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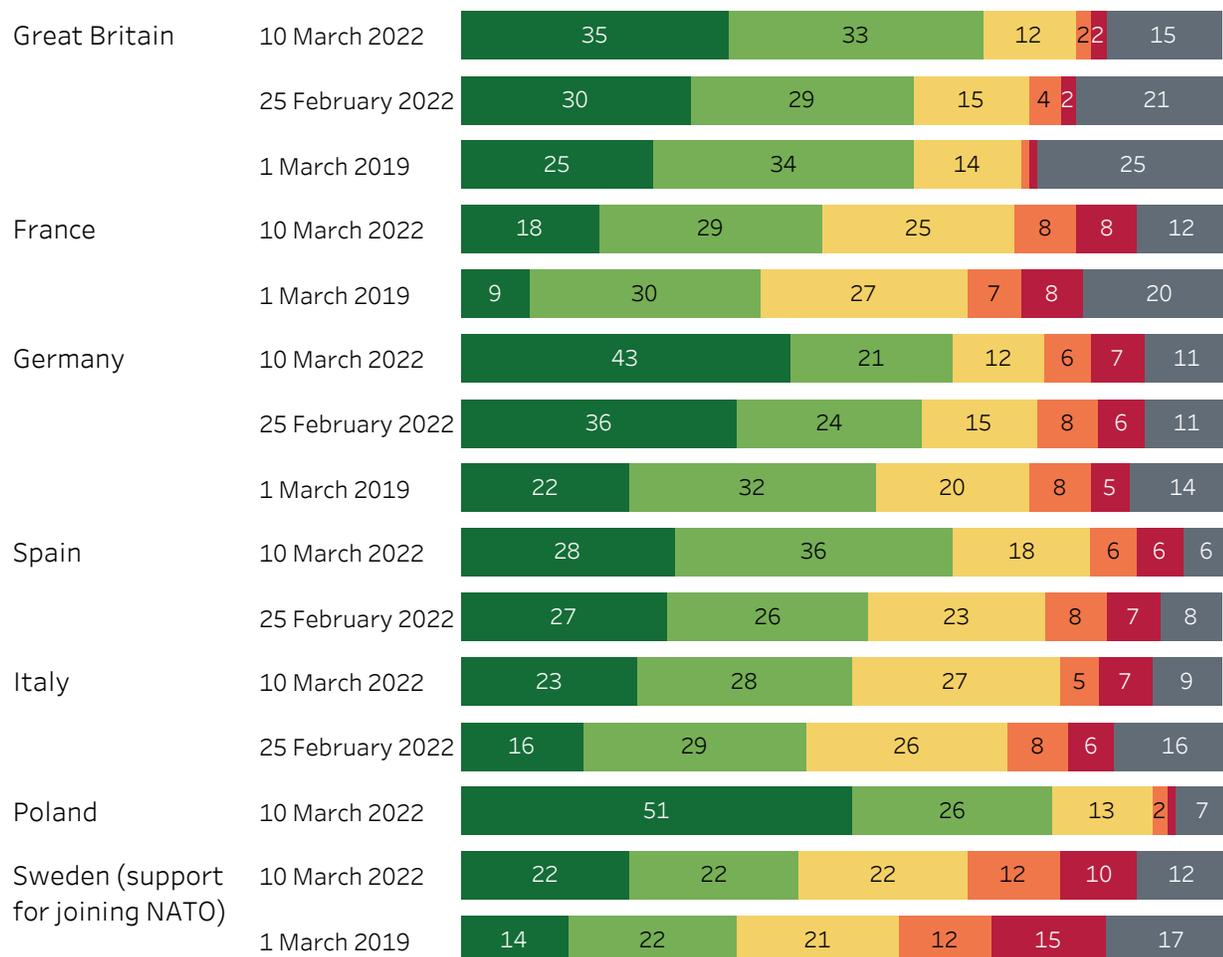
## WEEKLY POLITICAL COMPASS

**Russian** attacks in **Ukraine** can be expected to intensify. **NATO** and **EU** leaders will convene in Brussels this week. Meanwhile, the **Philippines'** president has signed the most significant liberalization of investment rules in decades, voters will go the polls in a regional state election in **Germany**, **Brazil's** former president Lula has found a running mate for his renewed presidential bid, and a key party in **Nigeria** looks set to hold its national convention.

### CHART OF THE WEEK

## Support for NATO membership has increased since Russia's invasion of Ukraine

Do you support or oppose (country's) membership of NATO? (%)



Source: YouGov

**Support for NATO membership** has increased significantly across European countries since Russia's invasion of Ukraine. In Germany, only 22% of respondents strongly supported the country's membership of NATO in 2019, while today about 43% of them hold this view. Favorable views are more widespread in Poland, Spain, Great Britain, and also Germany, than in France and Italy, even if the upward trend is common across all countries. Meanwhile, a mild increase in support for NATO membership is observed in Sweden. Most EU countries have pledged to increase its defense spending significantly in the coming months. However, a heated debate is emerging around how to fund this increase in defense spending, and about the overall fiscal response to the war in Ukraine. For now, differences between northern and southern European states remain an obstacle to calls for spending packages funded by joint debt issuance.

### WHAT TO WATCH

[Russia/Ukraine](#)

**Despite the ongoing negotiations between the Russian and Ukrainian delegations today, 21 March, the situation on the ground points to continued and possibly even more indiscriminate Russian attacks in the near term.** Russian forces can be expected to intensify their attempts to take control of the besieged city of Mariupol after Ukraine rejected the ultimatum to surrender earlier today. While the Russian offensive has largely stalled in northern parts of the country, preparations are ongoing for heavier air and artillery strikes on Kyiv and Kharkiv. A 35-hour-long curfew will start in Kyiv and the surrounding region on Monday, 8pm local time. In addition, the deployment of Belarusian armed forces in the Brest region bordering Ukraine and Poland raises concerns of a Belarusian attack on north-western parts of Ukraine, aiming to disrupt Western shipments of weapons to Ukraine. The use of hypersonic missiles by Russia to strike targets in western Ukraine during the past few days could be interpreted as another warning against Western support for Kyiv.

## EU/NATO

**US President Joe Biden will arrive for a meeting with European counterparts at a special NATO summit in Brussels this week.** While direct military engagement in Ukraine remains off the table, the gathering should be watched for more substantial indications regarding a more robust presence along the alliance's eastern flank. Meanwhile, it is unlikely that swift agreement will be reached regarding a permanent EU distribution mechanism for refugees at the 24-25 March European Council.

## **ON THE HORIZON**

### **ASIA PACIFIC**

#### Philippines

**President Rodrigo Duterte today signed into law a bill allowing full foreign ownership in telecommunications, airlines, airports, toll ways, railways (including subways) and domestic shipping—the most significant liberalization of investment rules in decades.** The bill's constitutionality will, however, likely be challenged before the Supreme Court and the probability of a reversal cannot be discounted. Previously, firms operating in these sectors were considered public utilities and had to be majority Filipino-owned, but the new law no longer categorizes them as such. Foreign state-owned enterprises are, however, prohibited from owning capital in critical infrastructure.

### **EUROPE**

#### Germany

**Voters will go to the polls in the first regional state election of the year on 27 March.** Tiny Saarland has less than a million inhabitants, but if Chancellor Olaf Scholz's Social Democrats (SPD) can oust the incumbent regional government led by the Christian Democrats (CDU), this will be noted also in Berlin; it might be seen as a sign that CDU attempts to use rising petrol prices as a campaign theme did not pay off. However, the main event this year will be the regional election in Germany's largest state, North Rhine-Westphalia, in May.

### **LATIN AMERICA**

#### Brazil

**Geraldo Alckmin, former presidential contender against former president Luiz Inácio Lula da Silva in 2006, will now join the 2022 Lula ticket as his vice-president.** Alckmin will first join the Brazilian Socialist Party (PSB), after having left the center-right Brazilian Social Democracy Party (PSDB) of former president Fernando Henrique Cardoso. Until the election of Jair Bolsonaro, the PSDB had been the main opponent of Lula's Workers' Party (PT) for over twenty years. The move is seen as an attempt by the Lula campaign to secure undecided centrist votes. On the other side of the political spectrum, Bolsonaro, now at the right wing Liberal Party (PL), will launch his pre-candidacy on Sunday, 27 March. The PL is

presided by Valdemar da Costa Neto who served time for three of the seven-year-and-ten-month sentence he was handed for corruption and money-laundering in the context of the Carwash Operation.

## Chile

**President Gabriel Boric has insisted that he will not renew the state of emergency in place in areas of the Araucania and Biobio regions, which ends on 26 March.** The previous administration authorized the military to support police as levels of violence rose last year; radical Mapuche indigenous groups in the area have become increasingly violent in their campaign to recover ancestral lands. Last week, in the biggest setback so far in Boric's ten-day presidency, a convoy including Interior Minister Izkia Siches was blocked by Mapuche protestors who fired shots fired in the air. The incident raises questions about the new administration's plan to terminate the state of emergency and pacify the area when radicals have already rejected talks.

## **MIDDLE EAST AND AFRICA**

### Nigeria

**Following earlier postponements, the ruling All Progressive Congress (APC) party looks set to hold its national convention on 26 March.** Party members will elect individuals to head the national, state, and local leadership positions. The choice of the party national chairman will provide the first important clue on who the presidential candidate favorite will be. The outcome of the event will also likely determine how the party will conduct its primaries later in the year – and specifically whether it will adopt a direct, indirect, or consensus-based approach in choosing its representatives for the February/March 2023 general elections. Given recent infighting within the party, the National Convention will also be an important litmus test for the unity of the party.

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