

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 **French** pension reform. Meanwhile, the presidents of **China** and **Russia** will meet, **Kosovo** and **Serbia** have struck an implementation deal, the next stage of the impeachment process begins in **Ecuador**, and a "nationwide shutdown" is ahead in **South Africa**. Our graph of the week zooms in on **US tech entrepreneurs**.

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

France's National Assembly (AN) will vote on two no-confidence motions today, 20 March, from 3pm local time. Our France expert answers three key questions.

How big is the risk for the government?

The votes are the opposition's response to President Emmanuel Macron's decision to use article 49.3 of the constitution to pass the government's pension reform. The risk of a successful no-confidence motion is higher than on past occasions, but such a scenario remains improbable.

What are the numbers?

Assuming all opposition parties vote against the government, the motion would still require the support of around 27 MPs from the center-right The Republicans (LR) party. While some LR deputies have signaled they will go against the party line and support the motion, the number of center-right rebels is unlikely to be high enough to force a collapse of the government.

What is the outlook beyond the vote?

The adoption of the pension reform will likely lead to continued demonstrations by trade unions and significant disruptions across the country.

WHAT TO WATCH

ASIA PACIFIC

[China/Russia](#)

Chinese President Xi Jinping will visit Russia on 20-22 March and is likely to speak with Ukrainian President Volodymyr Zelensky by phone later in the week. For a largely isolated Vladimir Putin, Xi's visit carries great symbolic and practical significance in terms of advancing Moscow's geopolitical objectives and reorienting the country's economy amid vast international sanctions. However, all eyes will be on China's approach to resolving the war between Russia and

Ukraine. Xi is [likely to renew](#) his call for a ceasefire, but Washington is concerned that "a ceasefire now is effectively the ratification of Russian conquest," according to White House National Security Council spokesman John Kirby.

Japan/India

Current G-7 chair Fumio Kishida met G-20 counterpart Narendra Modi in New Delhi on 20 March. As well as Russia's Ukraine invasion and regional security dynamics in East Asia, the two prime ministers discussed the respective agendas for this year's G-X summits and future cooperation within the Quad framework, while Modi accepted an invitation to attend the Hiroshima summit in May. Afterwards, Kishida made a major foreign policy speech setting out his own vision of a free and open Indo-Pacific, recalling former premier Shinzo Abe's famous 'Confluence of Two Seas' address to the Indian parliament in 2007.

EUROPE

Kosovo/Serbia

On 18 March, Serbia and Kosovo agreed on steps to implement the 11-point agreement on the normalization of relations, although no documents have been signed. An EU-led joint monitoring committee will be set up within the next 30 days to supervise the implementation of the deal. However, the rather general nature of the agreement and the lack of deadlines for the implementation of most articles might slow down progress, especially given the contentious nature of most issues and the history of previously unimplemented deals. Continued EU pressure on both sides will be crucial to sustain momentum.

Turkey

The pro-Kurdish Peoples' Democratic Party (HDP) is expected to announce this week whether it will support the Nation Alliance's candidate, Kemal Kilicdaroglu, in the presidential elections. The HDP could be the kingmaker if it decides not to field its own candidate and rally behind the Nation Alliance. The party, which faces a closure case before the Constitutional Court, is polling at around 10-11%.

UK

All eyes will be on the Bank of England meeting on 23 March. The European Central Bank got its expected hike of 50 basis points out of the way before concerns over the global banking sector increased further during the weekend. The question now is whether the BoE will follow through on the broadly expected hike of 25 basis points. Potential trade-offs between financial sector stability and monetary policy will be a key signpost to watch in major economies going forward.

LATIN AMERICA

Ecuador

The National Assembly (AN)'s leadership body meets today, 20 March, in the next stage of the impeachment process that was launched last week against President Guillermo Lasso. Lasso is accused of being an enabler and beneficiary of corruption at state-run companies. Today's meeting should prove a formality as the leadership body will endorse the impeachment request and pass it to the Constitutional Court, which must rule on its admissibility, possibly before the end of this week. If the Court approves the request, it returns to an AN committee and a plenary vote within a further four weeks. In the meantime, Lasso could activate his right to dissolve the opposition-dominated AN and trigger fresh elections. If the Court rejects the grounds for impeachment, Lasso's problems would be far from over since the Confederation of Indigenous Nationalities of Ecuador (Conaie) is ready and likely to mobilize on the streets. The major earthquake that hit the south of the country on 18 March is unlikely to interrupt the process.

MIDDLE EAST AND AFRICA

Nigeria

Opposition parties are struggling to build their legal case by the 22 March deadline to challenge the results of the 25 February presidential election. Members of the People’s Democratic Party (PDP) and the Labour Party (LP) have expressed frustration at the alleged lack of cooperation from the Independent National Electoral Commission (INEC) to grant them access to crucial data needed to build their legal case. The alleged obstruction by the electoral commission is despite an earlier court ruling for the parties to have access to the information in question. As things stand, the PDP and LP risk losing their rights to challenge the outcome of the marred elections, and it remains unlikely that the judiciary will grant an extension of the deadline.

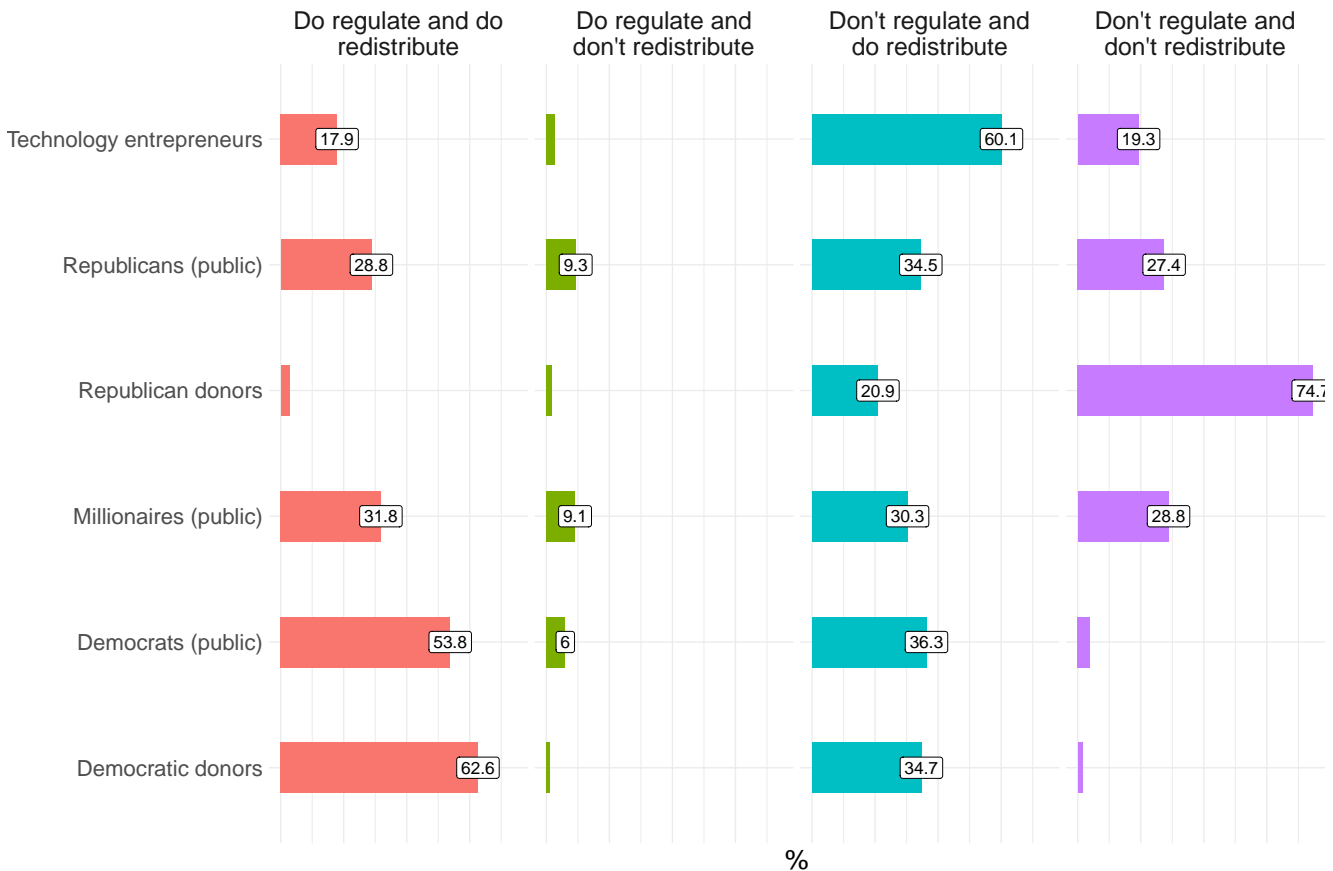
South Africa

The Economic Freedom Fighters (EFF) will stage a ‘nationwide shutdown’ on 20 March. The party is calling for the resignation of President Cyril Ramaphosa and an end to load-shedding. Both are farfetched demands, but the EFF is stepping up its theatrics ahead of the 2024 elections. While a court order prohibits the EFF from causing disruption or inciting violence, the marches will be closely watched for turnout and violence. While media headlines emphasize the risk of violence and looting, a repeat of the July 2021 violence seems unlikely, not least as police and defense forces seem to have been deployed in advance.

GRAPH OF THE WEEK

The US tech sector has a unique set of political preferences

Views on regulation and redistribution across different social groups



Source: Survey data collected by Brookman, Ferenstein, and Malhotra (2019)

Technology entrepreneurs in the US present have different political preferences than other politically influential economic groups. Original survey data collected by a group of political scientists shows that a majority of technology entrepreneurs combine favorable views on redistribution (including strong support for taxing the wealthy or increasing spending on the poor) with very unfavorable views on regulation (mainly on product and labor markets). In other words, they combine surprisingly progressive views on redistribution with conservative preferences on regulatory issues.

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