

Global Insights

Geopolitical Forecast Issue 13

Reliable intelligence on political unrest, economic stability and international relations around the world...

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Sudan

Sudan's relentless civil war approaches a second year with no end in sight

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Ecuador

Ecuador following the path to regional instability with growing securitisation

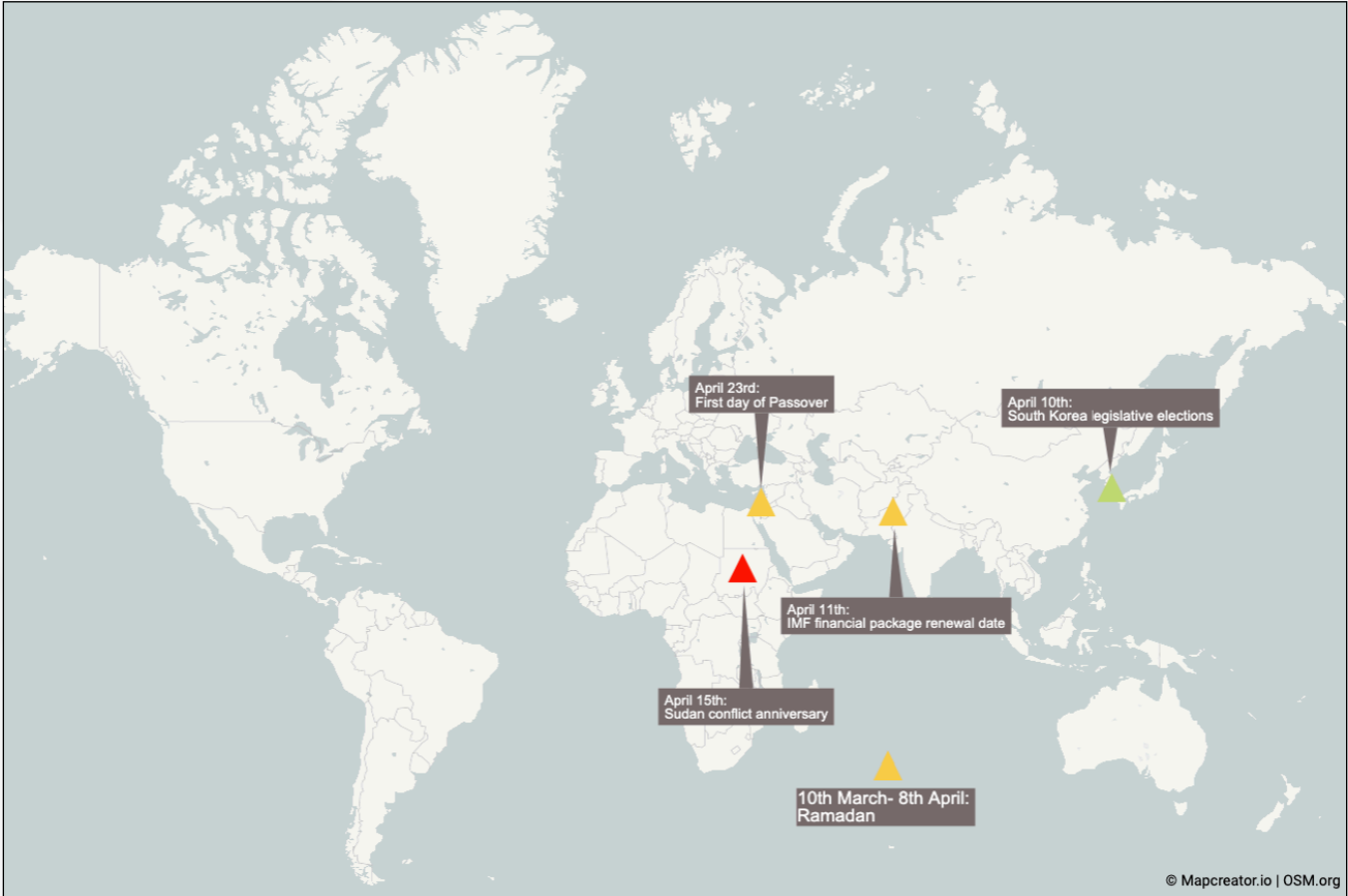
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South Korea

Tensions remain high on the Korean Peninsula

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April Timeline

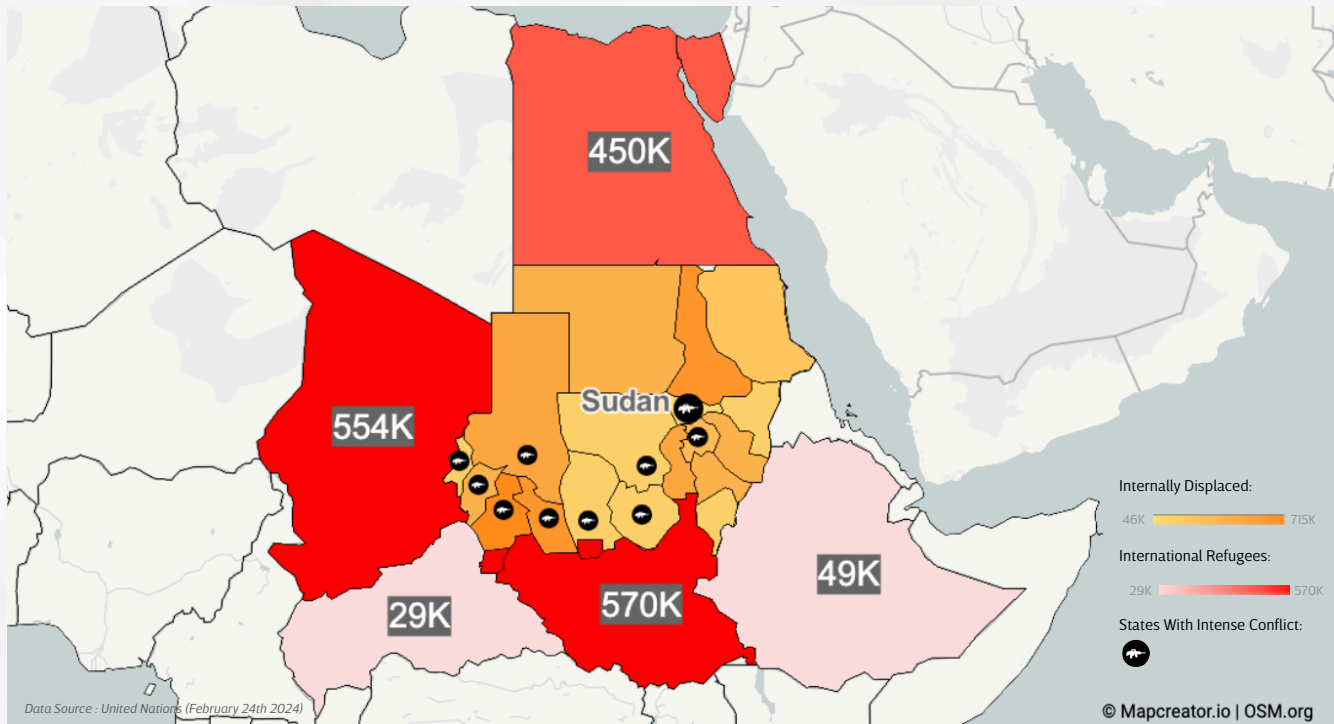


Key:

Significance

- ▲ Extreme
- ▲ High
- ▲ Medium
- ▲ Moderate
- ▲ Low

Sudan



With the one-year anniversary of the Sudanese civil war approaching, the conflict continues to morph into an unrelenting and devastating conflict with no discernible resolution in sight. Under the leadership of General Abdel Fattah al-Burhan and General Mohamed Hamdan Dagalo, the Sudan Armed Forces (SAF) and the Rapid Support Forces (RSF) have plunged the nation into chaos. The conflict's humanitarian toll continues to rise, with 8.1 million people displaced within Sudan and 1.8 million fleeing abroad, according to the United Nations' February figures. Despite the immense suffering, the international response remains inadequate.

Sudan's crisis finds its roots in prolonged economic struggles and governance challenges following the 2019 revolution. The civilian-led cabinet's inability to stabilise the economy allowed military influence to persist. The subsequent 2021 coup, led by al-Burhan and Hemedti, failed to address Sudan's underlying issues, triggering an escalation of conflict. The looming risk of famine threatens the nation, erasing the once-promising path toward democratic transition after the overthrow of President Omar al-Bashir in 2019. Sudan's formerly unified civilian movement, instrumental in the initial uprising, has since fragmented. Political parties struggle to form a united front, and resistance committees have transformed into diverse entities, from emergency humanitarian service providers to armed self-defence groups. The war has created a national power vacuum, exacerbating challenges in a divided nation with no functional political structure.

While Ethiopia's pursuit of sea access threatens to further shift East-African alliances, aligning itself with the RSF, not to mention the alleged influence of the infamous Russian Wagner movement. Adding yet more complexity to the scenario, emerging Middle Eastern powers, particularly the United Arab Emirates, introduce further arms and international involvement to the conflict, turning Sudan into a battleground for not only national but regional dominance. In this fragmented geopolitical landscape, the prospect of peace fades, with not only entrenched national divisions, but also regional aspirations sustaining the conflict's intensity.

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+ EMEA—Europe Middle East, Africa +

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Despite this engagement, international peace efforts have been unsuccessful, with the few attempts to date by the US or by the UAE falling short of creating a lasting peaceful solution. Internal vetoes and external interference have also hindered a peace process. The wider international community's lack of urgency due to the distraction from seemingly more pressing international concerns exacerbates the dire situation. The UN reports thousands dead, millions displaced, and a “deafening silence of global indifference” undermining Sudan's future. The absence of appropriate levels of international aid compounds the crisis, hindering relief efforts and fuelling the risks of famine and further humanitarian catastrophe.

Behind the staggering humanitarian figures are heartbreaking stories of personal upheaval and devastating decisions. The UN reports that 20.3 million people in Sudan are facing severe hunger, over 70 per cent of hospitals in conflict zones are non-functional, and 19 million children are out of school. The repercussions of such civilian suffering will be long-lasting and precipitate future regional

instability through mass migration, refugee crises and the growth of armed terrorist and criminal networks. Throughout the conflict, the battle over Khartoum threatens the international oil pipeline and has undermined any economic practices in the nation. Due to the conflict, Sudan's economy shrunk a staggering 18.3% in 2023 according to the IMF, the largest recession of any nation on earth in the year, nearly three times as significant as the next closest country. While the IMF forecasts a stabilisation in this year's economic output, this represents a persistence of the destruction caused by conflict and the lack of an effective conflict resolution or economic recovery.

Sudan's warring parties, the RSF and SAF, bear responsibility for the suffering of the nation. The Human Rights Watch documents SAF's indiscriminate bombings and the RSF's widespread abuses, including pillaging and rape. Both impede aid delivery, hindering access and looting humanitarian supplies. The humanitarian effort remains critically underfunded, with only 3.1 per cent of the required \$2.7 billion for the 2024 Sudan Humanitarian Needs and Response Plan secured. The abrupt scrapping of the Integrated Transition Assistance Mission without a suitable alternative leaves Sudan's civilian protection unaddressed. These bleak statistics underscore how global inaction is continuing to cost lives. The prospects for greater international engagement appear bleak, with the conflict's intensity and suffering likely to persist. The complexity and increasing geographic spread of the conflict will continue to undermine the functioning of a political or economic state, with the Sudanese people bearing the brunt. The bleak outlook for the nation looks set to continue as Sudan's unrelenting civil war continues to plunge the nation and region into chaos.

Ecuador



Ecuador is currently traversing a period of heightened political and economic turmoil. Recent events have raised the profile of longer term issues that have blighted the country over the past decade, century, and, in some cases, since its very foundation. Incumbent President Daniel Noboa will need to address these deeper dynamics, which have steadily directed Ecuador onto the verge of becoming a narco-state, in order to effectively manage the longer term security landscape of the country.

Domestically, Ecuador is suffering through one of the most challenging periods in recent times; a spike in organised criminal violence at the beginning of 2024 has provoked the introduction of a “state of exception” and, for the first time in the country’s history, a “state of internal armed conflict”. Under these conditions, the government has labelled criminal gangs as “belligerent parties”, licensing the deployment of the armed forces to the streets of major cities and their control over security forces throughout the country. Since the imposition of these measures, over 118,000 operations have been conducted against organised criminal groups, resulting in the arrests of over 9,400 individuals,

240 under charges of terrorism. While Ecuador’s state of exception bears a close resemblance to President Nayib Bukele’s recent controversial emergency measures in the formerly violent crime-ridden El Salvador, President Noboa has been keen to distance himself from those comparisons, claiming that he is “very different in many ways”, including in his commitment to maintaining the current constitution and presidential term lengths. However, both the security measures employed to combat Ecuador’s current crisis and the factors contributing to it share several similarities with El Salvador’s recent past, and, indeed, with regional trends more generally.

Ecuador, like most nations in the region, has inherited from its colonial past an extraction-based economy, in this case built around banana and oil exports. By filling the role of primary sector producer within the world economy, the prospects of Ecuador’s least wealthy continue to suffer. In the first six months of 2023, over 1,300 12-17 year olds were arrested on murder, drug, and firearms related charges, revealing the lack of social safety nets and viable legal economic opportunities for young people across the country. Criminal activities provide poorer individuals with methods of accessing the economic mobility they are denied by the current apparatus of the state, hamstrung by its long-held extractive economic model. An historical lack of economic prospects has also motivated periodic emigration surges, including the most recent wave beginning in 2017; by 2021, Ecuadorians made up the fourth largest group entering the United States via the Mexican border. This exodus, constituting roughly 7% of Ecuador’s total population, contributes to a significant brain drain and loss of labour, holding back economic development further still and perpetuating the cycle of criminality.

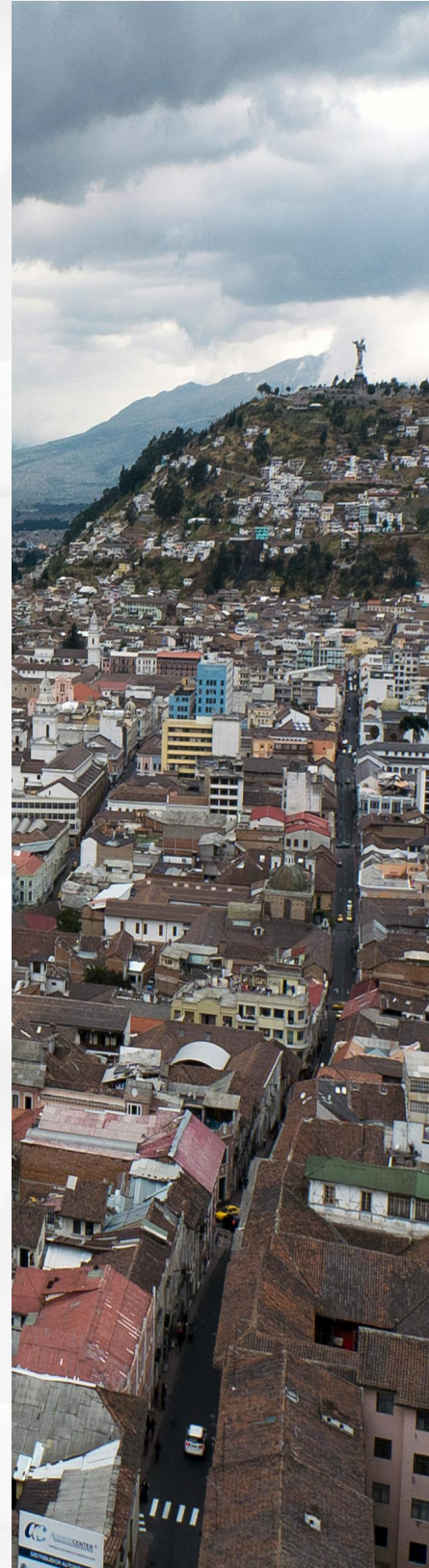
Ecuador



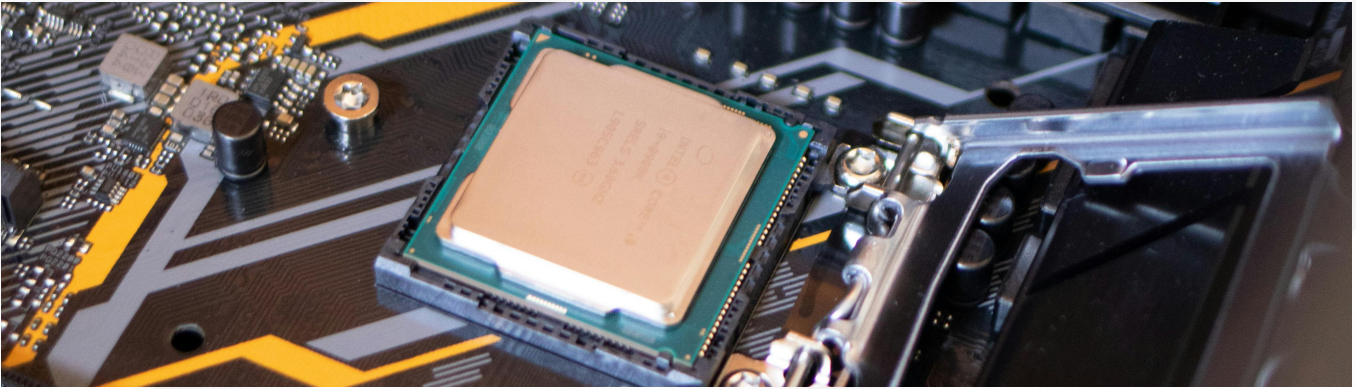
Added to its vulnerable economic state, Ecuador also presents an attractive location for organised criminal activity due to its advantageous geography. Sitting between major Andean and Caribbean cocaine producers, and with ports positioned on the Pacific coast, Ecuador lies at a critical transit point within the global drug trade. Its location and port facilities give it the potential to act as a regional transport hub for drugs, arms, and other goods that are acquired or produced in South America and shipped to the United States and the rest of the world. Moreover, large areas of undeveloped, unpoliced jungle and mountainous terrain also present attractive locations for criminal activity.

Finally, the efforts of neighbouring authorities, particularly in Colombia, to clamp down on organised criminal activity in their own countries over the last few decades may be understood to have spurred on their settlement in Ecuador. Since the infamous FARC paramilitary group disbanded in 2017, criminal remnants have expanded their operations away from Colombia both eastwards towards the uninhabited areas along the Venezuelan border and southwards into the weaker security environment of Ecuador. It is estimated that some 22 major drug trafficking gangs with origins or connections in Colombia and Mexico have infiltrated Ecuador's coastal regions over recent decades; thus, Colombia's security has come at the cost of Ecuador's insecurity.

Looking to the near future, we anticipate that both internal and external political pressures are likely to restrict Noboa's capacity to undertake the much needed reforms necessary for long term improvements in the security environment. The example of Bukele's success in El Salvador and continuing comparisons by both the national media and other political figures are likely to encourage a doubling down on armed responses and an increasing securitisation of the country, resulting in further detainments and expanded emergency powers. However, such expanded security measures will face competition from the pressures of the IMF and World Bank, who will continue to demand the liberalisation of the economy and reductions in public spending. Therefore, while we anticipate further moves in the direction of a Salvadoran-style security response, the weak economic foundations of Ecuador are likely to limit the economic and institutional power accessible to Noboa in the short term, perpetuating high rates of criminality.



South Korea



South Korea has emerged as a stable and economically prosperous nation, undergoing one of the most significant economic transformations in the past 60 years. Seoul's vibrant export sector has been a cornerstone of its success, enabling it to navigate various economic challenges while sustaining growth. However, political uncertainty looms as the country approaches legislative elections in April 2024, introducing an element of unpredictability in comparison to previous electoral cycles. Additionally, escalating tensions with North Korea pose a growing concern, with Kim Jong Un's escalating rhetoric labelling South Korea as the "principal enemy" and stating that he "has no intention of avoiding a war". The situation on the Korean Peninsula is expected to deteriorate further, holding significance within the broader context of the global trend towards rising authoritarian actions.

South Korea's political landscape has been rocked by a scandal involving Kim Keon-hee, the nation's first lady, who allegedly received a luxury handbag, sparking a series of corruption allegations. This incident poses a significant leadership challenge for President Yoon Suk-yeol and the ruling People Power Party (PPP). Concerns over political corruption in Seoul politics are mounting ahead of the legislative elections scheduled for April 10. The Democratic Party (DP), South Korea's main opposition, has been advocating for an investigation into the scandal, even passing a special counsel bill unilaterally. President Yoon vetoed this bill, exacerbating public suspicions of wrongdoing, including among supporters of the PPP. Consequently, the Yoon administration has seen its approval ratings plummet to the mid-30s since 2022, and the by-elections in October 2023 dealt a significant blow to President Yoon. Looking ahead, the legislative elections could potentially result in another defeat for President Yoon.

Moreover, in February, protests erupted as over 8,000 junior doctors, constituting 71% of the trainee workforce, resigned in opposition to government plans to boost medical school admissions. The proposal aims to bolster South Korea's healthcare system in anticipation of its rapidly ageing population by increasing the nationwide medical school admissions cap by 2,000 from next year. However, doctors' groups have objected to the plan, citing concerns about universities' readiness to provide quality education to such a large influx of students, leading to higher public medical expenses. These protests have led to delays in medical procedures and surgeries nationwide, highlighting the ongoing tension between healthcare professionals and the government over healthcare policy. While it is likely that negotiations will settle the current dispute between medical organisations and the government, future labour disputes loom as a result of the nation's demographic.

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South Korea's economic landscape witnessed a moderation in GDP growth to 1.4% in 2023, a decline from 2.6% in 2022 according to the International Monetary Fund (IMF), mainly attributed to factors like elevated interest rates and energy prices, which have dampened private consumption and investment. Furthermore, on the fiscal front, South Korea experienced a narrowing fiscal deficit last year, with the consolidated deficit shrinking to 1.1% of GDP, largely influenced by reductions in expenditures. Moving forward, the government is aiming to maintain small deficits, projecting a reduction to 0.2% of GDP by 2025. South Korea has achieved notable success in balancing rapid economic growth with significant reductions in poverty. According to the IMF, unemployment rates in South Korea have demonstrated remarkable resilience, remaining historically low at 2.7% in 2023. Looking ahead to 2024, it is anticipated that unemployment rates will experience a slight increase to 3.2%, with a further uptick to 3.3% in 2025. Additionally, it is predicted that the government will prioritise addressing challenges such as the low birth rate, elderly poverty, and low employment among women. However, despite these slight moderations, the country remains well-placed to continue on a path of growth and development.

On the geopolitical front, South Korea continues to

grapple with tensions with its neighbour, North Korea. The beginning of 2024 saw Pyongyang firing approximately 200 artillery shells into waters off its western coast near South Korea, prompting Seoul to respond with around 400 rounds of artillery fire. During the plenary session of the Central Committee of the Workers' Party of Korea last year, Kim Jong Un said that relations with the South had shifted from being compatriots to entering a hostile state of war between the two countries. He stated that North Korea would no longer pursue the notion of peaceful reunification, opting instead to reaffirm its commitment to conquering South Korean territory if deemed necessary. While some may view such rhetoric as sabre-rattling by Pyongyang, it signifies a substantial departure from North Korea's past policies toward South Korea. Previously, Kim Jong Un's grandfather, Kim Il Sung, and his father, Kim Jong Il, had sought to pressure Seoul with a mixture of infiltration operations and deception tactics. Kim Jong Un's approach has been much more confrontational, involving the implementation of nuclear missile provocations and culminating in the declaration of a state of war. This presents an unlikely yet growing risk of miscalculation or military escalation. Mounting tensions in the Korean Peninsula are a growing concern and will continue to influence business interactions in the region.

It is noteworthy to observe that North Korea's efforts to strengthen ties with Russia and China may be perceived as a strategy to bolster its security posture and counter the influence of South Korea, Japan, and, the United States. In response, Seoul will likely prioritise efforts to enhance its alliance with Washington to effectively address the escalating threats posed by Pyongyang.



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