

## WEEKLY POLITICAL COMPASS

Welcome to this edition of the Weekly Political Compass from Teneo's political risk advisory team!

This week, we are taking a closer look at **Italy**. Meanwhile, a new central bank governor will be nominated in **Japan**, noise continues about a potential postponement of **Turkey's** elections, a key health reform will be unveiled in **Colombia**, and the Labour candidate is leading in several **Nigerian** presidential election polls. Our graph of the week zooms in on **employees working from home**.

Should you have questions or wish to discuss any of these stories in greater detail, please do not hesitate to reach out to us!

### GLOBAL SNAPSHOT

The results of elections in **Italy's** two most populous regions are expected to be known from late today (13 February) onwards. Our Director of Research **Wolf Piccoli** is answering three key questions.

#### Who is going to the polls?

Home to a combined 13mn residents, voters in Lombardy and Lazio will elect new regional presidents and assembly members.

#### What is the likely outcome?

Candidates backed by Prime Minister Giorgia Meloni's rightist coalition are expected to triumph across both regions.

#### What are the implications for national politics?

Although victory is almost certain for Meloni, the outcome could create some intra-coalition tensions if her Brothers of Italy party secures a strong backing at the expense of its partners.

### WHAT TO WATCH

#### ASIA PACIFIC

##### China/Philippines

**The Philippines government accused China's coast guard of using a "military-grade laser" to intimidate the crew of a resupply mission in the South China Sea.** The Philippine Guard said in a statement on 13 February that the incident on 6 February caused temporary blindness to its crew, which was delivering supplies to military personnel at Second Thomas Shoal. The incident occurred within days of a US-Philippines [defense agreement](#) approving more US military bases.

##### Japan

## **Academic economist Kazuo Ueda is set to be nominated as the next Bank of Japan governor on 14 February.**

Former monetary policy committee member Ueda is remembered for opposing the BOJ's premature exit from its first experiment with zero interest rates in 2000 and has indicated that he sees the current monetary policy framework as appropriate for now. Prime Minister Fumio Kishida turned to 71-year-old Ueda after apparently being rebuffed by his preferred candidates.

## **EUROPE**

### Turkey

**In the aftermath of the large-scale devastation caused by the earthquakes that hit a vast area comprising ten southern provinces, noise about a possible postponement of the parliamentary and presidential elections is growing.** Recall that a date for the elections has not been officially confirmed yet but President Erdogan had previously suggested 14 May. While ballot day could be moved by a few weeks, a vote is expected to take place before or on the legally mandated deadline of 18 June.

## **LATIN AMERICA**

### Brazil

**Lula's visit to US President Joe Biden served to reactivate bilateral good will that had been put aside during the Bolsonaro administration.** Lula met Biden after a change of schedule from the morning to the late afternoon on Friday, 10 February. The high point in the deliberations was Biden's commitment to raise an initial USD 20bn for the Amazon Fund along with providing resources to bring investments to the region. Both presidents pledged to work together to strengthen democratic institutions and resume the work of the high-level US-Brazil Climate Change Working Group (CCWG). On the Russia-Ukraine war, Lula reiterated the proposal made to Macron and Scholz for a group of countries not-directly involved in the conflict to attempt to broker a deal towards peace. Lula will visit Xi Jinping in March.

### Colombia

**A health reform that President Gustavo Petro regards as one of his flagship initiatives (alongside pension and labor reforms that have yet to be finalized) will be unveiled today, 13 February.** Details of the reform have been kept under wraps because of internal government wrangles, particularly over the future of health insurance intermediaries (EPS companies) under a reformed system. Even senate president Roy Barreras, a key figure for Petro in Congress who was instrumental in getting the 2022 tax reform passed, has raised doubts about radical change to the healthcare system. As way to demonstrate public support for his reform agenda – or face down opposition – Petro is organizing a rally in Bogota tomorrow, 14 February. Petro opponents had been planning their own demonstrations for the same day but have moved them to 15 February to avoid any clash.

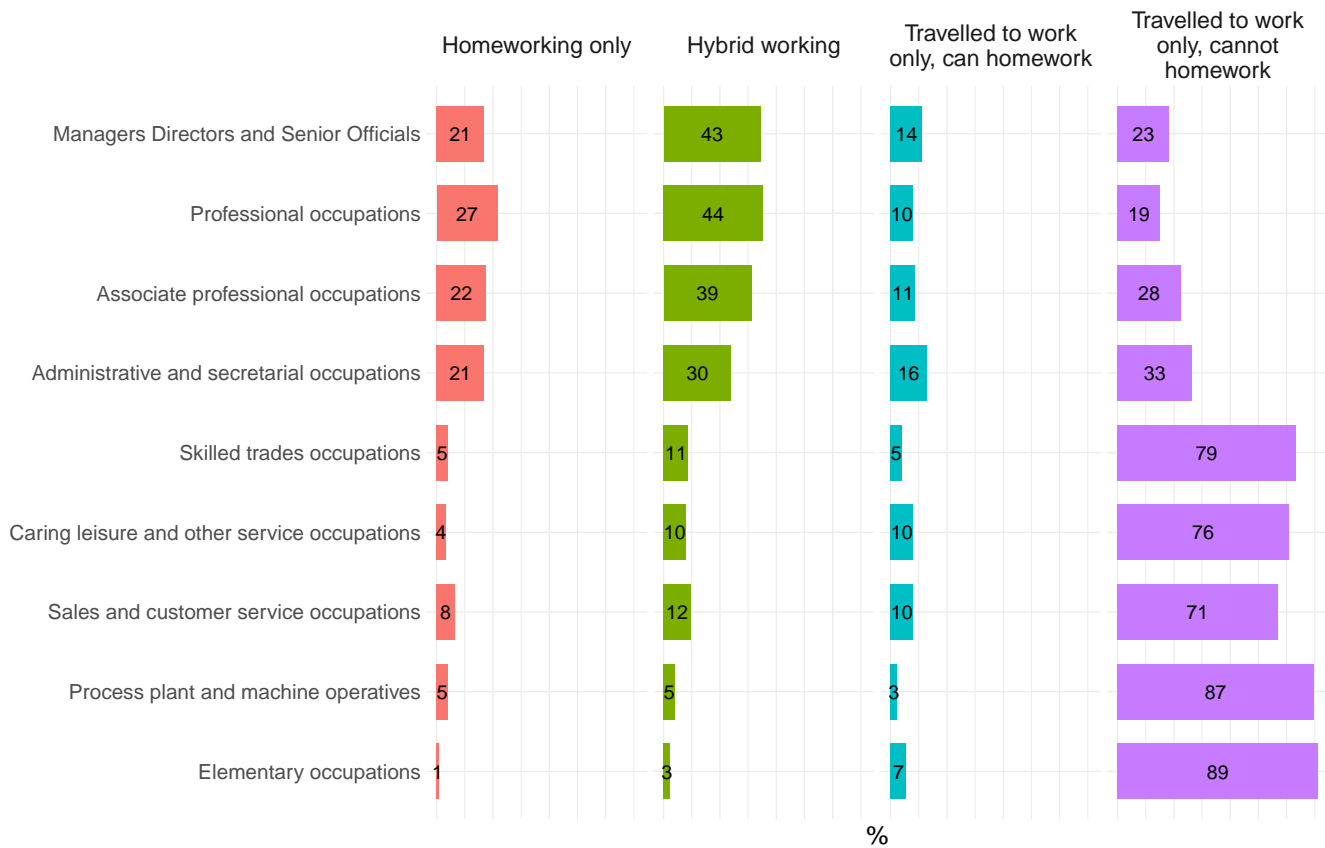
## **MIDDLE EAST AND AFRICA**

### Nigeria

**With just under two weeks to go before the highly anticipated 25 February presidential election, several polls have recently indicated a likely victory for Labour Party (LP)'s Peter Obi – the hitherto 'dark horse' in the race.** However, given Nigeria's poor track record on polling, such predictions must be viewed with caution. While many of the polls did not provide details about the methodology used, the most recent pollster did, but a closer assessment of the methodology confirms that certain assumptions were made for which there is an absence of historical evidence to support or refute those assumptions.

## **GRAPH OF THE WEEK**

## Working from home is bringing new inequalities



Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey (OPN)

A substantive share of the workforce across advanced economies continues to **partially work from home** today. The latest data from the UK's Office for National Statistics (ONS) shows that around 40% of working adults have worked from home at some point in the past seven days. Similarly, Google mobility data shows that workplace trips are down between 20 and 30% in Europe, the US, Canada, and the UK. High-skilled workers in high-paying sectors of the economy, however, are substantially overrepresented among those who can work from home. New forms of inequality are therefore emerging in the post-pandemic world. While some companies might be tempted to introduce stricter remote working policies, broader structural shifts in how employees relate to their jobs should be taken into account regardless of the macroeconomic environment.

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