

# Overlooked Political Risks for 2023

Pressing or emerging political risks that have  
flown under the radar

23 January 2023

**Project Lead**

*Samuel Jardine*

**Written by**

*Adriana Santamaria Duthon, Arshdip Singh, Cameron Fenwick, Elin Roberts, Ethan Dinger,  
Mariam Morsy, Matthew Johnson, Natasha Louis, Samuel Jardine, Thomas Woodlock*



# Table of Contents

<b>Introduction</b>	<b>3</b>
<b>Risk 1) Grasping the Geopolitical Risk Premium in Commodity Markets</b>	<b>3</b>
OVERVIEW	3
THE WEAPONIZATION OF COMMODITIES	3
THE COMMODITY GEOPOLITICS OF CLIMATE CHANGE	4
PRICED OUT	4
UNTYING THE GIANT	4
<b>Risk 2) Astropolitics Ascendent- The Politicisation of Space Risks Constricting the “New Space Age” Before Lift-Off</b>	<b>5</b>
OVERVIEW	5
A POLITICISED REGULATORY PURGATORY	5
THE GEOPOLITICALLY-INFORMED FORMATION OF COMPETING REGULATORY REGIMES	6
IMPERILLING LIFT-OFF	7
<b>Risk 3) Derailment of the Global Green Energy Transition</b>	<b>7</b>
OVERVIEW	7
GOING GREEN	8
GOOD GOVERNANCE FOUND WANTING	8
PRIMACY OF ENERGY SECURITY	8
2023 AND BEYOND	8
<b>Risk 4) The Future of ESG Investing- 2023 Outlook</b>	<b>9</b>
OVERVIEW	9
ESG UNDER PRESSURE	9
ENERGY SECURITY CONTEXT	10
EUROPEAN IMMUNITY?	10
AMERICAN PROSPECTS?	10
TO ENGAGE, TO DISENGAGE	10
<b>Risk 5) Backsliding of Democracy in Latin America</b>	<b>11</b>
OVERVIEW	11
CORRUPTION DAMAGING TRUST IN POLITICS	11
TACKLING CRIME WHILE WEAKENING DEMOCRACY	12
POLITICAL VIOLENCE	12
WHAT DO WE EXPECT TO SEE IN 2023?	12
<b>Risk 6) Fall of Democracy in Africa</b>	<b>12</b>
OVERVIEW	12



COUPS	13
TERRORISM	13
GREAT POWER GEOPOLITICS	14
<b>Risk 7) Türkiye’s 2023 Elections- A Global Matter</b>	<b>14</b>
DOMESTIC OVERVIEW	14
A COUNTRY WITH GLOBAL IMPACT	14
AN ELECTION-FULL OF RISK	14
ENCROACHING AUTHORITARIANS WITH GLOBAL CONSEQUENCES	15
<b>Risk 8) A Year of Discontent- Strike Actions Across the Globe</b>	<b>16</b>
OVERVIEW	16
COST-OF-LIVING DRIVEN	16
ECONOMIC IMPACT OF STRIKES	17
PUBLICS SUPPORTIVE OF STRIKE ACTION	17
DISRUPTION EXPECTED	17
<b>Risk 9) Global Migrations- Middle East and North Africa</b>	<b>18</b>
MIGRATION TO EUROPE	18
DRIVERS OF THIS MIGRATION	18
EUROPEAN POLITICAL FALLOUT	18
<b>Risk 10) Global Migrations- Latin America</b>	<b>19</b>
2023 A YEAR OF MULTIDIMENSIONAL VULNERABILITIES FOR THE AMERICAS	19
INCREASING DIVERSITY OF ASYLUM SEEKERS ON THE US-MEXICO BORDER	19
POLICY FAILURE	19
2023 MULTI-PRONGED RISKS FOR MIGRATION POLICY AND SAFETY	20



## Introduction

*By Samuel Jardine*

For fans of the 2020s so far, 2023 is set to be just as politically uncertain and geopolitically unstable as every year this decade has proven to be. We find ourselves in an environment of increasing geopolitical competition, shaped by the growth of a multipolar world with competing visions of the nature and role of globalisation, resulting in the slow, yet seemingly steady decoupling of, and competition over, elements of it.

The headline risks related to this situation, such as the arresting of global development, Russia, China, inflation, and deglobalisation are ones that you will find well scrutinised by most analytical outlets. At London Politica, building on the success of [last year's report](#), we will not repeat the extensive analysis out there, but instead have turned our attention again to this year's overlooked and emerging political risks.

These are political or geopolitical risks that we feel will have a global impact, either in 2023 itself, or are present, pressing, and unaddressed (flying under the radar so to speak). We have limited this report to exploring 10 of these risks, which we felt were the most concerning based upon their potential scale, reach, and impact. If moves are not made to begin to discuss, let alone address or prepare for, these properly in 2023 the consequences will be significant; with either the problem becoming much more difficult and costly to resolve in political, financial, or security terms, or it having a major political, economic, social, or security impact this year.

## Risk 1) Grasping the Geopolitical Risk Premium in Commodity Markets

*By Thomas Woodlock*

### Overview

Countries and companies must continue to grapple with the geopolitical risk premium to commodity markets throughout 2023 and beyond. The world has become accustomed to living in an era of unprecedented globalisation with goods crossing borders with ease. Geopolitical events are unfolding at the fastest rate in over thirty years, making the globalised system of trade increasingly precarious. In 2022, commodities became politicised to a scale not seen since the Arab oil embargo in 1973.

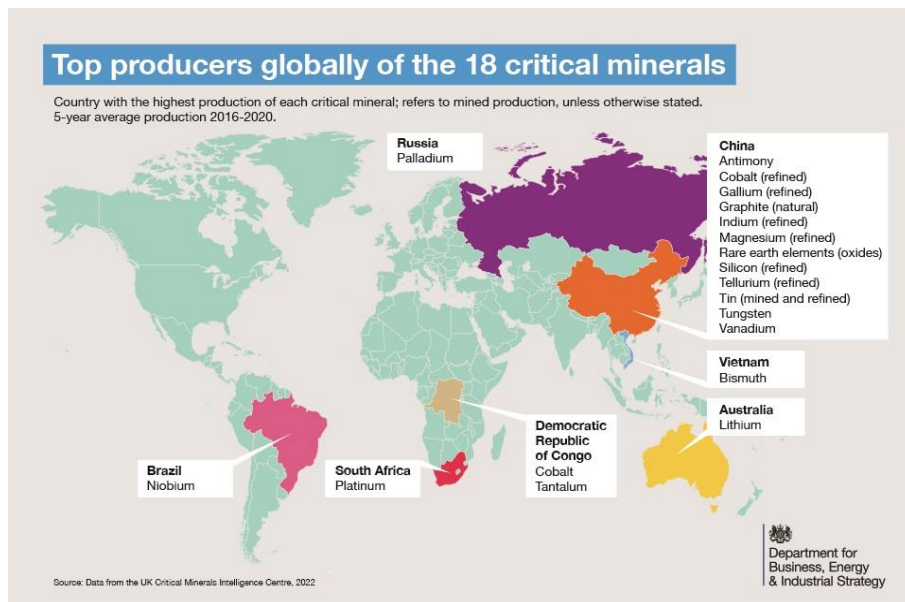
### The weaponization of commodities

This politicisation has translated into the weaponization of commodities. This took the form of agricultural exports from Ukrainian Black Sea ports being halted by Russian shelling, the Nord Stream pipeline being attacked in what's been labelled "[environmental terrorism](#)" as well as a record number of [cyberattacks on commodity infrastructure](#). London Politica expects more of the same throughout 2023. Interruptions to the supply of all commodities impact every person in different ways and result in unintended consequences. One such consequence is the record-high prices of liquefied natural gas (LNG). European consumers have priced developing countries, like Pakistan, out of the LNG market. This has exacerbated energy insecurity in Pakistan, leading to rolling blackouts with untold economic and human loss. This is just one unintended consequence of the war in Ukraine.



## The commodity geopolitics of climate change

The rapid deployment of more and more renewable energy generation capacity across the world is creating a new map of geopolitical dependencies. There are two forms of geopolitical risk being created by the march towards net zero. Firstly, new supply chains are forming between producers and consumers of commodities like copper, lithium and cobalt to name a few. These supply lines are not immune from geopolitical risks and as countries race to decarbonise, new geopolitical rivalries are surfacing. Secondly, renewable energy is increasingly crossing borders as geographies of success dictate who are the new exporters and importers of energy. Threats to transmission cables are proliferating and the legal frameworks surrounding them are weak.



Graphic courtesy of the [UK Government](#), 2022

## Priced out

Commodities, almost entirely priced in US dollars, are becoming increasingly expensive for developing countries due to their local currencies depreciating in value against the dollar. Egypt, the most populous country in the Middle East, is a major agricultural importer. The Egyptian Pound has lost approximately 50% of its value against the US dollar in the last year, making food imports double in price. The Egyptian government is now asking its population to begin [eating chicken feet](#). This is just one sign of what is to come. The last time food prices increased at such a rapid pace, the Arab Spring followed. Most countries around the world saw their currencies depreciate against the US dollar in 2022. With this trend seemingly continuing in 2023, the list of unstable countries will continue to grow.

## Untying the giant

Finally, China's abandonment of its Zero Covid policy is and will continue to have serious ramifications in commodity markets throughout 2023. China is the largest importer of almost every commodity, its ravenous appetite for agricultural goods, metals, oil and gas will drive global prices higher and amplify the economic pain of high commodity prices for the rest of the world.



## Risk 2) Astropolitics Ascendent- The Politicisation of Space Risks Constricting the “New Space Age” Before Lift-Off

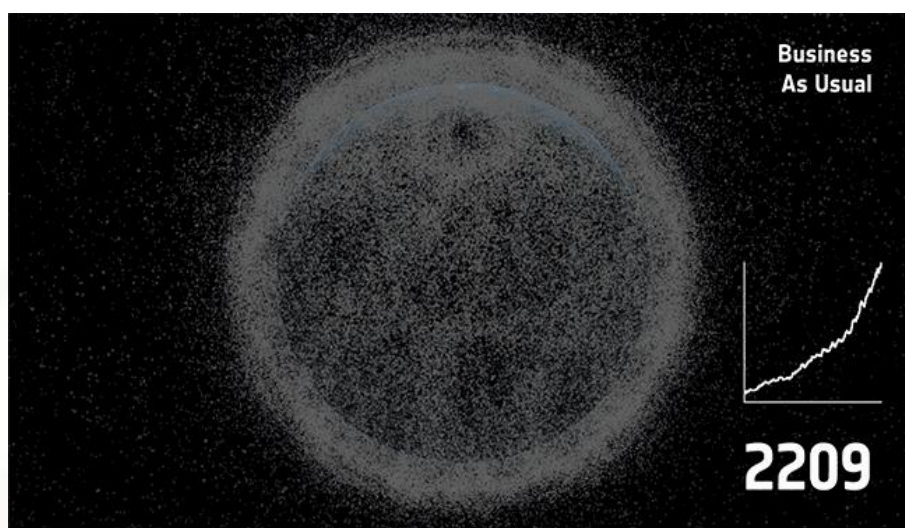
By Samuel Jardine

### Overview

The space sector is increasingly important for the [global economy](#), [climate change mitigation](#), [disaster prevention](#), [food](#) and [human](#) security, [communications](#), and our [future stability](#). Recognising this 2022 was a record year for space activity with [180](#) successful rocket launches to orbit, 44 more than 2021. As of January, there are now [4,852](#) registered active satellites in orbit, a number that by 2031 is expected to reach [24,500](#), or even, if mega-constellations become popular, [100,000](#) by 2030 as demand increases for orbital-based services. While this is incredible progress and a key contributor to why the space sector globally is expected to be worth [\\$2.7 trillion](#) by 2040, the lack of internationally agreed regulation around space activities and the linked astropolitical competition threatens to constrict space as a commercial frontier and impact its other benefits before it has even truly lifted off the ground.

### A politicised regulatory purgatory

There have been no new binding multilateral agreements regarding space regulation [since the 1970s](#) due to diplomatic rivalries. The increasing [geopolitical competition globally](#) and its spill-over into space as a [new astropolitical arena](#) means that the current environment is not permissive to international cooperation and that attempts to adapt or [fill in](#) the regulatory gaps left by the outdated [1967 Outer Space Treaty](#) (OST) are fraught with [controversy](#) and mired by [politicised](#) spill-over. For example, there has been no agreement regarding the usage of [anti-satellite weapons](#), despite it being a global interest given the universal usage of satellite infrastructure and the unique danger of anti-satellite weaponry (both kinetic and non-kinetic) creating a [Kessler Syndrome](#) disaster, directly harming non-combatants and restricting, or even cutting-off, humanities access to orbit and space. This is due to the “West” and China-Russia [manoeuvring](#) to ensure that their favoured anti-satellite capabilities are permitted while the other sides are restricted.



Graphic courtesy of [European Space Agency](#), 2022

This competition is not merely restricted to the security sphere, [orbital congestion](#) now looms as an issue, which can also cause a Kessler Syndrome disaster. Already Space X between late 2020 and 2022 had



to move its Starlinks more than [26,000 times](#) to avoid collisions with other space objects. Such manoeuvres are [costly](#) as the propellant use shortens the satellite's lifespan.

This is compounded further by the accumulation of orbital space debris, which needs to be avoided. There are over [27,000](#) pieces in orbit being tracked and [millions more](#) unseen by our current technology. This is an issue when even minuscule orbital [paint chips](#) can cause damage to space infrastructure and craft due to impact speeds. While this is another instance of low-hanging fruit for international cooperation, regulations to mitigate this are not on the horizon in a timely fashion to match launch tempos. Indeed, competition-derived concerns over [dual-use](#) risk politicising such attempts. In this absence of global governance, states are providing their [own](#) individual regulations. This will make attempts to reach an international agreement more difficult down the road as national regulatory regimes become well-established, with some invested in a considerably more [lax](#) rule set.

### The geopolitically-informed formation of competing regulatory regimes

What is more, this fragmented approach to regulation is starting to see competing wider regulatory blocs form based on geopolitical considerations. The US's Artemis Accords were an attempt to unilaterally set a series of rules that covered the governance gaps of the OST, specifically for the exploitation of the Lunar environment. Indeed, the Moon has received growing interest as the next frontier of space operations, with significant [missions](#) planned by a variety of private and state actors; including a semi-permanent [human presence](#) by 2030.

However, the Artemis Accords were [perceived](#) as being US-driven with [China and Russia](#) responding by ramping up their [own](#) competing plans. It is clear the Artemis Accords will now not be universally adopted, recognised by the US's climb-down in clarifying that the "safety zones" (areas of operation for a particular mission on celestial bodies, which [could double](#) as a governance area, restricting the operations of others and contravening the OTS) of non-Artemis members [will also be respected](#) if they pay the same courtesy to Accord members. This is in the hope that other competing regulatory regimes will at least attempt to be compatible with the Artemis Accords. There is no guarantee of this; instead, just a looming issue that operations on the moon and other celestial bodies will not be recognised by competing regimes. This creates significant risk for off-world commercial enterprise and state missions in terms of;

1. The potential to dispute or ignore ownership of resources or area of operations.
2. Security of operations, infrastructure, and personnel through proximity-based accidents or grey zone related intentional interference.

This is exacerbated by the [limited viable landing and operating sites](#) on places like the moon which will push competing [state](#) and [commercial](#) actors, who are already increasing their mission tempo, into close proximity. The potential for political spill-over to, and from, earth makes this a highly significant issue.

While it would again be low-hanging fruit from an international cooperation perspective, the current environment and orbital precedent does not give much hope for a breakthrough "in advance" of a fragmented regulatory clash playing out on celestial bodies. This is not merely a problem for geopolitically competing for state actors, where feasibly, as NASA's head recently warned, hostile actors could [freeze-out rivals](#) from operating on a celestial body like the moon, but also for commercial and private enterprises.



This is because the space economy, both now and to reach its expected development, is heavily reliant on [state-driven interest and support](#). Despite steadily falling costs, space is an incredibly [expensive](#) and [risky](#) environment for private capital to operate in, meaning that a state's approach to astropolitical competition is key in setting the level of risk for commercial enterprise. Indeed, if a country deems astropolitical competition too risky to participate in, or “loses” a key regulatory or mission competition to competitors it will directly impact the future fortunes of commercial companies as a potential customer, or who were reliant on that state to open new frontiers.

#### Imperilling lift-off

Astropolitical competition then might not only see space physically cut off if common-sense international regulations to prevent the increasing risk of a Kessler Syndrome event fail to keep up with the space sector's tempo. But also, access and markets could be denied to commercial companies based upon which states they align with, and whose regulatory regime is more competitive in both commercial terms, but also from a geopolitical and smart power perspective.

### **Risk 3) Derailment of the Global Green Energy Transition**

*By Matthew Johnson*

#### Overview

The advancement and global adoption of renewable energy technologies lie at the core of both the green energy transition and fighting climate change. In 2022, we saw the adoption of greener policies and bigger commitments in order to achieve not only net-zero goals but increase energy independence. In the [Renewables 2022](#) report by the International Energy Agency (IEA), it is predicted that 2022-2027 will see an increased output of renewables “by almost 2 400 GW” which is “an 85% acceleration from the previous five years, and almost 30% higher than what was forecast in last year’s report.” However, last year the risk of a derailed energy transition was heightened when fossil fuels took precedence with new long-term trade deals being agreed upon for liquified natural gas (LNG) (e.g., [EU-Azerbaijan](#), [UK-US](#), [Germany-Qatar](#), [Italy-Algeria](#)). Due to fossil fuels offering a level of security and stability greater than renewable energy technologies, governments must continue to introduce a wide variety of green policies that focus on financial incentivization, targeting heavy-emitting sectors, as well as having sustainable long-term goals remain vital if we hope to accelerate the transition.



*Image of Hornsea 2, one of the world's largest windfarms courtesy of [CenturionLG](#), 2022*





## Going green

There are several key areas policymakers have focused on in relation to green energy. Some examples of country policies involve [electric vehicles](#), [green hydrogen](#), [carbon capture and storage technology](#), [carbon credits](#), [agriculture](#) and [biofuels](#). What is most impressive is that, as a result of governments increasingly shaping out greener policies, ARUP estimates that “the transition to a net zero emissions environment by 2050 will create new industries worth \$10.3 trillion to the global economy by that same year.” However, before we reach that point, there remain two primary risks that could derail such goals.

## Good governance found wanting

The first primary risk is a country having a disorganised pathway in their policy framework. A case in point is South Africa who has widely advocated for their own green energy transition but will [cost an estimated USD 84bn over the next five years](#). Of course, convincing investors such as those from the [United States](#) is critical, but South Africa’s ability to govern its transition in the long-term remains of primary concern. For the majority of 2022, South Africans dealt with daily blackouts and have [severely impacted the country’s economic situation](#). While the government has recently spent time planning their “[loadshedding schedule](#)”, they have been unable to demonstrate they have the skills to formulate a solution as the country has faced load shedding for decades. Countries in similar situations must therefore receive the necessary assistance in crafting sustainable policies as well as their required financial aid. In other words, international collaboration between the Global North and the Global South is key to acceleration of the green energy transition.

## Primacy of energy security

The second primary risk is energy security and countries being either unable or unwilling to find the correct legislative balance between reducing emissions while increasing renewables. An array of countries who remain dependent on coal, oil or LNG may be unwilling to find a balance geared towards renewables as dramatic changes could affect energy stability. With the war in Ukraine having brought an energy crisis of such calibre, being more impactful than the Arab oil embargo of the 1970s, governments may care more for grid stability than the type of energy that is injected into it. As noted previously, multiple trade deals were agreed upon as a result of the war in Ukraine and the energy crisis, with the [EU-Azerbaijan deal](#) expected to “double imports of Azeri natural gas to at least 20 billion cubic metres a year by 2027.” Governments must therefore ensure they recalibrate their legislative portfolio by ensuring emission reduction policies work in conjunction with their green energy transition pathway.

## 2023 and beyond

In 2023, we will observe closely the collaborative efforts between advanced and developing economies and whether the global green energy transition will generate an even greater divide between the two. If we do not close the divide and achieve only a partial energy transition, the global effort to prevent climate change will fail. As we move further away from the impacts of Covid-19 and the war in Ukraine, governments must re-focus on diversifying their ambitious policies while not forgetting the needs of those in the Global South. What is perhaps a silver lining that resulted from the war in Ukraine was the increased desire for energy independence that is offered by renewables. It soon became one of the most sought-after objectives by those dependent on Russian oil and LNG. Energy independence via renewables will therefore serve as a primary driver that could help in the acceleration of the transition. How countries will see to a successful transition remains complex, especially in terms of creating policy frameworks that are sustainable in the long-term.



What is most concerning though is if fossil fuel consumption is maintained or increases in the long-term, this could make the transition redundant in relation to its core tenant of preventing climate change.

## **Risk 4) The Future of ESG Investing- 2023 Outlook**

*By Arshdip Singh*

### Overview

ESG is set to face a turbulent year, particularly in the US. The EU will be paying close attention to ensure that SEC climate rules follow a path of international alignment that ensures that the European houses remain competitive. ESG itself will remain under contention, particularly on whether following such a metric is consistent with fiduciary duties; greenwashing concerns; whether the method by which a rating is calculated is credible; and, whether all three aspects should be given similar weighting. On a political level, bringing inflation into control and an end to the Russo-Ukraine conflict will also play its part.

### ESG under pressure

The World Economic Forum's Global Risks Report 2023 features six environmental categories as posing a [risk in the next 2 years](#). The same report adds another two environmental categories to pose a [risk in the next 10 years](#). ESG is one of the many links drawn as a solution to these risks, and is best described as, "[the consideration of extra-financial information to enable better decisions](#)". This would in turn lead to sustainable growth and the mitigation of material risk; the increase in [performance, profitability, and ability to raise new capital](#).



*Image courtesy of [Yorkshire Live](#), 2021*

In 2022, ESG faced intense scrutiny in the United States of America. Elon Musk aired his grievances for the exclusion of [Tesla from the S&P 500 ESG Index](#); whilst Florida prohibited the [consideration of ESG factors](#); and the State comptroller of Texas published a list of financial companies and funds which were [boycotting oil and gas companies](#). The list included [BlackRock and nine other European houses](#). This



sentiment has been thought to be driven by a “combination of the impact of Russia’s invasion of Ukraine, inflation and pockets of populism emerging in different parts of the world, shifting the macroeconomic and geopolitical context, which in turn [impacts investors’ thinking.](#)”

In 2023, ESG turbulence is set to continue in the US, however the [anticipation of new SEC rules](#) may place ESG in good stead. The Europeans, the leaders in Sustainable Finance, will keep a close eye on the details of the SEC climate rules, and any potential spill over occurring from events like the Texas ‘saga’.

### Energy security context

In Europe, the Russo-Ukraine conflict has highlighted the [problem of energy security, and its complexity.](#) The issue is twofold: first, the need to pursue energy independence in a manner that achieves net-zero; second, to ensure the continent’s energy security is bolstered in the interim. With the latter being solved through gas and liquified natural gas exports, and the geopolitical context [proving difficult to capture in metrics,](#) 2023 will continue seeing ongoing debates around concerns of greenwashing, particularly with the listing of oil companies in ESG indices.

### European immunity?

Sustainable Finance Disclosure Regulation (SFDR), and the European Taxonomy leads the way in [sustainability-related investing regulation.](#) The Russo-Ukraine conflict and the need to achieve energy independence has painted ESG in a [positive light with both managers and investors on the continent.](#) Despite this, European Asset Managers will be paying close attention to the [anticipated SEC rules,](#) in the hope that it provides credibility, and comparability to ESG. Currently Article 9 SFDR classification prohibits fossil fuel investments and would be impacted in states such as Texas. Article 8 SFDR classification is likely to pose a lesser risk due to it allowing fossil fuel investment as transitional fuels, provided that managers can show these [assets are best-in-class.](#) Should the SEC rules not achieve this, asset managers may follow suit with the likes of Vanguard, withdrawing from climate groups such as the Net Zero Asset Managers Alliance, which help progress the [goal of net-zero by 2050.](#)

### American prospects?

The US, in particular Florida and Texas, have proved hawkish on ESG, and this could result in an eventual spill over into other states that deem to be negatively impacted by ESG. However, with the SEC anticipated to publish [Climate related rules in late Q1,](#) the US may be set on a trajectory towards building credibility of ESG particularly in those states that view it negatively. The Europeans will look on in the hope that these rules will pursue [international alignment of standards](#) to ensure global institutions can continue to operate effectively. Whilst divergence would not signal the end of ESG, it will pose a [roadblock in progressing this area.](#)

### To engage, to disengage

ESG credibility is reliant on a strong disclosure regime, therefore SEC climate rules will be central to the debate on engagement in 2023. As O’Leary (CEO of Pensions for Purpose) states [“holding fossil fuel investments to encourage those companies to change practices and transition is far more powerful than disinvesting and potentially pushing those assets in private hands or to those who will not engage.”](#) Accordingly, the SEC’s climate disclosure regime must ensure that disclosures are clear, consistent, comparable upon which a company’s ability to transition will be assessed. Failure to achieve this standard



risks shifting the debate from engagement to disinvestment, and consequently prove detrimental for ESG metrics.

## Risk 5) Backsliding of Democracy in Latin America

By Elin Roberts

### Overview

The end of 2022 saw high levels of democratic backsliding in Latin America, a region which is home to [four authoritarian](#) regimes in Nicaragua, Cuba, Venezuela, and Haiti. According to the latest annual [Latinbarómetro](#), 70% of civilians in Latin America were dissatisfied with democracy.

Some events that we saw signifying a backslide in democracy in the region in 2022 included: the adoption of undemocratic practices to consolidate power, high levels of corruption, use of “emergency states” to crack down on crime, as well as attacks on democratic institutions.



*Pro-Bolsonaro protesters storming Brazil's National Congress, image courtesy of [TV BrasilGov](#), 2022*

During the past year, we've seen leaders in Mexico and Peru trying to hold onto power. For instance, Andrés Manuel López Obrador in Mexico tried to pass a controversial [electoral reform](#) which was [quashed](#) by the Chamber of Deputies, however, it was later [passed](#) without constitutional changes. The same was also seen with Pedro Catillo in Peru who attempted a self-coup by announcing a “[government of exception](#)” on the 7th of December and dissolving Congress. This led to his impeachment and Dina Boluarte became the President of Peru by the end of the day.

### Corruption damaging trust in politics

[Corruption](#) levels throughout the region are extremely high in most countries in the region being ranked out amongst the 80 most corrupt in the world. The most corrupt country in the region is Venezuela which is ranked 177 out of 180 countries whilst the least corrupt country is Uruguay which is ranked 18 out of 180.



Towards the end of 2022, Cristina Fernández de Kirchner, the vice president of Argentina was sentenced to six years in [prison](#) and was given a lifetime ban from holding public office on charges relating to corruption during her previous presidency.

### Tackling Crime while weakening Democracy

Democracy has also been weakened in the region in an attempt to combat crime. This was especially seen in El Salvador with Nayib Bukele and in Honduras with Xiomara Castro. Bukele's crackdown on gangs in the country was criticised for leading to "[widespread abuses](#)" and we saw prison populations increasing from 39,000 inmates in March 2022 to 95,000 by November 2022. Castro also adopted similar policies with the state of "[exception](#)" in the country being extended to tackle organised crime at the peril of human rights.

### Political violence

Furthermore, we saw a clear attack on democracy following Lula's inauguration when Bolsonaro's supporters [stormed Brazilian institutions](#) on the 8th of January 2023 in a bid to bring an end to Lula's presidency arguing that the results of the November elections were incorrect.

### What do we expect to see in 2023?

Democracy continues to be in danger in the region and it is likely that we will see even more democratic backsliding in the upcoming year. Such backsliding could lead to further levels of polarisation in society, a decrease in the population's trust in government, as well as the potential to see greater violations of human rights. In the coming year, we should keep an eye on the following countries:

- **Peru:** Since Dina Boluarte came to office, the country has seen widespread protests calling for Boluarte's resignation. More than [53](#) people have been killed in the protests. Unless Boluarte manages to unite the country, it is likely that we will see more protests in the coming months as well as more deaths.
- **Brazil:** Lula has the challenge of reuniting the country under his presidency. If he fails to do this, particularly winning the loyalty of the police forces and military, we question the length of his presidency which could potentially finish in a golpe de estado which was the intention during the protests seen on the 8th of January.
- **Central America:** The governments of Honduras and El Salvador will continue using undemocratic practices in the coming year to tackle organised crime, however this will be at the peril of human rights.

## Risk 6) Fall of Democracy in Africa

*By Natasha Louis*

### Overview

At the start of 2023 through the following year, 35 African nations are expected to hold [presidential elections](#) alone, with a multitude of others holding local and parliamentary elections. With histories of electoral violence, stifling oppositions, and voter suppression, little hope exists for the majority of these elections. Many states will see the same leaders running in order to maintain their control and avoid facing any possible charges for serious corruption and human rights violations. Additionally, militaries and



civilians have reached a tipping point with leader ineptitude in stabilising countries against rebels and/or terrorist groups. The majority of African leaders continue to show their priority is power and not their people.

### Coups

The increase in successful and attempted coup d'etats in Africa have raised concerns that “the region could be [backsliding](#) from its progress toward greater democracy.” Since 1950, Africa has seen more coups than any other region in the world with 45 out of 54 countries experiencing at least one coup. Countries that are impoverished and enduring ongoing conflict due to rebel groups or terrorist activity are disproportionately more likely to experience coups. Coups are expected to heighten in the coming years, exacerbated by military withdrawal by Western nations and the ongoing expansion of contributors to insecurity, such as [Russian propoganda](#) and the [spread of terrorism](#).

### Terrorism

Over the last decade, terrorism in Africa has increased by [300 per cent](#). Extremist groups will be ever more likely to take advantage of the security vacuum left by ongoing corruption and destabilisation across the continent. Foreign counterinsurgency operations are increasingly cautious due to their chequered histories of involvement that have resulted in anti-West sentiments and significant deaths among troops. Efforts like the [Accra Initiative](#) have proven to be largely ineffective thus far and it remains to be known how the continent will overcome the plethora of rebel and terrorist groups. Additionally, operations and disarmament, demobilisation, and reintegration (DDR) programmes consistently negate root causes of joining said groups. Factions like al-Shabaab and [M23](#) will receive no shortage in recruitments due to them being a major source of income where there are few options. Until governments offer true reforms in governance, security, and development, peace agreements and counterterrorism efforts will be miniscule.

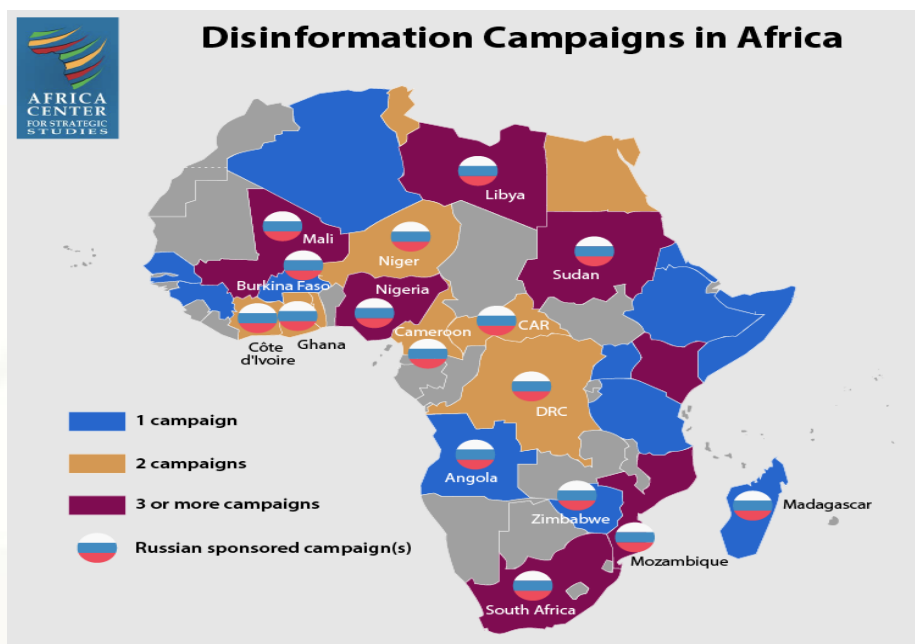


Image courtesy of [Africa Centre for Strategic Studies](#), 2022



## Great power geopolitics

While Africa is largely overlooked, these developments will leave an impact on a global scale. Despite a large proportion of African leaders being driven by greed, politicians should be more conscientious about what nations they are partnering with. The spread of [Russian](#) and [Chinese](#) influence throughout the continent will have disastrous effects on relations with western nations and, more importantly, Africans due to disinformation campaigns and human rights abuses. Additionally, the building [cold war](#) between the West, Russia, and China will significantly impact trade with Africa, likely becoming a volatile playground over the battle of resources and relations. As Africa continues to experience electoral corruption, coups, and terrorism acts, migration crises will not only impact African regions but will accelerate tensions and economic strains in European countries as refugees most desperate seek stability. The next few years will be highly contentious as the fall of democracy and growing insecurity across Africa will be felt globally. The future of Africa's stability lies in the hands of the youth population, who will hopefully ensure that criminal leaders no longer plague the continent.

## Risk 7) Türkiye's 2023 Elections- A Global Matter

*By Ethan Dincer*

Türkiye's past few years under President Recep Tayyip Erdogan have been less than glorious.

### Domestic Overview

Türkiye's economy has effectively tanked, with inflation hitting 64% by official numbers in December 2022, though [independent researchers](#) place the figure at 137%. Many [cannot afford bread](#) as rising costs hit every sector of the Turkish economy, and a [housing crisis](#) is pushing thousands out of large cities due to costs. [Social unrest](#) over the economy is becoming more common, with February 2022 seeing massive labour strikes nationwide. Minorities are feeling increasingly squeezed by Erdogan's conservative attacks – including a [proposed amendment](#) to the constitution by Erdogan's Justice and Development Party (AKP) which could limit rights afforded to LGBTQ communities, in addition to over [350](#) arrested by heavily militarised police during the June 2022 Istanbul Pride march.

### A country with global impact

On the foreign policy front, Erdogan has pushed questionable policies, whether it be [continued offensives](#) into Northern Syria or Sweden and Finland's acceptance into NATO, which was [blocked by Türkiye](#) over concerns that the two states are a harbinger of PKK terrorists and affiliates of exiled cleric Fethullah Gulen. Erdogan has also brought about more stabilising changes in the past few years, including [mediating](#) the Ukraine grain deal. Indeed, Türkiye's [foreign policy footings](#) cannot be ignored: from supporting state building in Libya and Somalia to militarily aiding Azerbaijan to maintaining strong ties with Qatar, Erdogan has expanded Türkiye's foreign presence significantly over the past decade.

### An election-full of risk

These decisions are catching up to Erdogan whether he likes it or not: he faces a general election in June 2023. After Erdogan's Justice and Development Party faced the [largest electoral defeat](#) in 2019 when the opposition Republican People's Party (CHP) won the Istanbul Mayoral race, the pressure is mounting on Erdogan to win. However, many are concerned about what the elections might bring, including political and social suppression. Istanbul Mayor Ekrem Imamoglu, one of Erdogan's strongest challengers, was handed a [prison sentence](#) of two years and seven months in December 2022. Imamoglu would additionally



be banned from political office for the duration of the sentence if he is convicted. Many see the rationale behind the sentence – which is based on alleged threatening language in a 2019 speech – as a [weak justification](#) to eradicate a strong opposition member. Such a move would not be unlike Erdogan. In 2019, when Imamoglu was first elected as Istanbul’s Mayor, the courts [cancelled the election results](#), which led to a second election that resulted in Imamoglu receiving more votes than the first election.

In addition to potential election interference by Erdogan to secure a win in 2023, there are numerous legislative actions that make the dissolution of political society plausible in the leadup to the polls. A [controversial media law](#), set to enter force in April 2023, would allow Turkish courts to sentence anyone for up to five years for posting ‘disinformation’. State of Emergency legislation from the 15 July 2016 coup attempt are still in place, allowing Erdogan and the courts (many of which were purged following the coup attempt and filled with Erdogan loyalists) to continue a policy of silencing, seen most publicly in the case of [Osman Kavala](#).



*Image courtesy of [NATO](#), 2021*

### Encroaching authoritarians with global consequences

Erdogan has a mere 6 months to declare his intentions for the general elections, and it already seems that his decisions are leading down a path of increased authoritarianism. With the amount of expansion Türkiye has achieved over the past few years under Erdogan, a failing domestic condition in the leadup and aftermath of the elections has a significant risk to radiate globally. If Erdogan sets up the elections in his favour, a mass mobilisation could reasonably be expected as economic and social frustrations boil over, unable to be quelled by the President’s [modest economic concessions](#). The June elections are making Erdogan critically examine Türkiye’s domestic condition, something that has been largely off of the policy agenda as he has grown Türkiye’s foreign involvement. However, should Turkish political and civil society crumble in June, Türkiye’s foreign commitments – including the Ukraine grain deal; centrality to NATO; stabilising support in Azerbaijan, Libya, and Iraq – could quickly come crashing down. Türkiye’s significant refugee and migrant population, including over [3.6 million Syrians](#) and a [growing number of Russians](#) fleeing the war, could be mobilised in ways that would further fragment Turkish society.





As the past few years under Erdogan's rule have shown, almost anything can occur in Türkiye. With that in mind, the upcoming general elections have the power to destabilise a delicate power balance in the MENA region and beyond.

## **Risk 8) A Year of Discontent- Strike Actions Across the Globe**

*By Cameron Fenwick*

### Overview

In the UK, we had the [summer of discontent](#) and the [advent calendar of strikes](#) in December. [Health workers](#), [rail workers](#), [London underground](#), [nurses & paramedics](#) all have balloted for strikes in January 2023, with more strike action to come in the coming months. In fact, railroad workers just recently balloted to strike in [February](#). Abroad, various companies and industries have experienced strikes or the threat of strikes. In Germany, [Volkswagen](#) agreed to raise pay by 8.5% on a 2-year wage deal. In France, [Air France employees](#) called for a strike over the Christmas holiday season. In Portugal, [teachers, doctors, nurses, and civil servants](#) walked out days before the government budget was ratified in protest for wage increases. Across the pond, [pundits predict](#) that 2023 will be the year where US workers would strike the most since 2005, with predictions of strike action by industries from [Hollywood](#) to the [UPS](#). Just this December, Biden had personally asked congress to [prevent a railroad strike](#) which was projected to cripple the economy. In Asia, [truckers](#) in South Korea in November went on strike for 16 days in response to rising fuel prices, and [tea workers](#) in Bangladesh over the summer went on strike in protest over inflation.

### Cost-of-living driven

These strikes - executed, planned, or threatened - all paint the same picture. Industries and businesses around the world in 2023 will face significant pressure from organised labour raising demands to alleviate inflation and the cost-of-living crisis. 2022 has been a crippling year for many. Due to a combination of pandemic stimulus, supply shocks, the war in Ukraine, and a cocktail of other factors, inflation has been at levels not seen for decades. Take for example the UK. According to a survey conducted by the [ONS](#) in December:

- 93% reported the cost-of-living crisis as the most important issue.
- 60% planned to cut back their Christmas expenditure.
- 60% were worried about heating their homes.
- 24% were not able to consistently, rarely, or ever, able to keep their homes comfortably warm.

As the cost-of-living crisis affects those both in the UK and around the world, workers will turn towards their employers to demand better pay and working conditions to help make ends meet, as we have already begun to observe.



Image courtesy of [ReelNews](#), 2022

### Economic impact of strikes

Businesses, economies, and society in general, will face major obstacles and disruptions. For example, if Joe Biden had not moved to prevent the railroad strike, the [American Chemistry Council](#) predicted that 2.8 billion dollars would have been incurred in lost chemical cargo weekly, with a projected month-long cost of 160 billion dollars to the overall economy. In the UK, rail strikes have resulted in travel disruptions and impacts on the hospitality sector, with venues [predicting a third of all reservations during Christmas](#) to have been cancelled. Such disruptions are not limited to rail strikes, however. Economic and wider societal disruption is expected to be seen in the various industries which are balloting for strikes.

### Publics supportive of strike action

At the same time, public attitudes towards strikes have changed. A prominent example is [NHS nurses](#), where public support for strike action has been high. [YouGov polls](#) show that although Britons are currently split on whether unions play a positive or negative role in Britain, there has been a rise in the proportion of people who believe certain professions should have a right to go on strike. Alongside nurses, these include doctors, police, teachers, train drivers, and civil servants.

### Disruption expected

The upshot is this: businesses in the private sector need to be cognisant of their relationship with their workers, and to provide fair and affordable wage increases. The backlash to poor labour treatment could be significant, whether it be through organised labour action or reputational damage via social media. Furthermore, businesses need to also be aware of potential disruption to their supply chains and business, especially if they are reliant on jobs and industries involved in the public sector. People in the public sector are [more likely to strike](#) than those in the private sector. They furthermore [have been hit hardest](#) by the cost-of-living crisis. Ensuring that businesses and supply chains are both stress-tested and contain various contingencies is critical to navigating the uncertain future.



## Risk 9) Global Migrations- Middle East and North Africa

By Mariam Morsy

### Migration to Europe

The year 2022 has witnessed a [74% increase](#), compared to the previous year, in the number of refugees and immigrants arriving at Europe's Mediterranean sea borders and eastern borders from the Balkan route, with numbers expected to increase even more within 2023. Immigrants and refugees mainly come from Afghanistan, Syria, Iran, Egypt, Pakistan, Burundi, and other African and Middle Eastern countries, where socioeconomic and humanitarian situations keep deteriorating.

### Drivers of this migration

Several factors affect the situation in the Middle East and Africa region, from terrorism and civil wars to inflations and climate change. For instance, the situation in Syria is most likely to remain [volatile](#), with an increase in hostilities and violence in 2022. Afghanistan is also expected to flow a significant number of migrants due to the country's political situation and [economic collapse](#). In Africa, the Sahel region faces violent threats from [militant Islamist groups](#) and state fragility. Additionally, East Africa is suffering from the worst drought in 40 years that left millions in [hunger](#) and [displacement](#), with reasons linked to global climate change. Around [274 million](#) people are estimated to require humanitarian assistance in 2022; most of them live in the Middle East and Africa, which poses a high risk for migration rates to Europe in 2023.



Image courtesy of [UNHCR](#), 2015

### European political fallout

These rates have pushed some European governments to consider asylum and immigration policy reforms in 2023 to deal with migration pressure. One of the most controversial laws in the European Union is the "Dublin Regulation Law," which puts the responsibility of the asylum-seeking process on the state of first entry. First-entry countries such as Italy, Greece, Spain, and Hungary currently ignore Dublin rules and allow asylum-seekers to move northwards. As a result, countries like Germany and Austria are facing



thousands of asylum applications from people who first entered other countries, which pushed both countries to carry [internal border control](#) within the Schengen area. This failure of the Dublin law led to various demands within the European Union to reform the system and establish a new one that would function more sufficiently. However, the conflict between states that are willing to accept migrants and those that want to push restrictions remains an obstacle. Recently, a [voluntary system](#) for the distribution of asylum-seekers from first-entry states to the rest of the EU failed. This is because France and the new right-wing Italian government could not reach an agreement, as Rome aims for a total [naval blockade](#) against Libya and Tunisia, countries that most migrants come through. These disagreements within the EU are most likely to continue in 2023. However, with migrants and refugees jostling on European borders, 2023 may see new hostile migration policies and a rise in right-wing popularity.

## **Risk 10) Global Migrations- Latin America**

*By Adriana Santamaria Duthon*

### 2023 a year of multidimensional vulnerabilities for the Americas

The year 2023 is shaping up to be an important one for migration risks in the Americas. Asylum seekers, refugees, U.S. border policy, regional efforts and diplomatic frictions will all determine the outcome of the growing migration crisis at the U.S.-Mexico border. [The COVID-19 pandemic and other U.S. policy](#) efforts to stop asylum access significantly impacted immigration numbers, policy, and enforcement in 2022. However, this has not been enough to turn the page on the multidimensional vulnerabilities and the risks migration has on the political stability of the Americas and the North American region.

### Increasing diversity of asylum seekers on the US-Mexico Border

Only in 2022, U.S. Customs and Border Protection (CBP) reported more than [2.2 million migrant “encounters”](#) during the fiscal year (October 2021 to September 2022). These numbers represent an increase from 1.67 million in 2021 and only 400,000 the year before that.

In the first weeks of the U.S. coronavirus outbreak (April 2020), people from Mexico and the Northern Triangle countries of El Salvador, Guatemala and Honduras accounted for the vast majority of those encountered at the border. However, only in November 2022, [63% of the migrants](#) encountered at the border were from countries *other* than Mexico and the Northern Triangle region. The [latest numbers](#) suggest that individuals coming from Colombia, Cuba, Nicaragua, Peru and Venezuela account for most of the encounters with U.S. Customs and Border Protection (CBP). Encounters with Colombian nationals at the U.S.-Mexico border went [from four in 2020 to 15,439 in 2022](#). The same observation can be made with encounters between CBP and migrants from Cuba, whose numbers went [from 161 in 2020 to 34,639](#) or migrants from Nicaragua, whose encounters rose [from 86 to 34,162](#).

Overall, 2022 was a record-breaking year for migration in the Americas, mostly because of a growing tidal wave of asylum seekers and refugees constantly moving North but also because of its controversial political side effects.

### Policy failure

While the numbers provide an in-depth view of the reality at the U.S.-Mexico border, the 2023 political side-effects in Latin America and U.S. policy intentions have yet to be fully grasped. In fact, many of the 2.2



million individual migrants are those who tried to cross multiple times after being caught and rapidly expelled back to Mexico under a [COVID-era order known as Title 42](#). This hard-line policy, implemented under former President Donald Trump back in March 2020 suggests an increasingly urgent need to assess and address migration waves as a national security concern. However, while President Biden has tried to end the Title 42 order, efforts to reconcile the migration crisis has not been enough to close the political gap currently existing within the U.S. government. Indeed, at the beginning of 2023, Biden announced that Cubans, Haitians and Nicaraguans - who have also been arriving in larger numbers - will now also be expelled under Title 42.

Regionally, new intents to revive soft-politics strategies to push Mexico to become a ‘safe-third country’ has created a ‘policy fog’ due to the lack of resources for the safe third countries to deal with the massive flux of migrants, the lack of regional humanitarian and security consensus and an overall reiterated lack of capacity for certain countries (such as Mexico or Guatemala) to absorb large numbers of ‘returned’ migrants.



*Image courtesy of [US Customs and Border Protection](#), 2019*

### 2023 multi-pronged risks for migration policy and safety

As we move towards 2023, multidimensional vulnerabilities, increasingly interconnected protection risks and humanitarian needs are likely to continue.

- First, increasing [migration securitization](#) will remain a pillar of many migration policies which in turn will continue policy, political and judicial controversy and polarise national security concerns. The political differences regarding the future of migration policy in the Americas will deepen the gap between the U.S.’ government and its diplomatic counterparts.
- Second, the pursuit of Biden’s [Comprehensive Immigration Reform](#) will face many obstacles as Republicans assumed control of the House in January and a divided Congress will struggle to make any significant changes to the immigration system in the coming year, leaving thousands of individuals at the border.



- Third, the controversial Title 42 policy may continue to have a lasting impact on border enforcement in 2023 due to the U.S. Supreme Court's temporary extension of the rule and the Biden administration continuous enforcement. New potential policies could arise from this, making it even more difficult for migrants to seek asylum at the U.S.-Mexico border.
- Finally, diplomatic relations must become the foundation of a regionally supported strategy to tackle future migration trends. Much of the Biden's administration's plan will depend on Mexico agreeing to accept up to [30,000 migrants](#) but it does not go far enough in solving the migration crisis for either country nor for other Latin American neighbours, who are completely dependent, from a migration perspective, regarding all future policy agreements made between the two countries that share a common 3,145 km border.

