

## 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 **India's** looming elections. Meanwhile, **China's** economy might be modestly improving, a key electoral test is ahead in **Poland**, **Peru's** cabinet faces a congressional investiture vote, and parties in **South Africa** have until 2 April to lodge appeals relating to candidates with the electoral court. Our graph of the week zooms in on the importance of **immigration** as an electoral issue in the UK.

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

**India** has declared the dates of general elections to be held in seven phases from 19 April to 1 June 2024. Our India expert [Arpit Chaturvedi](#) analyzes the situation.

#### What is the outlook for the quality of democratic institutions?

This will be the largest ever election in the world and the longest that India has seen. In the run-up, the Indian National Developmental Inclusive Alliance (INDIA) bloc, comprising several opposition parties, has accused the ruling Modi government of misusing state agencies to hinder free electoral processes.

#### What type of signpost should be watched?

In an unprecedented event, Arvind Kejriwal, chief minister of New Delhi and leader of the Aam Admi Party (AAP), was arrested on 28 March. Adding to the political turbulence, the Supreme Court disclosed electoral bond data on 20 March, unraveling allegations of corruption that implicated various political parties including the BJP and the INC.

### WHAT TO WATCH

#### ASIA PACIFIC

##### China

**Two recent economic data releases suggest China's economy is modestly improving.** A private survey of the factory sector released Monday, the Caixin manufacturing PMI, showed the sector expanding at its fastest pace in 13 months. Also on Monday, a survey of house prices in 100 cities published by the China Index Academy, a real estate researcher, showed prices rising 0.27% month-on-month on average, the fastest gain in 2-1/2 years.

##### Japan

**The Liberal Democratic Party is set to finally discipline 39 of the 85 Diet members involved in the expansive political funds scandal that emerged in December.** All but 3 of the 39 belonged to the now-disbanded Abe faction, with two senior figures from that group facing effective expulsion from the ruling party. These belated disciplinary actions are unlikely to boost public confidence in the Kishida Cabinet, whose gross approval numbers remain weak but stable in the

low-20s. However, the moves will underscore an ongoing shift in the LDP's internal dynamics by further sidelining the party's largest and most powerful wing, which had long advocated debt-funded spending and opposed tax hikes.

## EUROPE

### Poland

**The first round of local elections scheduled for 7 April will be an electoral test for the three governing alliances, Civic Coalition, the Third Way and the Left, as well as opposition Law and Justice (PiS) party since the parliamentary vote last December.** Opinion polls indicate that the governing parties are set to perform well. A wave of electoral victories by the ruling parties would improve cooperation between the central government and local administrations and facilitate PM Donald Tusk's reform agenda. Meanwhile, a potentially poor performance by PiS could further weaken Jaroslaw Kaczynski's leadership and intensify internal rivalries.

### Slovakia

**The second round of presidential elections scheduled for 6 April is set for a tight runoff between former diplomat and foreign minister Ivan Korcok (independent) and incumbent speaker of parliament Peter Pellegrini (Voice-Social Democracy).** Although Korcok won the first-round vote, Pellegrini is better positioned to attract voters of dropped-out candidates. While presidential powers are limited, Pellegrini's victory would support Prime Minister Robert Fico's [controversial domestic and foreign policy agenda](#), while Korcok's presidency would provide an institutional and rhetorical counterweight to Fico.

### Turkey

**The Central Executive Board (MYK) of the Justice and Development Party (AKP) met today (2 April) at 3pm local time to evaluate the outcome of the 31 March local election.** The meeting is being chaired by President Tayyip Erdogan. No significant announcements are expected. In the aftermath of the AKP's worst electoral performance since the party got into power in 2002, Erdogan may consider the option of a cabinet reshuffle. However, this may take some time and, most importantly, it is unlikely to affect the current economic team.

## LATIN AMERICA

### Brazil

**1 April 2024 marked the sixtieth anniversary of the military putsch.** Much of the national debate over the past weekend focused on how the impunity and absence of any reflection by the Armed Forces since the advent of democracy in the eighties explains in large measure the conspiratorial behavior by some of the military leadership before and after the election of President Lula da Silva. The president, in turn, preferred to ban government demonstrations over the putsch to prevent further polarization in Congress and society.

### Peru

**The cabinet led by Prime Minister Gustavo Adrianzen must win a congressional investiture vote this week following a tumultuous few days for President Dina Boluarte.** After it emerged that Boluarte owns a collection of expensive luxury watches whose value does not correspond with her declared income, investigators from the Attorney-General's Office carried out searches of Boluarte's home and the government palace over the weekend as part of an illicit enrichment investigation. Boluarte responded yesterday, 1 April, with a mini reshuffle of her cabinet, changing six ministers including the controversial Interior Minister Victor Torres. Right-leaning parties in Congress will want to block any revival of public pressure to bring forward elections even if it means continuing to support the hapless Boluarte. The new-look cabinet should therefore pass the investiture vote, which must take place by 5 April at the latest.

## MIDDLE EAST AND AFRICA

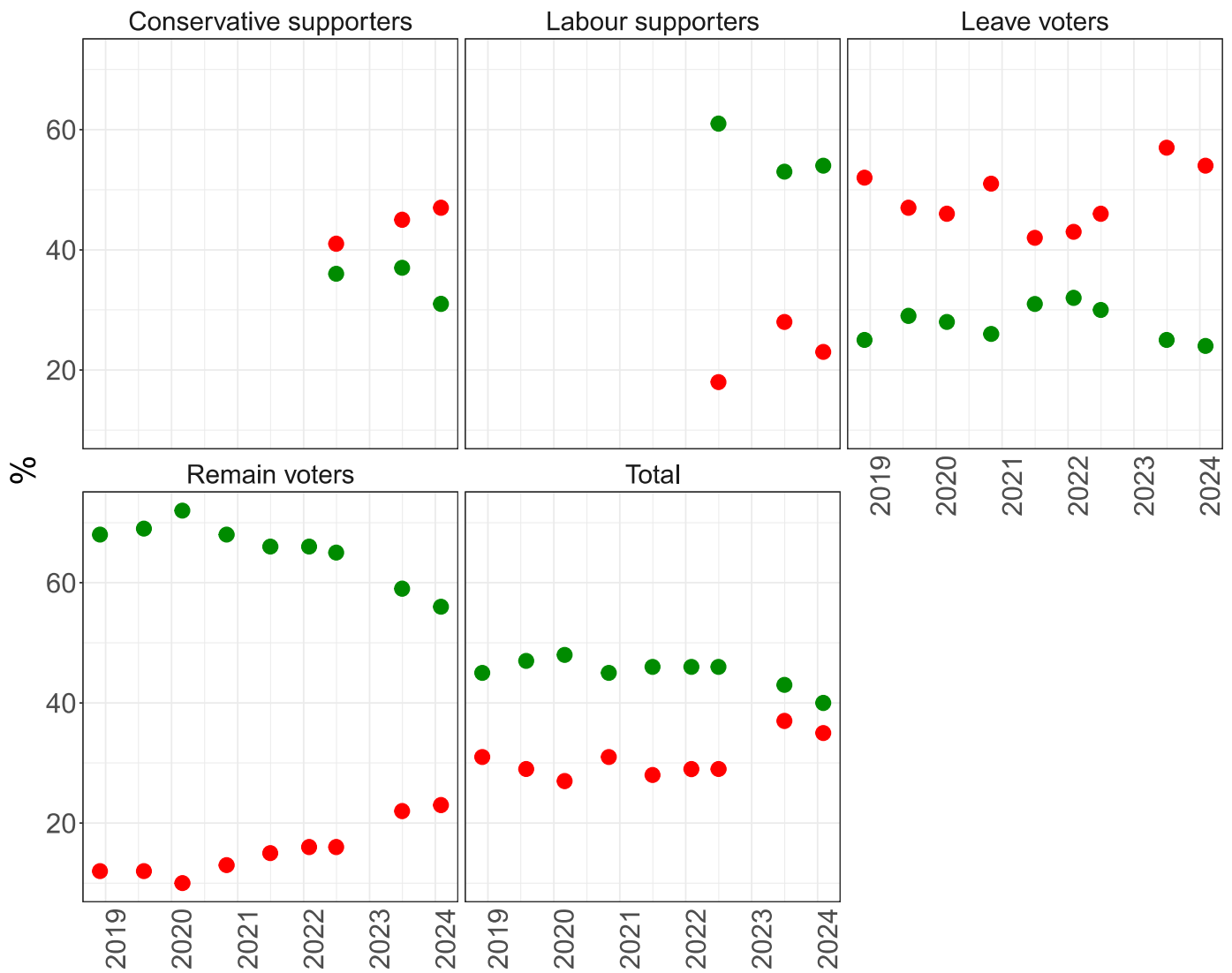
**Parties have until 2 April to lodge appeals relating to candidates with the electoral court.** The electoral court will determine appeals by 9 April, before the IEC electoral commission is due to finalize the candidate lists for the 29 May elections by 10 April. One question is whether ex-president Jacob Zuma, who topped the uMkhonto weSizwe (MK) breakaway party’s electoral list for parliament, will appeal against the IEC’s decision to exclude him (though not MK) from the race on account of his 15-month prison sentence within the last five years. MK’s fate will not only influence the overall election results, but also the risk of political violence or unrest.

**GRAPH OF THE WEEK**

**Britons are highly divided on the impact of migration**

*Has migration had a positive or negative impact on Britain?*

● Negative ● Positive



Source: Ipsos/British Future. 25 March 2024

**Immigration** has in recent years emerged as a pivotal issue in the UK’s political landscape. As the country has seen increases in immigration levels post-Brexit, the Conservatives have committed to significantly lowering these numbers. Immigration, however, is not a key priority for average voters, who say that “healthcare/NHS/hospitals” and “inflation/rising cost of living” will be more important issues influencing their vote choice in the upcoming general election. The importance of immigration as an electoral

driver is ideologically asymmetric, with Conservative voters much more likely to mention it as a pivotal issue (56%) than Labour voters (27%). Since the 2016 EU referendum, the country has been polarized on this topic; over the last couple of years, overall negative sentiments regarding the impact of immigration have increased slightly.

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