



# Global Insights Geopolitics Issue 6

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

*In this month's report:  
India, France, Libya and Mexico*





India's emergence as a significant geopolitical player on both the regional and global levels has become increasingly evident. With its remarkable economic growth and population growth surpassing China as the world's most populous country, India's potential has come to the forefront. Over the years, India's policy of non-alignment has enabled its participation in influential multilateral organisations such as BRICS and the Quadrilateral Security Dialogue. However, external challenges, particularly China's rise, present complex issues New Delhi cannot overlook. Moreover, the current leader, Narendra Modi of the Bharatiya Janata Party (BJP), has faced allegations of democratic backsliding, resulting in a surge of Hindu nationalist sentiment and raising concerns about human rights abuses, as highlighted by humanitarian organisations.

Narendra Modi, was re-elected for a second five-year term in 2019, and is expected to lead the ruling coalition until 2024. The BJP party, under Modi's leadership, has seen the rise of Hindu right-wing nationalism, becoming India's largest party in parliament and state legislatures as of March 2023. While Modi's focus has been on job creation, economic liberalisation, infrastructure investments, and combating corruption, concerns about the adoption of Hindutva ideology have raised alarms about the state of Indian democracy, impacting foreign investors seeking secular policies. In response, opposition parties have formed the India National Development Inclusive Alliance (INDIA) to challenge the ruling BJP in the upcoming parliamentary elections. One of Modi's opponents that has joined the alliance is Rahul Gandhi who has been convicted in a defamation case where he criticised Modi in a speech. Modi's government has

been widely accused of utilising defamation laws to go after critics. The BJP has also been accused of using criminal laws disproportionately against religious minorities, in particular Muslims. Police have routinely arrested Muslims for alleged crimes such as outraging religious feelings and promoting division between people. These acts have demonstrated India's democratic values have taken a steep decline under the ruling BJP party.

Moreover, the ethnic violence that has been occurring in the northeastern state of Manipur has seen over 100 people killed and 60,000 displaced as mobs from the majority ethnic Meitei have burned down villages of minority Kuki people, leading to major violence and destruction. Even though many in the BJP have expressed concerns of the events in Manipur, the prime minister has maintained his distance from the situation.

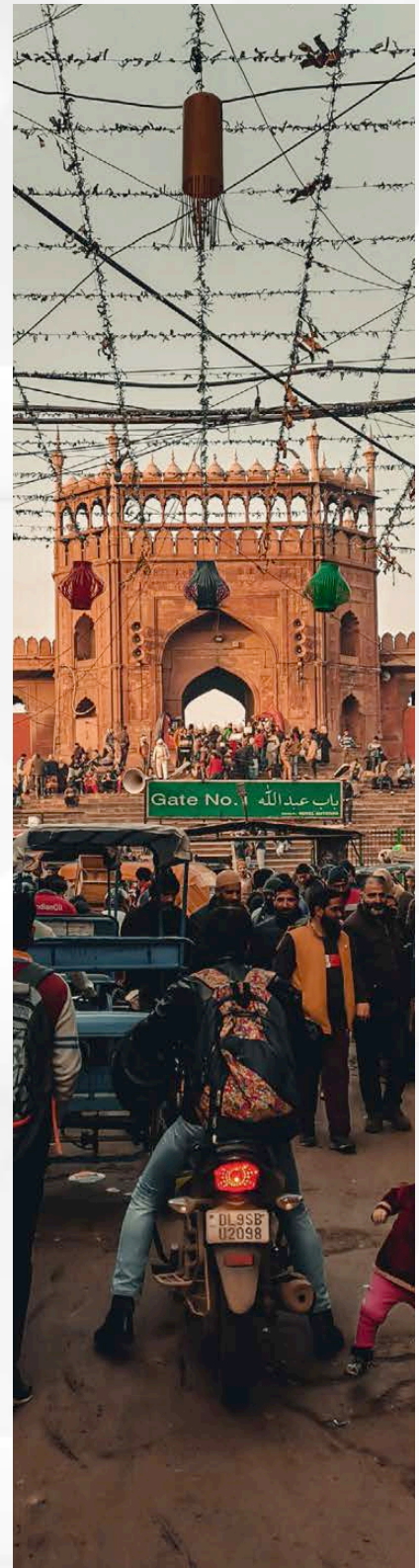
As India struggles with the domestic situations ranging from humanitarian violations to ethnic tensions, India's economic growth remains impressive, with the International Monetary Fund (IMF) reporting a 6.8% growth rate in 2022, driven by activities in travel, trade, construction, and electricity sectors. Global offshoring, energy transition, and digitalisation have also contributed to India's rapid economic expansion, with estimated GDP growth of 6.1% in 2023 and 6.8% in 2024, amongst the highest in the world. However, challenges persist, including high poverty rates and child malnutrition. Despite being one of the fastest-growing economies, India still faces strong inequalities and has further progress needed of achieve a preeminence on the global stage.

# India

India's policy of neutrality in major geopolitical issues, such as the conflict in Ukraine, has bestowed upon the country the ability to navigate the turbulent international landscape with flexibility. By maintaining a neutral stance towards Russia's invasion of Ukraine in 2022, India has capitalised on maintaining relations with its Western partners and Russia, and increasingly being apprehensive of China's regional aspirations, while preserving strong relationships with them through multilateral organisations. As Europe sought to reduce its reliance on Russian gas, India secured discounted rates of Russian gas imports. In addition, many aspects of India's military is heavily integrated with Russian technology which demonstrates its robust ties with Moscow.

On the other hand, India's future foreign policy will continue to maintain good relations with the United States due to many reasons such as China's encroaching behaviour. India has been involved in many border skirmishes with China, the most notable one occurring along the Line of Actual Control (LAC) in December 2022. This has strengthened India's demand for American military cooperation to safeguard against Chinese encroachment. During Prime Minister Narendra Modi's state visit to the United States in June, Washington approved India, a non-treaty ally, to manufacture advanced fighter engines and purchase US-made drones. It has demonstrated New Delhi's foreign policy to be one of distinguishing itself from the great power competition by adopting its own path as a potential great power. As India continues to project its influence, the country forms alliances, forges trade agreements, and enhances cooperation in defence matters to assert its presence on the global stage. It is highly likely India will continue to seek a stance of neutrality, even with countries such as China through its memberships like BRICS and the Shanghai Cooperation Organisation (SCO).

In conclusion, India faces domestic challenges, particularly concerning human rights abuses and the surge of Hindu nationalism. These issues have drawn intense scrutiny and has raised concerns about the preservation of India's diverse and democratic identity. Modi's Hindu nationalism has marginalised groups and has led to religious minorities discriminated. However, India's rising influence in international relations is evident through its adept and flexible approach towards the turbulent geopolitical landscape. Balancing its participation in major multilateral forums like the BRICS Organisation and the Shanghai Cooperation Organisation (SCO) while maintaining alliances with the United States, India has positioned itself as a significant player in the global arena. Its impressive economic growth, while surpassing even China in population, has solidified its status as one of the fastest-growing economies worldwide. Looking forward it is highly likely the BJP party will prevail in the 2024 elections as its popularity and grip on Indian politics is without doubt while its foreign policy will continue to maintain a neutral stance in international relations.





# France

Since the inception of the European Union, France has been a stalwart member and a key player in shaping the continent's political and economic landscape. France has positioned itself as an influential force not only within Europe but also on the global stage. Yet, due to this, it has been heavily impacted by global events, be it the pandemic or Russia's invasion of Ukraine. As the seventh-largest economy in the world and one that's deeply globalised, France is challenged by global events, with the economy predicted to remain resilient but perform sluggishly through 2023, with growth predicted at just 0.7% by the IMF. Additionally, France grapples with mounting national debt, standing at 111.4% of GDP, and an increasingly ageing population, with 26% of its citizens now over the age of 60, which adds pressure to public finances. While these economic struggles depict a country in decline, employment figures remain at their highest-ever level on record. However, despite the economy showing relative resilience in this regard, large swathes of the French population are strongly opposed to entitlement reform such as the planned pensions reform or mass migration, lauded as fixes to economic fragility. France is set for a divisive political struggle in the backdrop of an economy with deep structural weaknesses. It remains to be seen whether economic or political stability gives way first.

In recent months, France has witnessed violent demonstrations not only over what critics voiced as police brutality but also over President Macron's controversial pension reform bill. The country has a long history of an active civic society who have frequently demonstrated. What the street barricades represented in the 19<sup>th</sup> century, a burning car has become in the 21<sup>st</sup> as a key symbol of political defiance. Through 2023, the tension of the political discourse within French society has only increased, as demonstrated by the increasing economic cost of rioting, following the fatal shooting of a teenager, leading to more than €1 billion in damage. Similarly, the scale of the anti-pension reform protests, which the Interior Ministry reported as having a peak of 1.28 million citizens demonstrating (widely believed to be far more), highlights the deep divisions and anger in French politics. Through 2023, we have witnessed these protests across France becoming increasingly disruptive and violent, which reflects the sluggish economic fortunes of the country and deep political divisions. Civil unrest now poses the largest risk to business operations in the country, with vandalism and arson providing credible threats to premises across all urban areas of the country.



# France

The political sentiment so vocally being portrayed on the streets of Paris, Marseille, Lyon, and other cities, more worryingly reflects not an isolated contingent of society but the state of political governance in France. Upon re-election, President Macron was hailed internationally for beating populist challenger Marine Le-Pen in a second-round vote, but the subsequent loss of majority in the 2022 legislative elections and the decline of President Macron's popularity have prevented him from enacting planned reforms and left the government divided and unstable. Recent polling data highlights growth in support for Marine Le Pen and a collapsing approval of President Macron through 2023, who now sits at around 30% popularity in major polls. Such declines in the president's popularity were, in part, driven by the constitutionally legal means by which the pension reform came to be implemented. In the absence of parliamentary support, President Macron used executive powers to bypass the legislative chamber and allow the implementation of his policy. Such powers, described in article 49.3, while constitutionally legal, pose democratic questions and potential future abuses of power, further fuelling divisions in France over the President and

his policy. This year's protests have undoubtedly assisted the growing support of right-wing populist parties. As such, France's current political impasses and instability may pave the way for populist and nationalist candidates, whose policies still fail to address the economic stability issues the country is faced with.

France is undoubtedly one of the most developed nations with a strong democratic and economic history. Yet, by August 19<sup>th</sup>, 2023, according to the substantial Armed Conflict Location & Event Data Project (ACLED), the country recorded 5542 protests alongside, more worryingly, 719 riots. Such high levels of popular discontent highlight the great divide across French politics. As the world readies for a fourth technological revolution, radical reforms, much more contentious than two years of retirement, will be needed for successful governance and security. In France, whether this can be politically achieved is yet to be seen, as political and economic stability continue to clash. The political divides in the nation are deep and growing in both costs and risks. As cars burn on the streets of Paris, the future direction of the nation must be assessed.







Following the overthrow of Colonel Gaddafi in 2011, Libya faced significant challenges in establishing a stable and cohesive government. Despite efforts to conduct elections and establish democratic institutions, the country's political landscape remains fragmented, with competing factions and armed groups vying for control. While there has been a decrease in overall violence, with no major conflicts between governing bodies in the East and West since 2020, militia violence continues to be widespread, and the security environment remains highly volatile. Some argue that recent improvements in Libya's security situation can be attributed to higher global oil prices rather than concerted reconciliation efforts. Oil is deeply intertwined with Libyan politics and security, accounting for over 95% of exports and 60% of total GDP, therefore serving as the foundation of family wealth. The surge in oil prices during recent years has generated substantial revenue, allowing for more inclusive distribution discussions that are less contentious than situations driven by scarcity-induced instability. However, the presence of fragmented political leadership and the array of violent non-state actors continue to undermine Libyan prosperity, and as long as political fragmentation persists, the country's future will remain tied to the price of oil.

Libya's economic stability has been severely impacted by years of conflict and political unrest. Despite being one of the highest GDP per capita countries in Africa before the fall of Gaddafi,

between 2011 and 2020, the country lost over 50% of its GDP per capita instead of achieving 68% economic growth which would have been possible if pre-conflict levels had been maintained. Violence and war have left the Libyan people fragmented and impoverished, with the economy primarily operating along political lines. Over 85% of Libyan citizens are employed in either illicit or state-run sectors, which have seen a significant increase in employment numbers despite declining standards of state provision, due to corruption that has bloated the size of the state and undermined efficiency.

Recent high oil prices, on which the country remains heavily dependent, have facilitated the further expansion of state sector employment, where nepotism and family networks are the easiest routes to success. However, this situation can only be sustained as long as global oil prices remain high. Relying on the economic stability of global commodity markets makes Libya's future not only unsustainable but also highly volatile. A collapse in oil prices would have far-reaching repercussions, including the funding of such bloated state sector nepotism and impacting on the country's large national debt. The national debt currently stands at an estimated 83% of its GDP according to the African Development Bank. However, uncertainties surrounding the number of loans provided, including by the Libyan central bank, add to the complexity of the situation. Consequently, oil price fluctuations could raise concerns about the nation's economic and political stability.

# Libya



Since 2011, attempts to resolve political impasses and achieve national unity have failed, and the prospects of effective democratic transitions or significant popular support for such movements seem unlikely in the near future, despite elections scheduled for next year. Libya is, therefore, likely to remain embroiled in periods of political instability, civil war, and militia insurgencies. However, since 2020, the country seems to have reached a strange governance equilibrium, with competing parallel authorities safeguarding the interests and personal ambitions of elite citizens at the expense of ordinary Libyans. While direct conflict between the two governments has not returned, the possibility of further conflict remains likely, as demonstrated by recent comments from the commander of the Libyan National Army based in Tobruk, threatening action due to what he perceives as a corrupt and inequitable distribution of oil proceeds through the Tripoli-based Central Bank. Adding to the complexity of political stability is the presence of non-state armed actors in the country, including local militias, foreign mercenary groups, and Islamic terror organisations, all of which continue to pose extreme risks to those in their areas of rule and to the country's overall stability, especially when they interfere with the flow of oil.

In the last few weeks the ongoing political crisis in Libya has taken a new turn as the joint 6+6 committee, composed of representatives from the House of Representatives and the High Council of State, has unanimously agreed to support an electoral roadmap and the creation of a unity government. This significant agreement outlines the establishment of a mini-executive body responsible for guiding the country until elections can be conducted. The success of this agreement hinges on the approval of future electoral laws and signifies a crucial advancement in Libya's political turmoil. Both the House of Representatives based in Tobruk and the High State Council based in Tripoli, have given their endorsement to the interim government proposal, indicating a potential convergence of previously conflicting factions. Nonetheless, substantial internal and external challenges persist, casting doubt on the feasibility of this endeavour to resolve deep-rooted divisions. The most pressing of which may be the selection of an interim prime minister through cooperative measures between opposing assemblies. Despite gaining some international endorsement, its efficacy in dismantling Libya's protracted political impasse remains uncertain.



# Mexico

Mexico, a nation once hailed for its efforts to address security and economic challenges, now faces a troubling shift in its approach to public safety and governance. Under the leadership of President Andrés Manuel López Obrador, the country has witnessed an alarming departure from his initial promise to "return the Army to its barracks." Instead, there has been a disturbing push for the further militarisation of public security by placing the National Guard under the complete control of the Ministry of National Defense (SEDENA). Despite evidence showing the high human rights costs and ineffectiveness of such a strategy in combating violence and drug trafficking, the current government is resolute in intensifying this approach. Furthermore, the government's controversial electoral reform bill has driven waves of demonstrations throughout the year with no sign of an upcoming compromise, furthering political instability.

Mexico's security landscape has long presented significant obstacles, with over 35,000 homicides reported annually and more than 100,000 people missing. Violence has become a tool employed by various actors to assert dominance over illegal markets and territories. President López Obrador insists that deploying military forces to undertake police tasks is the only viable solution, effectively institutionalising the military's involvement in law enforcement operations. However, this approach is fraught with challenges, including persistent criminal activities and a distressingly low conviction rate. Daily concerns revolve around armed robbery, kidnapping, car theft, and credit card fraud, leading to a climate of fear and insecurity. Organised criminal gangs continue to fuel violence, resulting in tens of thousands of drug-related homicides and forced disappearances since 2007. The impact of this violence is not confined to the northern half of the country, traditionally known for drug trafficking conflicts with the US. Recent developments have also seen an increase in drug-related violence in the southern regions, further complicating security and stability.

In addition to security challenges, Mexico grapples with economic issues. Low real wages, unemployment, and unequal income distribution plague the nation, particularly affecting the indigenous population in the more impoverished southern states. These circumstances have led to frequent political demonstrations in





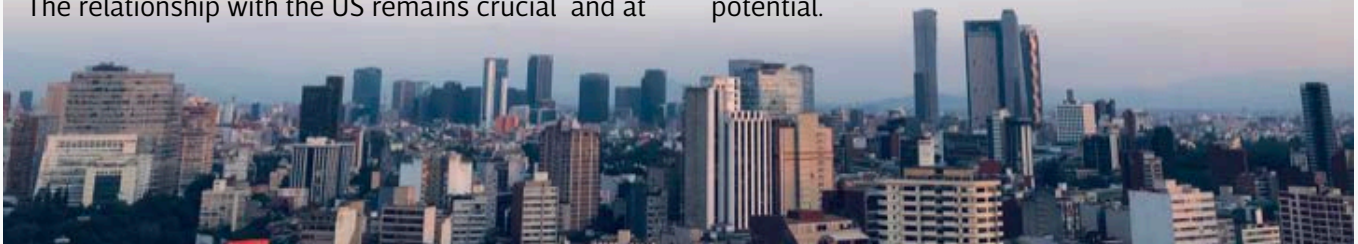
# Mexico

Mexico City and other areas, sometimes escalating into confrontational situations and violence. Moreover, politically motivated violence has been on the rise throughout the country, affecting Mexico's overall stability. Mexico's economic ties with the United States have been historically significant, but since Covid have only increased, with bilateral trade reaching remarkable heights. The near shoring of American manufacturing has had a profound impact on Mexico's economic future and in the first four months of this year, trade between the two countries amounted to US \$263 billion, making up a substantial portion of the total goods traded by the US during this period. Although Mexico maintains strong economic ties with the US, its growth trajectory has been inconsistent, witnessing fluctuating economic growth rates over the years. Despite the close economic relationship with the US, it has not always ensured macroeconomic stability. The country's continued social challenges such as large inequalities, low female participation, informality and high levels of criminality, amplify operational risks and discourage foreign investment.

Mexican foreign policy has historically centred on two key pillars: its bilateral relationship with the US and its engagement with Latin America, with a specific focus on multilateralism. However, under President López Obrador there has been somewhat of a reassessment of Mexico's foreign policy priorities, instead emphasising domestic challenges, such as poverty and human rights, before engaging extensively in international affairs. The relationship with the US remains crucial and at

times tense due to shared borders and a multitude of political, economic, security, and migration-related issues between the two nations. While the partnership continues, there have been recent disagreements concerning matters related to the United States Mexico Canada Agreement (USMCA) Treaty, requiring consultation mechanisms to address them. The importance of the US both culturally and economically to Mexico necessitates the nation's need for partnership and limits the foreign policy of a nation located in the superpower's shadow. Additionally, Mexico's relations within Central America are strategically important, especially given the shared challenge of international migration with recent influxes of impoverished Central Americans seeking opportunities, not only in the US but increasingly in Mexico driving similar challenges.

Overall, Mexico's current shift towards a militarised approach to security and governance gives rise to significant concerns, not just about its government's effectiveness but also its future stability. The persistent challenges in security, economy, and society necessitate a well-rounded and inclusive strategy that places the welfare of citizens and fundamental human rights at the forefront. The country has grappled with these issues for a long time, with corruption and deeply rooted criminal organisations eroding its political capacity. In Mexico, economics, politics, and foreign relations are closely intertwined with the obstacles posed by criminality and domestic instability, which consistently hinder the country's potential.





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