How Institutional Erosion Reaches Portfolios

Authoritarian trends affect investment returns through several channels over time.

Short horizon: policy shocks and volatility

In the short term, weak institutional constraints allow for abrupt policy shifts with limited signaling or debate. Markets respond accordingly. IMF research on social unrest shows that equity markets



in more authoritarian settings experience sharper and more persistent declines following unrest events than markets in democracies with stronger institutional checks [2].

The mechanism is straightforward. In institutionalized systems, social pressure is mediated through predictable processes. In discretionary systems, outcomes depend on decisions by a small number of actors, increasing uncertainty and volatility [2][6].

Policy-uncertainty indices also spike during periods of power concentration and institutional weakening. When policy becomes discretionary—particularly around trade and regulation—markets experience elevated volatility and compressed valuations in long-duration assets [6][7].

Practitioners increasingly observe that policy-risk premiums (extra returns investors demand for uncertainty) behave non-linearly: markets tolerate gradual, rule-based change, but struggle with abrupt, reversible policy shocks [6].

At this horizon, key portfolio effects include volatility drag: higher asset correlations during policy shocks, increased realized volatility in equities and currencies, wider credit spreads, and repricing of long-term cash flows [6][7][12].

Medium horizon: weaker growth and capital misallocation

Over medium time frames, effects become structural and persistent.

Countries transitioning from more democratic to less democratic institutions experience measurable declines in growth trajectories, whereas transitions in the opposite direction are, on average, associated with substantial long-run GDP gains [1][20][23].

Democratic backsliding—erosion of electoral accountability, legislative constraint, and judicial independence—has been empirically associated with sovereign credit downgrades even after controlling for macroeconomic fundamentals [23]. Capital markets price institutional credibility directly.

Capital allocation quality also deteriorates. Investment increasingly favors politically connected firms rather than the most productive uses of capital; incumbents can use state power to block disruption; and aggregate returns decline even if connected capital benefits disproportionately [1][4][14][29][31].

For diversified investors, these dynamics lower expected growth, raise the cost of capital, compress earnings multiples, and reduce optionality in affected markets [1][3][20][23].

Long horizon: institutional erosion and compounding return drag

Over long horizons (10+ years), institutional quality shapes innovation and economic potential.

Research on inclusive versus extractive institutions links strong rule of law and broad participation to higher innovation and sustained productivity growth, while extractive systems struggle to maintain long-run performance [29][31].



For pension funds and endowments with long-term obligations, this is not a mean-reverting valuation issue. It is a lasting drop in trend growth and return potential. Institutional quality, therefore, belongs alongside inflation and interest rates as a structural variable in long-term capital market assumptions [1][20][11].

The risk is compounded by path dependence. Once capital stock is misallocated toward politically connected firms, reversing that misallocation requires either regime change or gradual capital replacement—both slow and uncertain processes.

Investors who wait to reduce exposure during early institutional weakening may need to exit under stress later, compounding losses through fire-sale dynamics [5][33].

Authoritarian Institutional Condition	Immediate Institutional Effect	Market-Level Impact	Portfolio-Level Consequence	Typical Time Horizon
Erosion of judicial independence	Contract enforcement becomes discretionary; property and minority-shareholder rights weaken	Higher equity risk premia; lower M&A activity; compressed valuation multiples	Lower expected equity returns; higher volatility; governance discounts widen	3–10 years
Politicization of central banks	Monetary policy subordinated to fiscal needs; inflation credibility erodes	Interest-rate volatility spikes; currency depreciation accelerates; capital flight increases	Fixed-income volatility rises; real returns compress; hedging becomes costly or unreliable	1–5 years initially; structural over 10+ years
Regulatory discretion without constraint	Rules become reversible and politically contingent	Regulatory risk priced explicitly; compliance costs rise; expropriation risk increases	Sudden write-downs in exposed sectors; higher due-diligence burden; forced reallocations	1–3 years (shocks); 5–10 years (structural)
Suppression or distortion of economic data	Information quality deteriorates; forecasting reliability declines	Market mispricing widens; volatility spikes during information corrections	Abrupt drawdowns; diversification benefits weaken as correlated information shocks propagate	2–5 years
Capital controls and financial repression	Savings redirected toward state priorities; capital mobility restricted	Domestic asset prices diverge from global peers; currency forwards widen	Compressed returns on local assets; repatriation risk; opportunity cost of trapped capital	Immediate (controls); 3–10 years (repression effects)
Concentration of state ownership and politicized enterprises	Capital allocation follows political priorities rather than economic return	SOEs trade at persistent discounts; earnings quality deteriorates	Unstable income streams; widening governance discounts; correlation with political risk rises	5–10 years
Policy volatility without durable rules	Long-term planning horizons shorten; investment confidence declines	Pro-cyclical investment; long-duration assets penalized	Lower expected returns on illiquid and long-horizon assets; higher cost of capital	1–3 years initially; structural over 10+ years
Weak constraints on executive power	Political succession becomes uncertain; policy reversals abrupt	Geopolitical risk premia spike; flight-to-safety behavior dominates	Correlation spikes; forced selling during stress; Sharpe ratios decline	1–3 years (shock); 5–10 years (structural)
Suppression of media freedom and civil liberties	Corporate misconduct under-reported; audit and analyst independence erodes	Fraud risk premia rise; earnings reliability declines	Unexpected write-downs; negative earnings surprises; reliance on external research increases	2–5 years

Non-Diversifiability and Path Dependence

One overlooked feature of authoritarian risk is its inability to be diversified away by time or geography.

Institutional erosion rarely occurs in isolation. Similar political and economic pressures often operate across multiple countries simultaneously, particularly where institutional vulnerabilities overlap. When judicial independence erodes in one jurisdiction, it often correlates with similar erosion in other jurisdictions, creating systemic exposure that cannot be hedged through geographic diversification [1][5][23][8].



The same logic applies to monetary governance. When central bank independence weakens in major economies, global financial conditions are affected. Investors cannot simply rotate to “safe” jurisdictions if similar pressures are operating across multiple markets [18][19][21][11].

Research on crisis contagion reinforces this view: debt levels and institutional credibility—not regional proximity or trade intensity—are the strongest predictors of crisis transmission [33]. When institutional quality deteriorates broadly, diversification benefits compress just as they are needed most [33][17].

Authoritarian dynamics also generate reinforcing feedback loops between political power concentration and economic concentration. As executive power becomes less constrained, incentives increase to convert political power into economic advantage, entrenching elites and weakening institutional checks further [4][14][16].

Innovation declines, competitive entry is suppressed, and path dependence deepens [14][29][31].

For investors, the implication is clear: early-stage deterioration in judicial independence, regulatory autonomy, or legislative constraint should be treated as a leading indicator of future decay, not a temporary fluctuation. Mean reversion is not a reliable assumption in institutional breakdown [5][20][23].

Cross-Border Spillovers and Geopolitical Fragmentation

Authoritarian consolidation in large economies creates spillovers through trade, supply chains, and geopolitical competition.

When executive power strengthens, and institutional constraints weaken in major markets, policy becomes less predictable; trade relationships become leveraged for political ends; and supply chains become geopolitically fragile [15][22][32].

The 2022 Russia sanctions episode illustrates this dynamic. While many investors focused on direct exposure to Russian securities, the larger impact occurred through indirect channels: multinational firms with operations, revenue, franchises, or supply-chain ties faced sudden write-downs and strategic exits [1][32][34]. Even investors with minimal direct exposure absorbed losses through portfolio companies with embedded Russia exposure [1][15][34].

These dynamics generalize. Authoritarian concentration of power in large economies creates geopolitical fragility that affects global capital flows regardless of an investor’s direct allocation [1][15][34].

Geopolitical fragmentation also elevates global risk premiums. Research suggests that large spikes in geopolitical risk correlate with declines in corporate investment and persistent equity drawdowns [22]. These effects are non-diversifiable because they reshape correlation structures and global risk appetite [22][34].



Why This Is a Universal Owner Problem—And How Does This Affect The Impact Investor Agenda?

Even investors with limited direct exposure to authoritarian regimes remain exposed through channels that create universal-owner characteristics.

Global growth drag affects multinational earnings regardless of domicile. Correlation spikes during geopolitical stress undermine diversification benefits [19][25][33][17]. Supply-chain disruptions propagate through global commerce [15]. Rising policy risk premiums increase the discount rates applied to long-duration assets worldwide [22][11].

Perhaps most importantly, authoritarian consolidation threatens the shared institutional norms underpinning global capital markets: central bank independence, respect for property rights, consistent contract enforcement, and predictable legal frameworks [18][19].

These norms are not automatic. They are the cumulative result of deliberate institutional choices. When large economies deprioritize them, confidence in the global financial system weakens [18][19][21]. For universal owners with long horizons, this erosion represents a subtle but profound risk: a permanent reduction in capital allocation efficiency and long-run returns across asset classes.

Questions All Investors Should Be Asking Now

In the AtA Series we have worked hard not to be prescriptive, telling you what you should do and we will, of course, continue in that practice here. We have deliberately avoided prescribing specific portfolio actions. Investors operate under different mandates, constraints, and governance structures, and there is no single “correct” response to rising authoritarian risk.

But avoiding prescriptions does not mean avoiding responsibility. Impact investors seek various levels of financial performance across their portfolio (ranging from catalytic to near market and market rate financial returns) and must now move to formally consider (in addition to financial risk) how rising authoritarianism impacts their agenda of change, transformation and blended value creation—and then how they must respond as most appropriate to their vision, strategy and stakeholders.

At a minimum, our analysis suggests a set of questions that long-term and impact investors should be actively debating:

1. How exposed is our portfolio to institutional deterioration, not just country risk?
2. Do we track judicial independence, regulatory discretion, and monetary governance over time—or rely on static country classifications that obscure deterioration until it becomes a crisis?



3. Where are we implicitly assuming institutional stability in our return expectations?
4. Which asset classes and strategies rely most heavily on stable rule enforcement, credible policy commitments, and reliable information flows?
5. Are we distinguishing between volatility risk and structural return risk?
6. Do our risk frameworks distinguish between short-term political shocks and long-term institutional degradation that affects growth and capital allocation?
7. How resilient is our diversification strategy under synchronized institutional stress?
8. Have we stress-tested the correlation assumptions under conditions in which institutional erosion and geopolitical fragmentation occur simultaneously across regions?
9. Which parts of the portfolio are most exposed to long-duration cash flows under discretionary policy regimes? And how liquid are those exposures if reassessment becomes necessary?
10. How do we account for information-quality risk? Are we relying on official data in jurisdictions where incentives to misreport may be rising, or do we explicitly assess audit quality, disclosure credibility, and data integrity [10][27][30]?
11. What role does stewardship play when public institutions weaken? Are our engagement and voting priorities calibrated for environments where courts and regulators provide less protection for minority shareholders [9][24][26]?
12. Finally, how are these risks governed internally? Is institutional risk clearly owned within the organization, or does it fall between macro, governance, and geopolitical silos?

Impact Investor specific considerations

Impact investors should sit with the questions above, but also reflect on the following considerations more specific to the interests and strategies of an approach pursuing more than money:

On Direct Engagement vs. Complicity

How do you distinguish between investments that genuinely advance climate and social goals versus those that inadvertently legitimize or strengthen authoritarian control? Can you invest in renewable energy infrastructure that reduces emissions but also consolidates state surveillance capabilities? Where is the line between pragmatic engagement and enabling oppression?

On Measurement and Verification

How reliable are impact metrics in contexts where data transparency is compromised? If a regime controls information flows, can you trust reported outcomes on emissions reductions, labor



conditions, or community welfare? What independent verification mechanisms exist, and are they meaningful or performative?

On Beneficiary Voice and Agency

Whose voices inform your investment decisions when civil society is suppressed? How do you ensure that “impact” reflects the actual needs and priorities of affected communities rather than state-defined development goals? Can genuine participatory processes exist under authoritarian governance?

On Systemic Reinforcement

Does your capital flow strengthen extractive political-economic structures even while addressing specific environmental or social issues? For instance, does funding green technology through state-owned enterprises entrench corrupt patronage networks? Are you solving symptoms while reinforcing root causes of inequity?

On Exit and Leverage

What leverage do you have to influence governance practices? If conditions deteriorate—increased repression, broken commitments, capture of benefits by elites—can you exit without abandoning vulnerable populations who depend on the project? What are your red lines?

On Alternative Pathways

Are there investments in democratic contexts or through diaspora communities that could achieve similar climate and social outcomes without these trade-offs? What opportunity costs exist in allocating capital to authoritarian settings?

On Long-Term System Change

Does your investment build independent institutions, strengthen civil society capacity, or create accountability mechanisms that could outlast current governance? Or does it create dependencies that make reform harder?

These questions don’t have easy answers, but serious investors (whether identifying as impact or traditional) need frameworks for navigating rather than avoiding the tensions.

While the rise of American authoritarianism has obvious political implications, none of these questions require investors to take a *specific* political position. They do require acknowledging institutional conditions are not static—and that ignoring their financial implications is itself a strategic choice as much as considering the negative impacts of authoritarian regimes upon our community’s commitment to advancing greater equity, justice and sustainability in our world.

Conclusion



© 2025 Third Side Strategies.
This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.



Third Side Strategies

Authoritarianism is not a peripheral political concern. It is a core determinant of long-term investment and impact outcomes.

The empirical record is extensive and spans multiple disciplines. As countries move from democratic governance toward autocratic control, growth slows, and expected returns compress. Judicial politicization pushes up the cost of capital; political interference in central banking increases inflation-risk premiums; discretionary policymaking heightens volatility and deters investment; and capital flight accelerates as institutional credibility erodes [1][2][3][18][19][20][21][23][28].

Works Cited

[1] Westwood Group. *Avoiding the Authoritarian Iceberg: Why Democracies Can Create Stronger, More Resilient Portfolios*. ETF Insight, Westwood Holdings Group, <https://westwoodgroup.com/etfinsight/avoiding-the-authoritarian-iceberg-why-democracies-can-create-stronger-more-resilient-portfolios/>.

[2] International Monetary Fund. "How Stock Markets Respond to Social Unrest." *IMF Blog*, 10 May 2021, <https://www.imf.org/en/blogs/articles/2021/05/10/how-stock-markets-respond-to-social-unrest>.

[3] TOBAM. *Authoritarian Regimes and Investment Risk*. TOBAM Research, 2023, <https://www.tobam.fr/wp-content/uploads/2023/08/02-23-TOBAM-Div-Dashboard-Authoritarian-Regimes-and-Investment-Risk-Part-1.pdf>.

[4] Acemoglu, Daron, et al. "The Rise and Decline of General Laws of Capitalism." *American Economic Journal: Microeconomics*, vol. 14, no. 1, 2022, pp. 1–55, <https://pubs.aeaweb.org/doi/10.1257/mic.20210229>.

[5] Capoccia, Giovanni. "Chronic Instability and the Limits of Path Dependence." *Perspectives on Politics*, Cambridge University Press, <https://www.cambridge.org/core/journals/perspectives-on-politics/article/chronic-instability-and-the-limits-of-path-dependence/51B108F4E0E45BE70D496472A475A5A6>.

[6] PGIM Quantitative Solutions. *Policy Flux: How Uncertainty Is Shaping Markets' Confidence*. PGIM, <https://www.pgim.com/it/en/institutional/insights/asset-class/multi-asset/quantitative-solutions/policy-flux-how-uncertainty-shaping-markets-confidence>.

[7] Zacks Investment Management. "Policy Uncertainty Triggers Market Volatility." *Zacks IM Blog*, <https://zacksim.com/blog/policy-uncertainty-triggers-market-volatility/>.

[8] Cornell University. *Breakdowns*. Course Materials, <https://courses.cit.cornell.edu/tp253/docs/breakdowns.pdf>.



[9] Coffee, John C., Jr. "Corporate Governance in Emerging Markets." *Harvard Law School Forum on Corporate Governance*, 24 Feb. 2019, <https://corpgov.law.harvard.edu/2019/02/24/corporate-governance-in-emerging-markets-3/>.

[10] Martinez, Luis R. "How Much Should We Trust the Dictator's GDP Growth Estimates?" *Journal of Political Economy*, vol. 130, no. 10, 2022, pp. 2731–2776, <https://pmc.ncbi.nlm.nih.gov/articles/PMC9523905/>.

[11] BlackRock Investment Institute. *Fiscal Repression*. BlackRock, <https://www.blackrock.com/institutions/en-us/insights/thought-leadership/fiscal-repression>.

[12] Kindleberger, Charles P. *Manias, Panics, and Crashes: A History of Financial Crises*. Rev. ed., Palgrave Macmillan, 2000.

[13] Góes, Carlos, and Eddy Tam. "Emerging Market Growth Spillovers and Global Equity Returns." *Journal of Sustainable Finance & Investment*, 2025, <https://www.tandfonline.com/doi/full/10.1080/14765284.2025.2601966>.

[14] American Political Economy Project. "Foundations Focus on Frontiers." *American Political Economy Blog*, <https://www.americanpoliticaleconomy.org/post/american-political-economy-foundations-focuses-frontiers>.

[15] Lazard Asset Management. *The Geopolitics of Supply Chains*. Lazard, <https://www.lazard.com/media/d4dnwbvc/the-geopolitics-of-supply-chains.pdf>.

[16] Galbraith, James K. "Neoliberalism: Political Success, Economic Failure." *The American Prospect*, 25 June 2019, <https://prospect.org/2019/06/25/neoliberalism-political-success-economic-failure/>.

[17] InvestmentNews. "Why the Way Most Investors Think About Portfolio Diversification Is Deeply Flawed." *InvestmentNews*, <https://www.investmentnews.com/practice-management/why-the-way-most-investors-think-about-portfolio-diversification-is-deeply-flawed/262488>.

[18] Gagnon, Joseph E., and Kent Troutman. *International Financial Stability and Central Bank Independence*. Peterson Institute for International Economics, 2025, <https://www.piie.com/sites/default/files/2025-12/piieb25-3.pdf>.

[19] European Central Bank. *Financial Stability Review*. ECB, 2025, <https://www.ecb.europa.eu/press/financial-stability-publications/fsr/html/ecb.fsr202505~0cde5244f6.en.html>.

[20] Varieties of Democracy Institute. *Working Paper No. 131*. V-Dem Institute, https://www.v-dem.net/media/publications/Working_Paper_131.pdf.

[21] Discovery Alert. "Central Bank Authority in Modern Financial Systems." *Discovery Alert*, 2026, <https://discoveryalert.com.au/central-bank-authority-modern-financial-systems-2026/>.



[22] CFA Institute Research Foundation. *Geo-Economics and Investment Strategy*. CFA Institute, 2021, <https://rpc.cfainstitute.org/sites/default/files/-/media/documents/book/rf-publication/2021/geo-economics-ch-1.pdf>.

[23] Genschel, Philipp, and Mark Jachtenfuchs. "Democratic Backsliding and Sovereign Risk." *Socio-Economic Review*, Oxford University Press, 2025, <https://academic.oup.com/ser/advance-article/doi/10.1093/ser/mwaf016/8090277>.

[24] Coffee, John C., Jr. "Corporate Governance in Emerging Markets." *Harvard Law School Forum on Corporate Governance*, 24 Aug. 2011, <https://corpgov.law.harvard.edu/2011/08/24/corporate-governance-in-emerging-markets/>.

[25] European Central Bank. "Geopolitical Risk and Banking Supervision." *ECB Banking Supervision Blog*, 2025, <https://www.bankingsupervision.europa.eu/press/blog/2025/html/ssm.blog20250905~781d5f81aa.en.html>.

[26] Makhzoumi, Fadi, et al. *Investor Protection and Governance in Emerging Markets*. American University of Beirut, <https://www.aub.edu.lb/osb/research/Makhzoumi/Documents/Investor%20Protection%20and%20Governance%20in%20the%20Valuation%20of%20Emerging.pdf>.

[27] U.S. Securities and Exchange Commission and Public Company Accounting Oversight Board. "Statement on Risks Related to Emerging Markets." SEC, Apr. 2020, https://www.mayerbrown.com/-/media/files/perspectives-events/publications/2020/04/sec-and-pcaob-statement-regarding-emerging-markets-risks_v2.pdf.

[28] Soto, Marcelo, et al. "Capital Flight, Governance, and Political Uncertainty." *Economic Analysis and Policy*, 2023, <https://pmc.ncbi.nlm.nih.gov/articles/PMC10835377/>.

[29] Acemoglu, Daron. "Institutions, Innovation, and Growth." *YouTube Lecture*,

[30] U.S. Securities and Exchange Commission. "Risk Disclosure for Investments in Emerging Markets." SEC, <https://www.sec.gov/about/divisions-offices/division-investment-management/accounting-disclosure-information/registered-funds-risk-disclosure-investments-emergingmarkets>.

[31] Acemoglu, Daron, and James A. Robinson. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. Crown Business, 2012.

[32] Connolly, Richard. "Down, Not Out: Russia's Economy under Western Sanctions." Center for Strategic and International Studies, <https://www.csis.org/analysis/down-not-out-russian-economy-under-western-sanctions>.

[33] Kermani, Amir, and Philipp Schnabl. "Financial Crisis Contagion and Institutional Vulnerability." *Journal of Finance*, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8195553/>.



[34] HedgeCo. "Hedge Funds Brace for Trump's Tariffs." *HedgeCo News*, Jan. 2026, <https://www.hedgeco.net/news/01/2026/hedge-funds-brace-for-trumps-tariffs.html>



© 2025 Third Side Strategies.
This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.



Third Side Strategies