

WEEKLY POLITICAL COMPASS

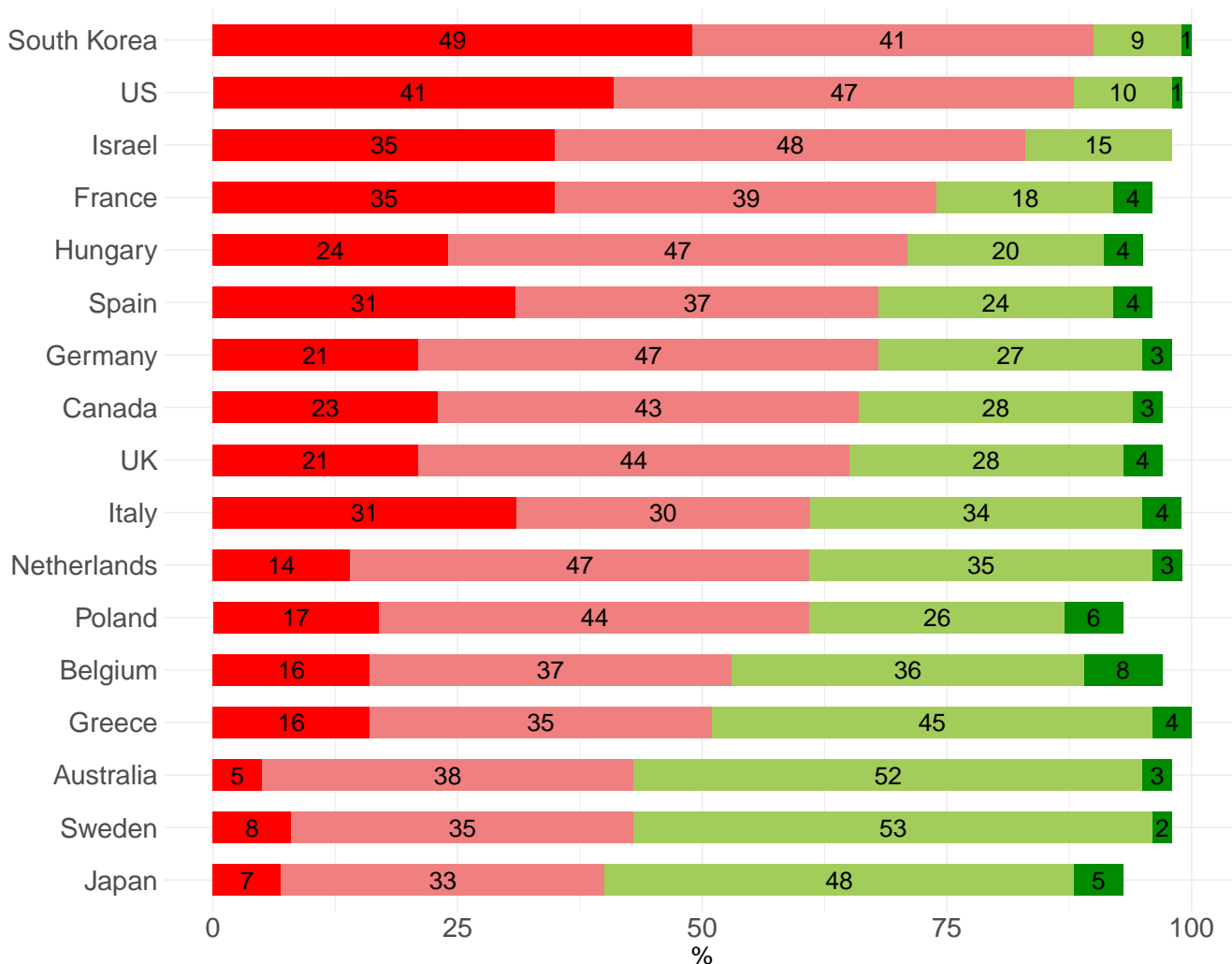
The **US** defense secretary is likely to meet his **Chinese** counterpart. **Brazil's** president-elect is returning from COP. Two **EU** meetings will be watched. Meanwhile, **Malaysian** politics will remain highly uncertain, the incumbent has won the presidential elections in **Kazakhstan**, pressure is growing for a new constitutional re-write process in **Chile**, and a public-sector strike is ahead in **South Africa**.

CHART OF THE WEEK

Polarization across party lines is widespread in many countries

Conflicts between people who support different political parties (%)

■ Very strong conflicts ■ Strong conflicts
■ Not very strong conflicts ■ There are not conflicts



Source: Pew Research Center. Spring 2022 Global Attitudes Survey. Those who did not answer not shown. Citizens across the globe perceive significant **conflict between groups supporting different political parties**. This sentiment is more widespread in democracies where politics has been particularly fractious in recent years, including South Korea, the US, Israel, and France. Other large European countries such as Spain, Germany, and the UK also present relatively high levels of perceived polarization across party lines, while this is somehow lower – even if still substantial – in Australia, Sweden, and Japan. Most importantly, these perceptions have worsened over the past couple of years in some countries, such as the Netherlands, Canada, the UK, Germany, and Spain. Against a difficult economic backdrop in many countries, widespread political polarization is a breeding ground for social discontent and more radical politics.

WHAT TO WATCH

US/China

The US and Chinese defense secretaries are likely to meet this week on the sidelines of the ASEAN Defense Ministers Meeting Plus in Cambodia. Washington and Beijing have not conducted a high-level military exchange since

Beijing suspended regular dialogue in response to US House Speaker Nancy Pelosi's visit to Taiwan in August, but [last week's meeting](#) between Joe Biden and Xi Jinping signaled a modest thaw in relations.

Brazil

Lula will be back this week from his trip to the COP 27 and Portugal and should focus on the approval of the 2023 Budget Law. Vice President-elect and coordinator of the transitional government Geraldo Alckmin (PSB) presented on 16 November a draft to the leaders of the Congress that foresees a waiver from the official spending cap to cover the cost of an expanded cash transfer program to the poor and allow 6.5% of extraordinary revenues, such as those from new Petrobras auctions and the like, for investments. The proposal, if accepted, would result in additional spending of BRL 198bn (USD 36bn) beyond that which was foreseen in the draft annual budget law sent to Congress last August. On another front, Lula is expected to appoint members to his transition team in the sensitive area of defense amid continued roadblocks and protest camps in front of Army HQs by Bolsonaro supporters calling for military intervention.

EU

Two meetings of the Council of EU (where member states' governments meet) will be watched closely this week. At their 24 November gathering, energy ministers will again try to make some progress in the ongoing conversation on gas price caps. However, an agreement on a tangible cap remains unlikely. On 25 November, trade ministers will meet amid lately growing concerns about tensions in the commercial relationship with the US. While an outright trade war is unlikely for now, the path ahead will depend on Washington's willingness and ability to commit to a level playing field.

ON THE HORIZON

ASIA PACIFIC

Malaysia

The Alliance of Hope (PH) of Anwar Ibrahim and the National Alliance (PN) of former prime minister Muhyiddin Yassin are racing to build a majority coalition to form the next government. Regardless of who wins, Malaysian politics will have substantial uncertainties in the near term that any major change in policy is unlikely. The stunning defeat handed to the United Malays National Organization (UMNO) increases political fragmentation and makes any major reform of affirmative action policies unlikely, while possibly increasing race-based politics.

Japan

Prime Minister Fumio Kishida must try to manage the fall-out of the resignation on 20 November of a third cabinet minister in the last month. The immediate issue is the impact on the already-tight legislative calendar: if opposition parties demand that Kishida explain the ministerial churn to the Diet, it could delay or derail the passage of legislation before the end of the current Diet session on 10 December. Kishida may also contemplate a cabinet reshuffle in the coming weeks, in an attempt to reset his administration's political fortunes.

EUROPE

Kazakhstan

As anticipated, incumbent Kassym-Jomart Tokayev was re-elected for the second term in office in the 20 November presidential elections. According to preliminary results, Tokayev has received 81.3% of the votes, leaving his closest opponent Jiguli Dairabaev with just 3.4%. While Tokayev is expected to dominate the country's political scene at least until 2029, simmering public discontent with socio-economic issues and limited political liberalization will remain a persistent threat to domestic stability. With regard to foreign policy, Tokayev will continue to pursue a multi-vector approach, but

the balancing act is becoming increasingly challenging due to Russia's invasion of Ukraine and the numerous implications stemming from it.

Serbia/Kosovo

The EU-brokered meeting between Serbian President Aleksandar Vucic and the Prime Minister of Kosovo Albin Kurti is taking place in Brussels today, 21 November. This is another attempt to de-escalate bilateral tensions, which have been stoked by Pristina's new license plate requirements adopted earlier this month. On 22 November, Kosovo police intend to start issuing fines to all vehicle owners who have not replaced Serbian license plates with Kosovo ones. The move could provoke even greater tensions on the ground, although the EU- and NATO-policing forces stationed in northern Kosovo are expected to prevent any large-scale clashes.

LATIN AMERICA

Chile

Pressure is building to reach an agreement for a fresh constitutional re-write process 11 weeks after the original draft for a new constitution was rejected by voters. An unofficial deadline of the end of November is looming. The main stumbling block is the size of the new entity that will write the text, with the opposition seeking a 50-member deliberative body and the governing coalition in favor of up to 99 members. While it might on paper seem that a compromise somewhere in the middle of these two numbers would be the obvious answer, this would require new electoral rules to be established, whereas the 50-seat model put forward by the opposition Chile Vamos (CV) coalition would be based on the senate districts and rules – that are disadvantageous to the Left. Meetings resume tomorrow, 22 November. If an agreement cannot be reached, a plan B being mooted could see the establishment of a body appointed directly by Congress, though this could be controversial.

MIDDLE EAST AND AFRICA

South Africa

On 22 November, the three main trade union federations will stage a one-day strike to demand higher public-sector pay. Federations Cosatu, Saftu and Fedusa are demanding pay hikes of around 10%, but the government has stuck to its 3% offer, which is the assumption underlying October's Medium-Term Budget Policy Statement (MTBPS).

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