

The logo for SRM, consisting of the letters 'S', 'R', and 'M' in a bold, white, sans-serif font. A small orange triangle is positioned between the 'S' and 'R'.The background of the entire page is a photograph of a person's silhouette standing in front of a large, intense fire. The fire is bright orange and yellow, with thick smoke rising. The person is seen from the back, looking towards the fire. A large, semi-transparent orange triangle is overlaid on the bottom left of the image, containing the text.

2024

# POLITICAL VIOLENCE

SPECIAL EDITION



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## Contents

|   |    |
|---|----|
| <b>Editorial</b> .....  | 04 |
| <b>To the ballot box: Key trends shaping 2024's election landscape</b> .....                  | 06 |
| <b>In the balance: Potential game-changers in the Russia-Ukraine conflict in 2024</b> .....   | 10 |
| <b>Competing agendas: Climate, community and labour issues to fuel activism in 2024</b> ..... | 14 |
| <b>Paradigm shifts: Disruptors to the global landscape in 2024</b> .....                      | 18 |

# Editorial

Changes in the geopolitical landscape can be sudden and far-reaching. But even rapidly emerging and evolving fractures to the status quo are rooted in established circumstances, and the actions of state and non-state actors can be traced to power, politics, and precedent.

For risk managers and, increasingly, leaders of organisations, systematically tracking global politics has become an entrenched practice as preparation for the disruption of business-as-usual is far preferable to hurried reaction. The breakout of hostilities between Israel and Hamas in early October 2023 was a stark reminder of the value of this practice. Hamas's attack took almost everyone by surprise, and even the best-informed analysts would not have foreseen the precise nature of the events that unfolded. Such prediction is not always possible nor that helpful, and a more strategic approach to intelligence can offer greater organisational resilience through appropriate preparation to provide a buffer against the worst of the headwinds. With this in mind, our watchword for the coming year is 'disruption', and we see the potential for this across numerous dynamics the world over. In our 2024 Political Violence Special Edition, we look at some of the longstanding geopolitical tensions, entrenched conflicts, and increasingly urgent societal and environmental challenges through this lens of disruption, cognisant that for organisations to adequately manage risk and plan for continuity, it is often less impactful to study known dynamics than it is to consider what might change.

The purpose of elections, at least in functioning

democracies, is to create the possibility for change. In that sense they offer welcome disruption, even if outcomes rarely satisfy all groups. In some instances, the outcomes of elections can be comfortably predicted, in others the results are tightly contested. In others still, elections are put on largely for show, and the outcomes become meaningless. But whether predictable, pivotal or purposeless, elections remain events to watch, both for what happens at polling booths and outside them. Societal divisions and political disagreements, either purposely or circumstantially, can become heightened, creating uncertainty even in nominally stable polities. Equally, longer-term trends can be confirmed or bucked, and regional or global swings to the left or right can have wide implications for years to come. More people will go to the polls in 2024 than in any year in history, and in an already unsettled global political landscape, we can anticipate some turbulence.

Outside electoral politics, sustained social unrest will continue to be a key source of disruption in the coming year. The urgency of the climate crisis alongside longstanding social disgruntlement are both likely to drive protests around the globe. For governments, but also businesses, finding appropriate responses can be challenging. Competing interests and dissonant interpretations of social conditions and ideal futures leave narrow



paths for compromise. In this context, understanding the direction of public sentiment and correctly reading on-the-ground dynamics will be decisive in navigating the challenges that emerge.

In some respects, 2023 has been a year of frustratingly little change for the war in Ukraine. Despite mounting casualties and material costs, the battlelines have not moved much, and we are heading into the third year of the war. If one of Russia's aims for the invasion was the weakening of the NATO alliance, 2023 has been a comprehensive failure. Finland joined the alliance in April, and Sweden is soon set to follow suit, effectively enveloping Russia's western borders from Lapland to the Black Sea with NATO member countries. But much remains in flux. The trajectory of the war in 2024 stands to be nudged in new directions, and what happens to the flow of Western military aid in contrast to Russia's spending power will be a crucial determinant of battlefield success. Most dangerously, we must also consider the more-than-zero probability that missteps or miscalculations widen the conflict beyond Ukraine.

Both in the Ukraine war and further afield, the role and reach of the US bears consideration. The debate around the state (or possible disintegration)

of US unipolarity is not new, but emerging dynamics from the reach of China, the growing role of Saudi Arabia, and firming global encampments along both east-west and north-south axes merit an ongoing exploration of global power balances. Fractures in the US-led world order herald a less predictable geopolitical future, and for businesses this increasingly creates the impetus to remain watchful.

Much will change in the coming year, but disruption does not need to spell dampened fortunes. Traversing a shifting landscape can also lead to opportunity, and for those organisations that make the best use of good intelligence the strategy to manage uncertainty can be increasingly weighted towards seizing opportunities rather than mitigating against adversity.



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A hand in a dark suit sleeve is shown dropping a ballot into a ballot box. The ballot box is yellow and has a slot on top. The background is a gradient of dark blue and yellow.

# TO THE BALLOT BOX

KEY TRENDS SHAPING 2024'S ELECTION LANDSCAPE

2024 will play host to some 40 national elections across the globe. In such a standout election year, **S-RM's Strategic Intelligence team** delves into the trends shaping the world of politics and their impact on key ballots in the US, South Africa, India and elsewhere.

**2024** is set to be the biggest election year in history, with over 70 countries going to the polls in some form, over 40 national elections taking place, and over 2 billion eligible voters taking part. Yet, with the world facing both geopolitical and economic headwinds, the outcome of many of these elections will be determined as much by their domestic contexts as by the global one. The 'rise of the right' is on the cards once more for several countries as voters confront the realities of domestic economic pressures, while other countries face an undecided electorate that could see increasingly fragile coalition governments attempt to take the wheel in the coming year. Meanwhile, for some, the prospect of an election will offer little in the way of real change as political heavyweights seek to secure a veneer of legitimacy to their grip on power. The year ahead will inevitably be one where the race to the polls, and determining the eventual victor, will keep election watchers guessing and potentially surprised at the result.

## **A return of the right (again)?**

The end of 2023 saw right leaning libertarian Javier Milei secure victory in Argentina's presidential elections, followed shortly by far-right populist Geert Wilders's Party for Freedom (Partij voor de Vrijheid, PVV) win in the Netherlands in what has been termed an apparent return of the right in global politics. Although one swallow does not a summer make, with electoral setbacks to right-wing parties in Spain and Poland in 2023, these elections in Argentina and the Netherlands have set the stage for renewed focus on the right versus the left fight in upcoming votes. Nowhere is this likely to be more evident than the year of politicking that awaits the US ahead of the 5 November 2024 presidential election. Polling data suggests that voters anticipate a rematch between President Joe Biden and his predecessor Donald Trump, and as these opposing candidates fight it out over the coming months, increasingly aggressive rhetoric from their more hardline supporters is likely. Their campaigning comes at a time of growing political divisions in the country across a range of critical issues, from civil rights, social security and healthcare, to (foreign) defence spending and economic recovery. These, and other issues, all have the potential to encourage further widespread public demonstrations to which the US has become increasingly accustomed in recent years. With the election toward year-end – and a year is a long time in politics – the US faces several months of uncertainty. And, with the US's political future determined as much by policy as it is by the president of

the day, in the absence of strong alignment between the White House and Congress, such uncertainty will extend well beyond voting day.

Yet, the US is not the only jurisdiction navigating the growing divide between left and right. In the coming year, Europe will also offer a new battlefield for the potential return of the right. With key issues such as migration, the energy transition, the war in Ukraine and economic pressure continuing to dominate public debates, far-right parties have gained popularity on the continent. Giorgia Meloni has concluded her first year as Italian prime minister, the Sweden Democrats propelled to the second-largest party in parliament and while the centre-right National Coalition Party (NCP) secured a narrow victory in Finland's April 2023 vote, the right-wing populist Finns Party leapfrogged the Social Democratic party into second place, forming a government coalition with the NCP and pushing the government agenda firmly to the right. Now, attention has turned to the outcome of the European parliamentary elections, scheduled for June 2024, where polling suggests far-right European Conservatives and Reformists (ECR) and Identity and Democracy (ID) group will also enjoy some gains. An all-out victory for the far right is unlikely, but the growing popularity of these parties and the policies they advocate could see centre-right European People's Party (EPP) coopt some of the more radical positions espoused by such players.

### Undecided voters and coalition governments

For some countries, previous election guarantees may not withstand the challenge of 2024. In South Africa, the long-governing African National Congress (ANC) will face its largest challenge at the ballot box since 1994. The ANC's declining popularity following enduring corruption, poor economic performance, and crumbling national infrastructure, has continued. It now looks increasingly likely that the ANC will fall below the 50 percent threshold for a majority government for the first time in South Africa's 30-year democracy. In the absence of a serious contender from South Africa's main opposition parties such as the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF), an ANC-led coalition government appears to be the most likely outcome of the May 2024 vote. While the election itself risks a surge in political violence comprising disruptive protests and political assassinations at the local level, particularly in hotspot areas in KwaZulu-Natal, the post-election period could be similarly volatile. Potential coalitions between parties like ANC/EFF and DA/ANC face major hurdles due to deep policy divides on issues such as

land expropriation and economic empowerment policies. These rifts, coupled with inter-party disputes and mutual distrust, pose significant barriers to effective cooperation at a national level. Moreover, smaller parties' political opportunism has prompted fractious alliances at the municipal level over the past decade and raises concerns about their role in a national coalition's stability and effectiveness.

Meanwhile, for Indonesia, coalition politics may offer a calmer way forward. The upcoming February poll will see a tough race between Defense Minister Prabowo Subianto from the Gerindra party, Governor of Central Java Ganjar Pranowo (of the nationalist Indonesian Democratic Party of Struggle, PDIP) and former governor of Jakarta and independent candidate Anies Baswedan. Though Baswedan enjoys the backing of incumbent President Joko Widodo, there is yet to be a clear frontrunner. The race is likely to spark increased polarisation among the electorate that will need to be reconciled either through a balanced coalition or a particularly accommodating winner.

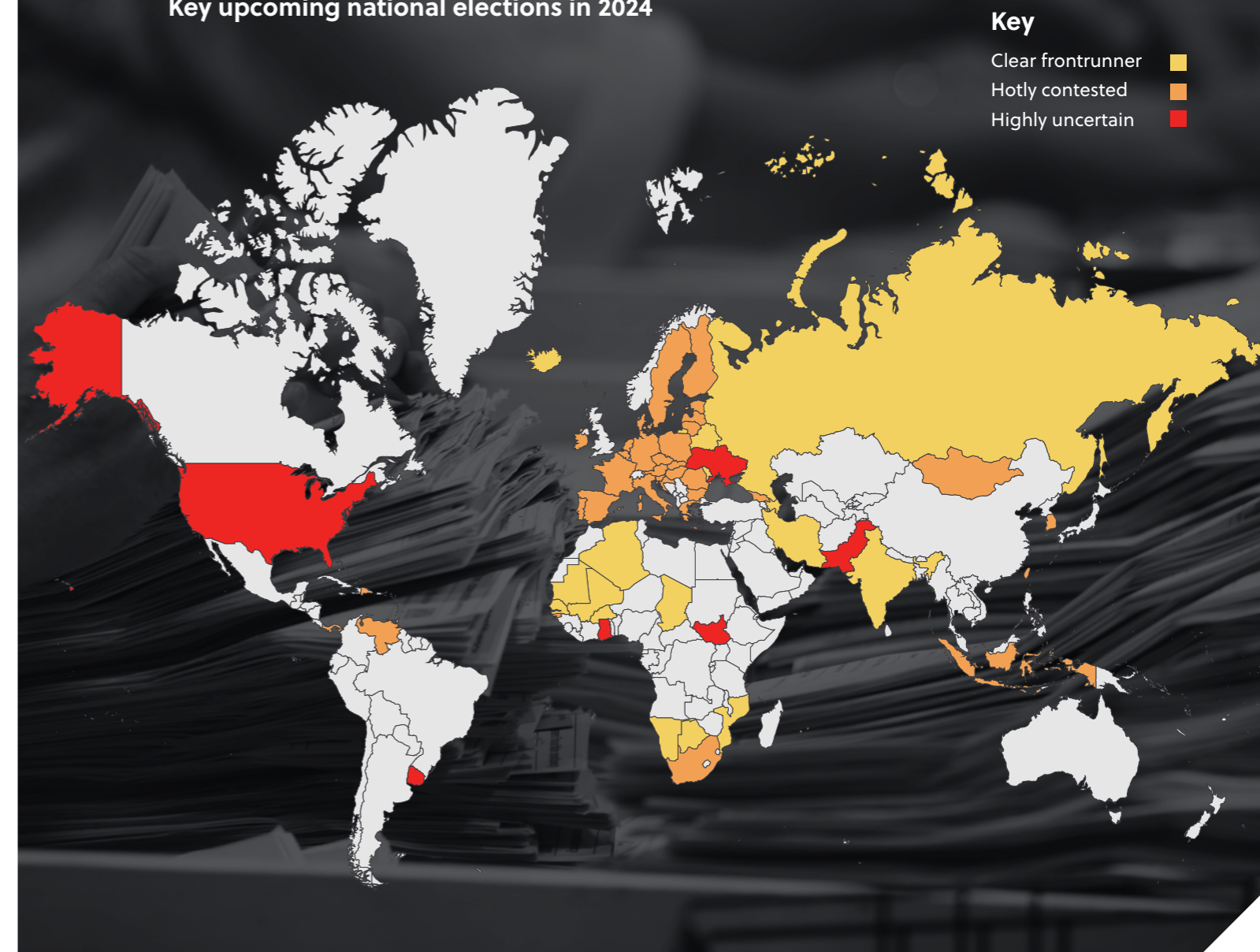
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These rifts, coupled with inter-party disputes and mutual distrust, pose significant barriers to effective cooperation at a national level.”

### All to remain the same?

In other countries, upcoming elections enjoy clear favourites – though upsetting surprises cannot be ruled out. India's governing Bharatiya Janata Party (BJP), led by Prime Minister Narendra Modi, is likely to secure a majority win by leveraging the vast support base that Modi has built through his personality politics, Hindu nationalism, and economic policies of welfare handouts and government subsidies. Nevertheless, Modi and the BJP have faced substantial economic challenges in recent years. Food and fuel prices have remained stubbornly above Reserve Bank targets in the years since the Covid-19 pandemic, and unemployment reached a two-year high of just over 10 percent in October

### Key upcoming national elections in 2024



2023, with a high proportion (42 percent) of joblessness concentrated among educated youth. At the same time, prospects for a new opposition coalition seem promising. A united coalition of 28 opposition parties – under the acronym INDIA (Indian National Developmental Inclusive Alliance) – will seek to disrupt Modi's third bid for office. Led by Rahul Gandhi from the Indian National Congress, the coalition is looking to leverage social issues, by promising a slew of welfare reforms, from healthcare and pensions to free electricity and bus fares. Civil unrest and acts of political violence have long been common features of all stages of India's electoral and political processes and are likely to make a repeat appearance. In the months leading up to the polls, political rallies will abound, sectarian and Islamophobic rhetoric will escalate, and rival parties and factions will clash, as political and sectarian groups try to disrupt the playing field for their rivals.

Elsewhere, however, the opposition challenge is likely to be strongly quelled. Russia's President Vladimir Putin won't see much of a challenge to another term. Having pushed through the constitutional amendments that allow him to stay in office until at least 2036 and purportedly enjoying much support, Putin is widely expected to remain in office and, as such, continue the war in Ukraine and his belligerent posturing on the global stage. Meanwhile, elevated tensions in the Middle East off the back of the Israel-Hamas conflict have cast a shadow over preparations for Iran's upcoming legislative elections. Many reformists are hopeful that with the elections coming in the wake of widespread protests in the country in 2022, Supreme Leader Ayatollah Ali Khamenei and election authorities would be tempered in their efforts to disqualify less conservative candidates, but such moves could very well be impacted by events in Gaza and the regional and global response to them. <sup>PV</sup>

# IN THE BALANCE

POTENTIAL GAME-CHANGERS  
IN THE RUSSIA-UKRAINE  
CONFLICT IN 2024

**Saif Islam and Richard Gardiner explore** some of the major developments that may influence the trajectory of the conflict in the new year.

**I**n 2024, the Russia-Ukraine war is poised to reach a critical juncture, where the starkly conflicting objectives of both countries will contribute to a deepening impasse. Ukraine, steadfast in its pursuit of territorial integrity, is determined to reclaim regions occupied by Russia since the 2022 invasion. President Volodymyr Zelenskyy, feeling pressured by the limited gains of the 2023 counteroffensive and concerns about declining Western military aid, will be tempted to launch another counteroffensive in the next six months, likely in early spring. Complementing this goal is Ukraine's quest for robust security guarantees from the West, aiming to fortify its defences against future Russian aggression. Russia's ambitions are diametrically opposed. It seeks to consolidate and expand its territorial conquests in Ukraine in 2024, particularly in eastern and southern regions, and extend its political influence within the country with the objective of permanently undermining Ukraine's chances of joining NATO. In contrast to Ukraine, Russia appears to have the advantage of time and appears content to prolong the conflict.

These clashing aspirations underscore the reality that neither Ukraine nor Russia is yet prepared to make any major compromises. However, this state of affairs is not set in stone. Several disruptors are likely to emerge in 2024 that, either individually or collectively, could substantially tilt the balance of the conflict, or change the nature of the conflict entirely.

## 1 Reduced western military aid for Ukraine

**I**n 2024, the conflict's direction will effectively be determined by the degree of military support from Ukraine's Western allies. The US, the largest single-country donor that has given more than USD 44 billion in military aid since Russia launched the invasion, is grappling with internal political turmoil. Congressional gridlock, exacerbated by an isolationist wing within the Republican Party, particularly in the House of Representatives, has led to a slowdown in aid allocation. As the US approaches the 2024 presidential election, there is growing resistance within Republican factions against continued support for Ukraine. While President Joe Biden is not directly beholden to these factions, the election outcome could influence future aid decisions, potentially leading to delays or termination of support. In Europe, the rise of far-right populist parties and other factors are increasingly dividing opinion on support to Ukraine. Countries like Poland and Slovakia have already ceased military aid, and the recent electoral success of the far-right Freedom Party in the Netherlands

is raising questions about the country's continued leadership in supplying fighter jets to Ukraine. The global focus on the Israel-Hamas conflict has also diverted attention, and arguably resources, from Ukraine.

While the US and other major partners continue to assure Ukraine that military aid will not cease – Germany, for instance, has vowed to double its aid to USD 8.5 billion in 2024 – the overall level of support will inevitably be subject to a confluence of global and domestic factors. Western governments will likely find it increasingly difficult to convince their citizens about maintaining, let alone significantly increasing, the current levels of aid in 2024, not least due to the modest achievements of the Ukrainian counteroffensive in 2023. These factors collectively signal a potential weakening of Ukraine's bargaining power in any future peace negotiations with Russia. With reduced military backing, Ukraine will likely struggle on the battlefield and may even feel pressured into accepting a less than ideal peace deal with Russia.

## 2 Russia doubles down no matter the cost

Banking on the West's purported 'Ukraine fatigue' and the possible reduction in military aid, Russia appears to be doubling down on its commitment to the war. According to its latest budget, Russia is set to increase its defence and security spending by some 30 percent in 2024, totalling almost USD 140 billion, a third of total government expenditure. Barring any abrupt tightening of Western sanctions that make the purchase of Russian oil and gas unfavourable for countries like China and India, this level of spending is likely to significantly enhance Russia's ongoing and expanding war efforts over the coming year. However, the substantial costs of waging war puts economic development at risk through 2024 and beyond, shrinking the middle class and increasing social inequality.

The augmented defence budget is primarily aimed at bolstering production of military equipment and ammunition. Since the war started, Russia has doubled its domestic manufacturing of artillery shells, now producing 2 million shells annually. Additionally, North Korea has reportedly exported 1 million artillery

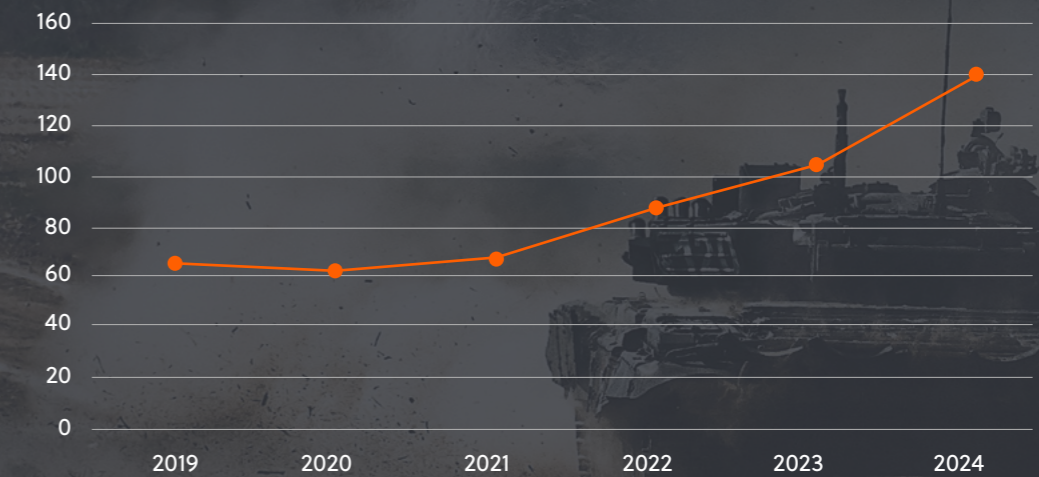
shells since September 2023, while Iran continues to deliver attack drones. Russia is still unlikely to achieve production levels above the 10 million shells necessary to sustain the firing rate of 2022. However, considering the ammunition supply constraints of Ukraine's backers, Russia will likely retain fire superiority in 2024, causing considerable difficulties for defending Ukrainian forces.

Ukrainian officials have warned President Vladimir Putin will announce a full mobilisation after the Russian presidential elections in March 2024. Although Russian officials have so far denied the possibility of future rounds of mobilisation due to its domestic unpopularity, even a partial mobilisation after the polls would have a direct impact on the battlefield. While mobilised soldiers typically struggle to make a meaningful contribution to an army's offensive capabilities, they would make a notable impact in further bolstering Russian defensive lines. Such fortifications would not only complicate Ukraine's counteroffensive efforts but also give Russian generals the confidence to push for more territorial gains in 2024.

### Progress of Ukraine's counteroffensive: June - November 2023



Russia's annual defence spending in USD billions



Source: World Bank Open Data

## 3 War intensification fears amid NATO-Russia standoff

The conflict in Ukraine, while primarily localised, harbours the risk of escalating into a broader confrontation between NATO and Russia. In early December 2023, Polish security agencies warned of a potential Russian attack on NATO's eastern flank within three years. However, the greatest threat in the next 12 months lies in the possibility of miscalculations or accidental incidents sparking a sudden escalation. Throughout the conflict, there have been instances that highlight this precarious balance. For example, in September 2022, a Russian SU-27 fighter jet fired missiles close to a UK surveillance plane over the Black Sea. This incident, though downplayed by both NATO and Russia, underscores the volatility of the situation and the ease with which a misstep could lead to a wider conflict.

In 2024, several developments threaten to exacerbate these tensions. For instance, Russia is poised to escalate its hybrid warfare campaign, employing tactics like intensified

cyber-attacks on NATO members or orchestrating disinformation campaigns within countries to undermine NATO support for Ukraine. However, these actions carry the risk of escalating into direct confrontation, especially if the impacts of these hybrid attacks, such as the crippling of national energy infrastructure, are severe. Greater Western pressure on Russia's sanction-busting moves could also heighten tensions. For instance, Russia has been turning off tracking systems on vessels for oil transport, primarily to Asian markets, circumventing Western sanctions and generating much-needed oil revenues to fund its military operations in Ukraine. In response, the EU is considering deploying Danish naval forces to monitor Russian shipping activities in the western Baltic Sea. Considering Denmark is a NATO member, the potential for a small incident to trigger a significant escalation cannot be underestimated, especially in a context where geopolitical stakes are high and the margin for error is slim. **PV**



# COMPETING AGENDAS

CLIMATE, COMMUNITY AND LABOUR ISSUES TO FUEL ACTIVISM IN 2024

While increased global engagement with combating climate change and other environmental issues has driven governments and organisations to adopt more responsible commercial practices, activists continue to target those falling short. Yet, the emerging conflict between competing environmental, community and industry goals is set to spur tensions and spark further unrest in 2024, **write Erin Drake and Shannon Lorimer.**

**E**fforts to adopt more responsible practices regarding the impact of industry and business on the environment have accelerated in recent years. But, as governments and international bodies increasingly regulate and legislate this space amid activist demands, growing opposition to the realities of the energy transition are increasingly apparent. In the coming year, industries and governments alike will need to navigate growing competition between reaching environmental targets, and satisfy worker, shareholder and citizen demands more broadly. Missteps or perceived inaction could drive public backlash, leaving the public and private sectors more vulnerable to civil unrest in 2024.

## Environmental and community activism escalates

Environmental activism has increased by around seven percent since 2022, with some 2,922 incidents reported globally in 2023. Climate-related protests remained most prevalent, with activist groups in this space becoming increasingly coordinated. Although most protests comprised peaceful marches in cities, groups like JustStopOil and Letzte Generation have escalated efforts to disrupt business and transport systems, targeting companies, sporting events, and infrastructure. In May 2023 for example, London activists stormed an energy giant's annual shareholder meeting, clashing with security personnel, while Greenpeace protesters harangued the South African Energy Minister's address at the Africa Energy Indaba in Cape Town. In September 2023, activists further blockaded the Federal Reserve Bank in New York to reject fossil fuel funding, and in November 2023, 300 Rising Tide activists obstructed shipping channels at Australia's largest coal port. In a similar vein, Letzte Generation protesters have regularly blockaded airports in Berlin, Düsseldorf and Hamburg as part of their protest campaign.

Meanwhile, community activism has escalated in the mining and energy industries, with incidents nearly doubling between 2022 and 2023. The sectors face ongoing resistance among local and indigenous communities who reject the environmental and consequent social impact of extractive operations, including health concerns, forced resettlement, and perceived lapses in social investment commitments by foreign operators. Activists in Peru forced regular suspensions of operations at the Las Bambas copper mine, prompting the withdrawal of an Australian company in April 2023, while energy projects in Namibia and Zimbabwe have been subject to protests over working conditions and the alleged exploitation of migrant workers. With many of these issues unresolved, such protests are set to continue into 2024.

### AUTHORITIES CRACK DOWN ON DISRUPTIVE TACTICS

Amid escalations in the frequency and disruptive nature of climate activism, some governments, including Germany, New Zealand, Australia, the US, and UK, have intensified efforts to suppress protest efforts, carrying out mass arrests and labelling demonstrators as 'eco-terrorists.' In response, Extinction Rebellion (XR) has paused disruptive campaigns over fears of fines and jailtime. Yet, other climate groups have largely ignored this, echoing criticism from human rights groups like Amnesty International on the implications of such moves for democratic values. While some protesters may be deterred, it is likely that such crackdowns will strengthen resolve among certain groups, driving threats of further action in the coming year.

### Difficult trade-offs

Yet, as climate and environmental activists push ahead with their demands, fast-tracking environmental and cleaner energy goals has faced resistance elsewhere. Some actors continue to perceive the transition as a threat to job security, or as likely to negatively impact economic growth and business activities for the communities they are set to serve. Between September and October 2023 for example, coal workers in Bulgaria blocked roads as part of protests to demand the government scale back carbon emission targets by 2026; these forced Prime Minister Nikolay Denkov to agree to keep coal plants operational until 2038. Meanwhile, in the US, the shift towards electric vehicles (EVs) has driven fears of layoffs among car manufacturers.

## Likely drivers of unrest in 2024



Perceived inaction on climate and environment issues



Exploitation of workers and vulnerable communities



Corruption and non-transparency in government contracts with foreign firms



Impact of climate policies on industries like mining, agriculture and manufacturing

This has contributed to months of disruptive union strikes against three prominent automotive firms in the country. Despite the US's plans to locally manufacture EVs as an employment alternative, slowing sales have prompted delays in investments and spending on factories, prompting industry layoffs that could drive union expectations for federal support in the coming months if the market fails to recover.

The tension between achieving environmental goals and meeting labour demands is becoming increasingly apparent. In the Netherlands, ongoing unrest by farmers resisting regulations to cut nitrogen emissions has gained support among far-right parties. With the pro-agriculture BoerBurgerBeweging winning a significant 15 Senate seats in the March provincial elections, and the right leaning Partij voor de Vrijheid winning national elections in November, concerns have risen over President-elect Geert Wilders's ambition to withdraw from international climate commitments. Similarly, in the US, Republican lawmakers across 37 states have introduced legislation that would see a reduced focus on achieving similar environment-linked goals.

These dynamics may well embolden workers in industries deemed vulnerable to change amid the energy transition to stage further strikes and demonstrations against governments and companies perceived to be upholding environmental priorities at the expense of their livelihoods. In this regard, 2024 will prove a critical year for these competing agendas and one in which resolution will not come without further gatherings on the streets.

### PANAMA'S ENVIRONMENTAL BATTLE ROYALE

Since October 2023, Panamanians have staged countrywide demonstrations against a law establishing a copper mining contract between the government and a local subsidiary of a Canadian-owned mining company. Perceived corruption surrounding the contract, as well as the environmental consequences, sustained disruptive highway blockades, with protesters restricting access to the company's terminal at Colon Port, preventing supplies from reaching the mine. Demonstrations subsided after a Supreme Court ruling declared the law unconstitutional, but this victory may be short-lived - the mine accounts for around 50,000 direct and affiliated jobs, five percent of Panama's GDP, and 75 percent of its income from exports. In addition to losing out on USD 375 million annually from the mine, the government could be required to pay around USD 60 billion if it loses an international arbitration case against the company. Amid wider economic struggles and persistent unrest, resolving environmental and governance aspects of the dispute could come at the cost of social obligations, like spending on declining education infrastructure, especially as investors balk at separate legislation to ban new mining concessions and expansions. [PV](#)

64

anti-mining protests targeting commercial operators and government initiatives reported in Sub-Saharan Africa in 2023

8%

increase in climate-related unrest across Europe and North America since 2022

EUROPE

recorded the most disruptive and violent climate protests

285

protests reported in Asia Pacific relating to indigenous rights and the impact of mining on community health and livelihoods, among other factors

# PARADIGM SHIFTS

## DISRUPTORS TO THE GLOBAL LANDSCAPE IN 2024

Global power balances are shifting, with consequences for both nation-states and businesses. **Tamsin Hunt and Asees Bajaj explore** the growing fractures in the geopolitical landscape, and assess the sources of disruption that may trigger long-term change.

**US** dominance on the global stage – driven by its vast economic strength, military might and geopolitical influence – now faces challenges from several directions. Economically, China has cemented its position as the world’s preeminent trading and development partner through its Belt and Road Initiative, among other forays. Elsewhere, sidelined global players like Russia and North Korea have sought to showcase their military goals while seeking to reinforce bonds with any peers that are willing. For Russia, alongside its ongoing war in Ukraine, this has involved bolstering military ties with China, seeking financial securities with stakeholders in the Middle East, and continuing to cosy up to several military juntas in Africa. North Korea, meanwhile, has pulled out of the 2018 North-South Military Agreement, and has bolstered its troops along the border with South Korea as part of broader military posturing. And, with the Israel-Hamas conflict unfolding in Gaza, regional and global watchers are also keeping a close eye on Iran’s objectives and how associated tensions will influence the response of key regional players like Saudi Arabia. All the while, other nation-states in the global south and elsewhere are seeking to bolster their respective influence on the world stage, motivated by a need to reconsider security, development financing and economic opportunities, driving divergence from historical alliances and forging new ties.

These factors, and others, point to a growing shift away from the US-led unipolar world to which we are so accustomed. Such a change will bring with it important considerations for businesses, not least a need to review and reorganise supply chain security to navigate evolving trade restrictions, sanctions and reputational risks while remaining steadfast in response to consequent global economic headwinds. Looking ahead to 2024, key drivers such as a shift away from US alignment, the rise of the global south as well as domestic factors that could impede US foreign influence may well shape a new multipolar world in the coming year.

### Coming out of the US foreign policy shadow

Global stakeholders with rising economic power, growing influence and strategic geographic locations are veering away from the US’s position on key issues such as climate change, the global war on terror, defence and immigration,

to carve out greater autonomy in their foreign policy positions. This divergence from the US stance has become increasingly apparent in the wake of the Israel-Hamas conflict. In the Middle East and global south, driven by a combination of popular pressure or government objectives, several countries such as Jordan and Bahrain have recalled their diplomatic staff from Israel, while two – South Africa and Bolivia – have cut diplomatic ties with Israel entirely. This messaging starkly contrasts with the US position towards Israel and comes despite the significant trade and aid reliance these countries have on the US.

Separately, Turkey, has sought to bolster its influence in US-dominated NATO, by pushing back against the ratification of Sweden’s accession to the military bloc. A protracted bilateral issue between Sweden and Turkey – including disagreement over Sweden’s policies towards Kurdish refugees, political dissidents and activists, and residual tensions from Sweden’s support for a European Union (EU) motion to halt weapon sales to Turkey in 2019 – have come to hamper consensus within the international organisation. And this is not the only arena in which Turkey is seeking greater influence. Ankara has adopted a foreign policy approach in the Middle East that has challenged US interests in the region and served as an example for countries like Saudi Arabia and the UAE to do the same without severe consequences.

Even allies closer to home appear to be forging their own path. Canada has historically let its allies in the US, Europe and Indo-Pacific guide its position on major global developments. However, recent diplomatic spats with India, military confrontations with China in the South China Sea, and global issues such as climate change and pandemic preparedness have forced Canada to play a more active role in international affairs and increase its assertiveness in the defence of Canadian political identity and economic interests separate to the goals of the US. To that end, Canada is re-evaluating its own foreign policy and has pledged to increase its defence spending from 1.29 percent of its GDP in 2022 to its NATO commitment of two percent, and expanded its diplomatic and military presence in the Indo-Pacific.

### The rise of the global south

Yet, not all countries are going it alone, as emerging international blocs offer the opportunity for these stakeholders to expand their influence, and to achieve alternative economic and security opportunities.

Specifically, August 2023 saw six new members join the BRICS economic bloc that had comprised Brazil, Russia, India, China and South Africa. Among them are oil producing heavyweights, Saudi Arabia and the UAE. The BRICS expansion to include these high-income and previously non-aligned states will serve to increase the impact of the global south in shaping the global order, marking an important shift away from previous Western and US dominance. The BRICS countries now account for around 37 percent of the world’s GDP, eclipsing the G7’s 30 percent share; and with the addition of Middle Eastern nations, the group will possess the lion’s share of global energy reserves. Furthermore, China – a leading member of the group – is challenging the widespread use of the US dollar, conducting loan financing and trade settlements in Chinese renminbi, which could become more commonplace within the alliance. The growing lending facility in BRICS will also allow many developing countries to bypass World Bank and International Monetary Fund lending requirements, and alternative currency options for global trade will reduce the vulnerable countries’ exposure to the US dollar.

The BRICS coalition has yet to gain the traction necessary to diminish the importance of the G7 and the global institutions it supports. The bloc remains beleaguered by policy incoherence among its members, and its founding alliance members continue to contend with domestic issues including growth setbacks and conflicts. Nevertheless, the combined resource control and economic might of the BRICS alliance are key ingredients necessary for the global south to increase their role on the global stage.

### Election politicking hampering US foreign policy

In 2023, domestic political issues impacted unexpected areas of US foreign policy and nominally hamstrung efforts in the global arena. In May 2023, President Joe Biden was forced to cancel a state visit to Australia and Papua New Guinea to focus on breaking the debt ceiling deadlock in Congress. Further, over the course of the year, heated debates relating to LGBTQ+ issues and abortion rights resulted in Republican senators routinely blocking foreign embassy appointments and military promotions. In the lead-up to the November 2024 presidential election, these domestic political divisions will only deepen, further reducing the likelihood of bipartisan cooperation on topics ranging from climate policy and trade competition with

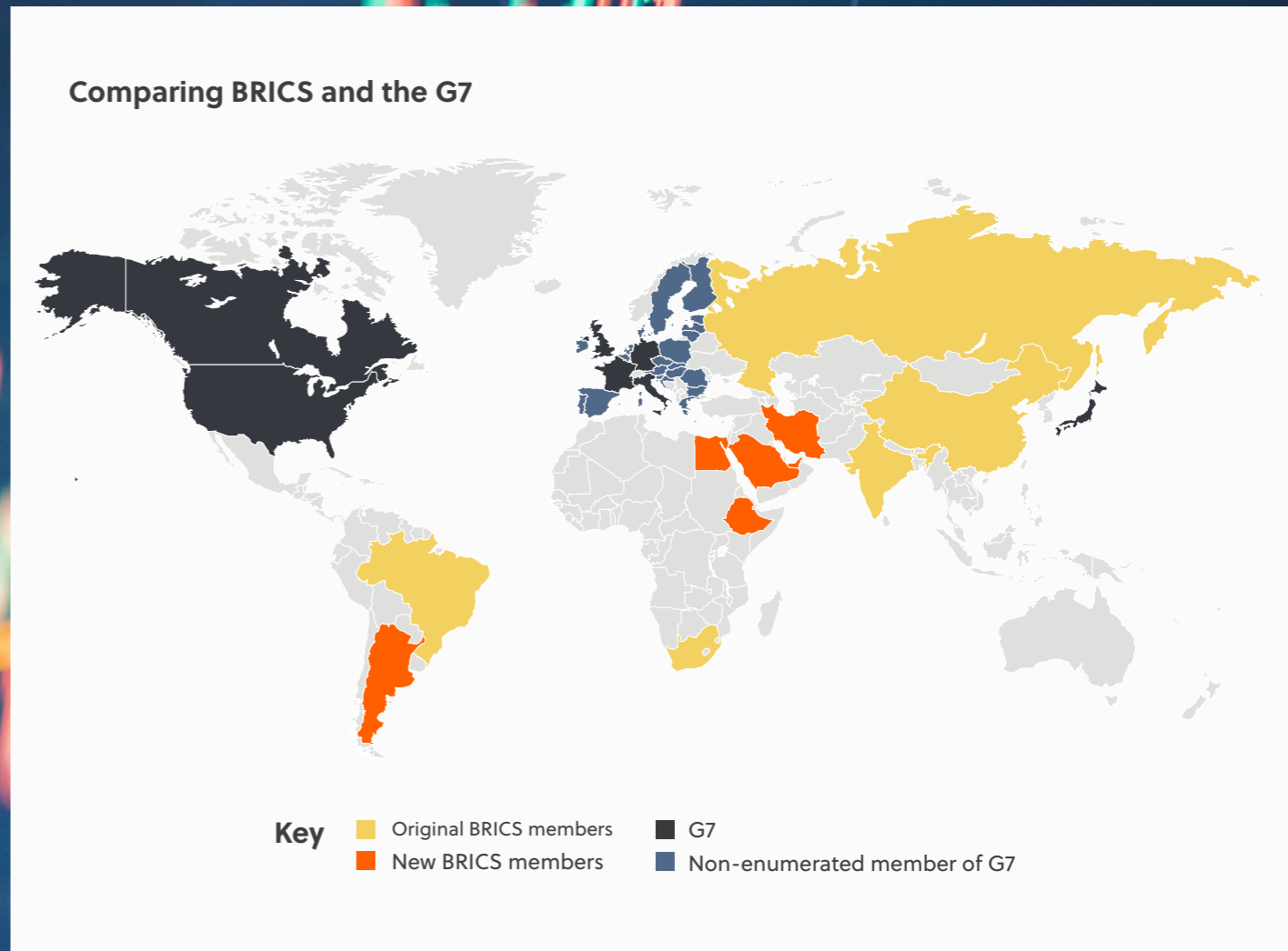
China, to international diplomacy and US military support for its foreign allies.

The resultant spillovers for US foreign policy in the coming year – and uncertainty over the policies of a new president – will drive hesitancy among US allies. Already, Republican opposition towards maintaining the pace of US military aid for Ukraine is raising fears of renewed Russian aggression and regional security concerns across the US’s European allies. Furthermore, Biden’s plans to boost US influence through extensive reforms and funding for the World Bank and International Monetary Fund is expected to come up against resistance from his own Congress. Without domestic support and cooperation, the US will be challenged in its ability to (re)assert influence in the global arena and to provide the usual umbrella of protection for its allies.

“  
These factors, and others, point to a growing shift away from the US-led unipolar world to which we are so accustomed.”

### Disrupted, but not discontinued

While winds of change are upon us, the US and its closest allies still hold sway over the world, and still will for years to come. The US’s armed forces are the most powerful and well-resourced in the world, the US dollar remains the preeminent and trusted currency for trade, and its allies and partners include some of the largest economies in the world. But, the US-led global order is in the midst of its greatest challenge. As new alliances, partnerships and conflicts arise, and long-standing hostilities worsen, the resulting shifts will test the limits of US influence. Geopolitical tussles, opposing policies, trade wars, and possible indecision on critical global issues like climate change will redefine the rules of the game for governments and businesses alike, stressing the need for organisations to develop the operational agility with which to face a changing global order. PV



|                   | Percentage share of global GDP | Percentage share of global oil reserves | Percentage share of global population |
|-------------------|--------------------------------|---|---------------------------------------|
| BRICS             | 36.8%                          | 41%                                     | 44.9%                                 |
| G7                | 44.4%                          | 26%                                     | 9.6%                                  |
| Rest of the world | 18.8%                          | 33%                                     | 45.5%                                 |



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