

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 drone attacks in **Russia**. Meanwhile, the **Philippines** will create a sovereign wealth fund, **Turkey's** president will announce a new cabinet, regional gubernatorial will be held in **Mexico**, and **Nigeria's** president will nominate key decision-makers. Our graph of the week zooms in on the **societal impact of AI**.

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

Several drones were shot down in **Russia's** capital Moscow on the morning of 30 May. Our CEE expert answers three key questions.

What is known about the attacks?

They resulted in minor damage to residential areas and some injuries. Russia's defense ministry called the incident a "terrorist attack" organized by the "Kyiv regime," although Ukraine has denied any involvement.

What is the likely impact in Russia?

A string of attacks in recent weeks has created a growing sense of insecurity across the western regions of Russia, undermining President Vladimir Putin's carefully curated image as a guarantor of security and stability. These domestic risks could distract Moscow's attention from the frontlines in Ukraine and force it to pull back some troops and military equipment.

Could the incidents also have negative effects for Ukraine?

Any evidence about Ukraine's involvement in these attacks would undermine President Volodymyr Zelensky's statements that the Ukrainian forces are fighting only on its own territory. This could strain relations with Western partners.

WHAT TO WATCH

ASIA PACIFIC

Japan

Fumio Kishida has sacked his son as an executive secretary in the Prime Minister's office, effective 1 June. The dismissal follows negative public opinion poll reactions to photographs showing 31-year-old Shotaro apparently behaving inappropriately in the PM's official residence. Paradoxically, the move could add to near-term political stability by cooling speculation of a snap summer general election and allowing Kishida to focus on important fiscal choices in June around [defense and social policy funding](#) and the first draft of the FY2024 ordinary budget.

Philippines

The senate is expected to approve a bill creating a sovereign wealth fund before it goes on recess later this week, after the lower house approved similar legislation several months ago. The differing versions of the two chambers must still be reconciled after congress returns in a month. But the legislation is now one of the priorities of the administration despite some initial resistance from academics and the business community.

US/China

Official contacts have , but Beijing has reportedly refused a request for a meeting between US Defense Secretary Lloyd Austin and his Chinese counterpart, Li Shangfu, on the sidelines of the Shangri-La Dialogue in Singapore this week. The State Department said last week that the administration would not lift sanctions imposed on Li in 2018, walking back a previous statement by President Joe Biden that lifting those sanctions was "under negotiation."

EUROPE

Latvia

Ahead of the first round of the presidential elections scheduled for 31 May, none of the managed to secure an absolute majority of deputies in parliament required to get elected. Businessman and politician Uldis Pilens, nominated by the alliance of regional parties United List (AS, and foreign minister Edgars Rinkevics, nominated by the largest governing party, New Unity (JV, hold the best chances to advance to the second round. However, if neither secures an absolute majority of votes, new candidates could emerge. The election of the president usually entails multiple rounds of voting and tense negotiations among political parties, which could also prompt changes in the governing coalition.

Poland

On Sunday, 4 June, the opposition Civic Coalition (KO is organizing a large march in Warsaw “against high prices, theft and lies, for free elections and a democratic, European Poland”. The date has a historical meaning as it commemorates the 34th anniversary of the partially free parliamentary elections of 1989, resulting in a resounding victory of the anti-Communist Solidarity movement. The march could be seen as part of the intensifying electoral campaigning ahead of the closely contested autumn parliamentary elections.

Turkey

President Tayyip Erdogan is expected to take the oath by the end of this week and announce his new cabinet soon after. As 16 ministers from the current executive were elected as MPs on 14 May, Erdogan will opt for a wide cabinet reshuffle with only a few of the existing ministers being confirmed. Regardless of the lineup of the new cabinet, Erdogan will continue exert control in all areas of policymaking, including the economic sphere, with almost unchecked authority. At best, ministers will implement decisions taken at the presidential palace.

LATIN AMERICA

Mexico

Gubernatorial elections take place in the states of Coahuila and Mexico (known as the Edomex on 4 June. The state votes are the last stepping-stone to the 2024 presidential elections. The Edomex has by far and away the biggest state electorate; it accounts for around 13% of the national electorate. The state is also a long-term electoral stronghold of the opposition Institutional Revolutionary Party (PRI, so a victory for President Andres Manuel Lopez Obrador's National Regeneration Movement (Morena would represent a significant achievement. Polls suggest Morena's Delfina Gomez is on course for a comfortable victory in the state. Coahuila, while less significant electorally, may prove more difficult for Morena,

which goes into the vote divided and faces an even more entrenched PRI set-up under the control of the Moreira clan. The PRI will be hoping to maintain Coahuila to prove that it is not in its death throes as a party.

MIDDLE EAST AND AFRICA

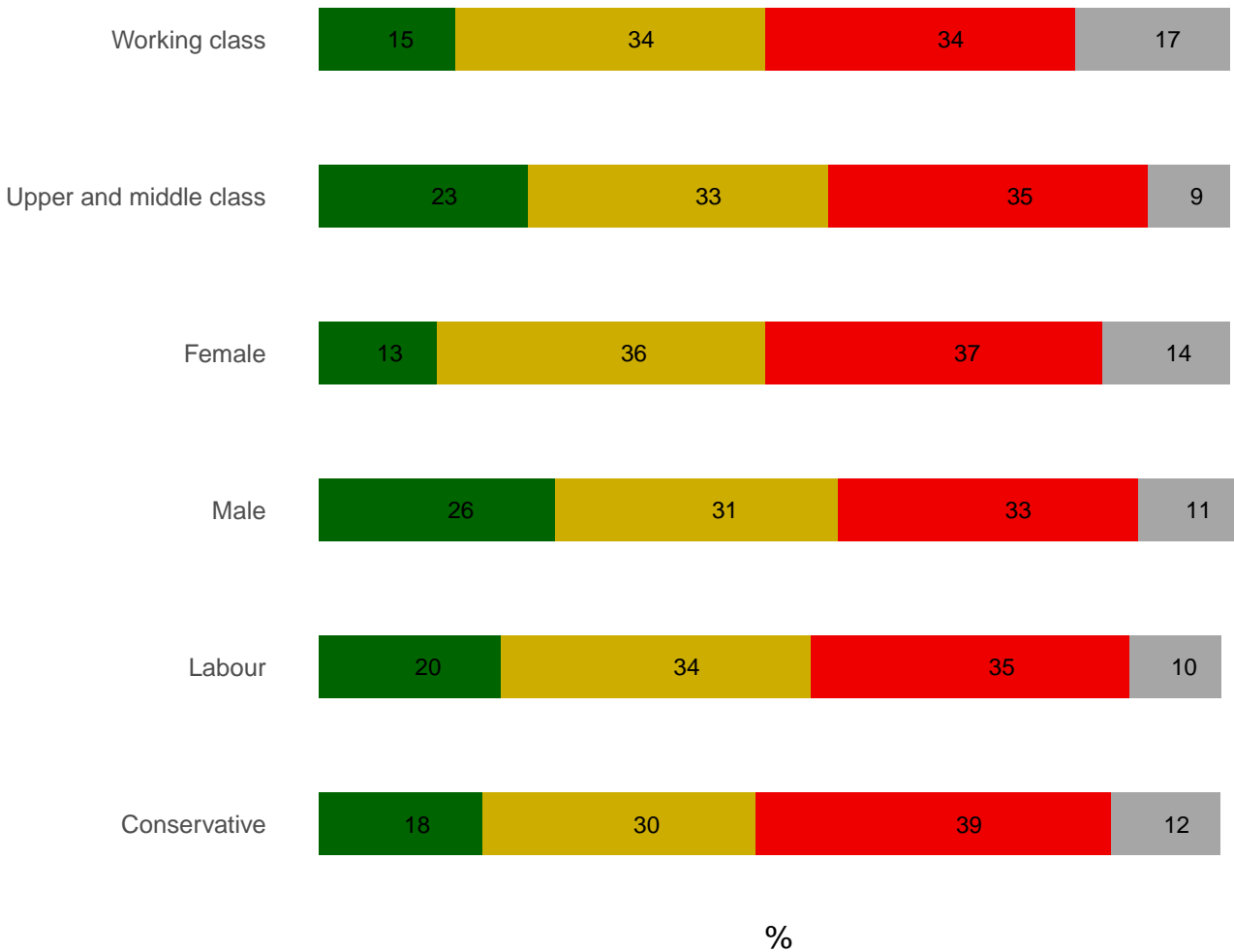
Nigeria

Public focus is likely to shift this week to President Bola Tinubu’s nominations for key positions. This follows his 29 May inauguration. While cabinet nominations could be delayed for another week, Tinubu may still choose to appoint his Chief of Staff (CoS) and Secretary to the Government of the Federation (SGF) over the next 24 hours, two key appointments that historically precede the nomination of ministers.

GRAPH OF THE WEEK

Britons are divided on the impact of artificial intelligence

- Optimistic
- Neither optimistic nor pessimistic
- Pessimistic
- Don't know



Source: YouGov. Survey conducted online between between May 5th 2023 and May 9th 2023

A recent poll shows that Britons are divided on the overall **impact of artificial intelligence on societies**. So far, the two largest groups are those who are either “pessimistic” (35% of respondents) or “neither optimistic nor pessimistic” (34% of respondents), with the latter figure suggesting that many people are still making up their minds about the issue. Some minor differences are observed along sociodemographic and partisan lines, as shown in the chart above. Men appear to be more optimistic than women, while the same is true for upper- and middle-class citizens compared to less advantaged groups. Recent progress in artificial intelligence-enhanced platforms has accelerated debates about its broader social and economic implications. At the same time, government regulation and citizens’ attitudes – both influencing each other – will be a key factor to watch as the capabilities of these technologies become even more evident.

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