

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 **Argentina's** presidential elections. Meanwhile, the presidents of **China** and the **US** will meet, a former PM returns as **British** foreign secretary, **Brazil** is nearing the final approval of tax reform, and **Ghana's** finance minister will deliver his budget statement. Our graph of the week zooms in on **affective polarization**.

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

In **Argentina**, the run-off presidential vote between Economy Minister Sergio Massa and the ultra-libertarian outsider candidate Javier Milei takes place on 19 November. Our Latin America expert [Nicholas Watson](#) analyzes the situation.

What do the polls suggest?

Polls, which have consistently struggled to accurately gauge public opinion through the course of the election, suggest a close result. Milei's recent alliance with former president Mauricio Macri (2015-19) appeared to have given him the edge over Massa last week. However, there appear to be enough undecided voters to mean that Massa, who is running for the governing Union por la Patria (UP) coalition, should not be underestimated.

Has the TV debate changed the outlook?

The race may have tightened following the televised debate held yesterday, 12 November, and as Massa doubles down on a negative campaign designed to raise fears about what a Milei government would entail – from the future of the public education system, pensions, and even the business model for football clubs. Massa performed well in last night's debate; not only did he put Milei on the defensive for much of the debate, but Milei also failed to exploit the latest scandal to hit *Kirchnerismo* – that it has been systematically spying on judges, prosecutors, journalists, and opponents.

WHAT TO WATCH

ASIA PACIFIC

[Asia Pacific](#)

San Francisco will be the focal point for regional policymakers this week, as it hosts gatherings for both the Asia Pacific Economic Community and Indo-Pacific Economic Framework. Leaders from 21 economies will gather from 15-17 November for the annual APEC summit, amid a deeply uncertain geopolitical outlook in the region. On the sidelines, Presidents Joe Biden and Xi Jinping are set to meet for the first time in a year. Before then, the Biden administration will host an IPEF meeting on 13-14 November, hoping to finalize a clean energy financing deal among that grouping's 14 members.

[US/China](#)

On the APEC sidelines, Joe Biden and Xi Jinping are set to meet for the first time in a year on 15 November. [Among the deliverables](#) to finalize at their meeting are the resumption of military-to-military dialogue; a ban the use of artificial intelligence in autonomous weapons; and the unfreezing of Chinese purchases of the Boeing 737 Max aircraft. A newly formed US-China [working group](#) on arms control held its first meeting last week in Washington, the first such talks since the Obama administration, though a US official said the meeting was less than substantive.

EUROPE

Poland

During the inaugural sitting of the lower chamber of parliament (Sejm) on 13 November, members of parliament will elect a new speaker of the chamber, while Prime Minister Mateusz Morawiecki (Law and Justice, PiS) will resign. In the evening, President Andrzej Duda (independent, linked to PiS) is expected to reappoint Morawiecki as prime minister, who would then have 14 days to present his cabinet and win a vote of confidence in the Sejm by an absolute majority. The vote on the new Sejm speaker will reveal the actual balance of power in the Sejm between the right-wing United Right alliance and three pro-EU lists, which on 10 November signed an agreement to form a future coalition government under the leadership of Donald Tusk (Civic Coalition).

Turkey

The [judicial crisis involving two of the country's top courts](#) continues unabated. The Court of Cassation issued a statement on 10 November accusing the Constitutional Court of dragging the judiciary into chaos with its rulings on individual applications. On 13 November, Justice Minister Yilmaz Tunc rebuffed accusations from the opposition claiming that a “coup attempt” is underway and called for a new constitution. Meanwhile, the pro-government Yeni Safak published the names and pictures of the Constitutional Court judges who voted for the release of jailed lawmaker Can Atalay and accused them of supporting terrorism.

UK

The return of former prime minister David Cameron as foreign secretary is the main news from PM Rishi Sunak's cabinet reshuffle this morning. With his surprise move, Sunak has, at least for now, managed to move the spotlight away from his sacking of home secretary Suella Braverman. She is now free to begin preparing a rightist bid for the Tory leadership after the widely expected general election defeat. One risk associated with the former PM's return is that it serves as yet another reminder of the Conservatives' having been in government for more than 13 years.

LATIN AMERICA

Brazil

Tax reform goes back to the House for final approval. It was not possible for the senate to pass the original draft constitutional amendment PEC45 without changes. Additional exceptions were added raising the standard rate by 0.5, from 27 to 27.5%. Analysts believe that the senate draft is still an improvement over the current applied 34%, coupled with the end of multiple taxation and an overall simplification from five to one VAT in ten years. House Speaker Arthur Lira tends to favor breaking up the amendment to allow immediate approval of items that were not changed in the senate. It is estimated that as-is, the amendment could increase GDP by 2.39% in the ten-year transition period. Due to the Republic Day holiday on 15 November, congressional activity will be minimal this week, but leaders will continue to negotiate how best to move forward with the reform.

MIDDLE EAST AND AFRICA

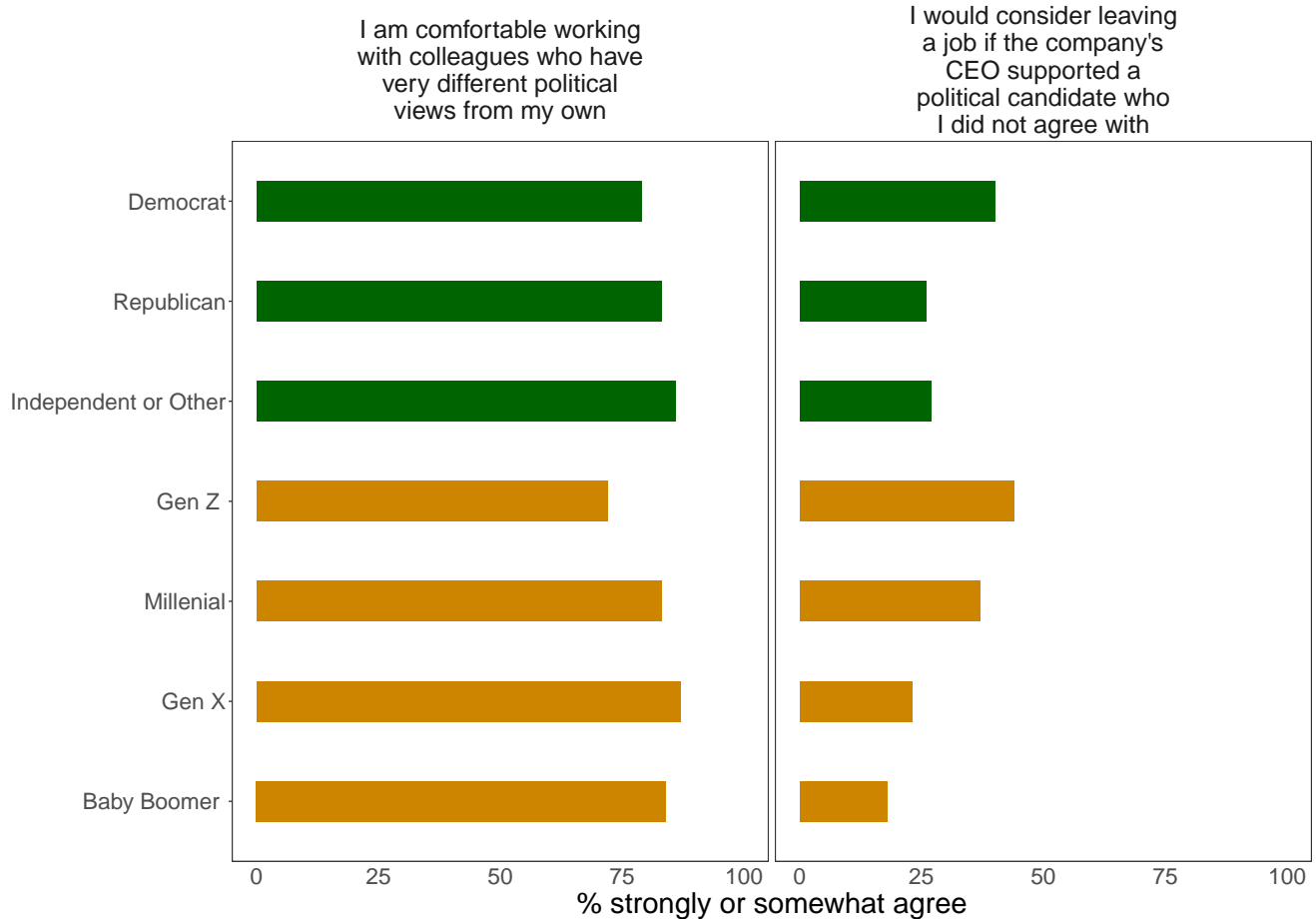
Ghana

Finance Minister Ken Ofori-Atta is set to deliver the 2024 budget statement to parliament on 15 November. The presentation comes amid domestic concerns that the government's inability to reach a debt relief agreement with its external creditors may result in the International Monetary Fund (IMF) withholding the USD 600mn second tranche disbursement of the total USD 3bn bailout package agreement with the government. With general elections planned for late 2024, key issues to watch in the

upcoming budget presentation will be whether the government will impose significant expenditure cuts and tax increases like it did in 2023.

GRAPH OF THE WEEK

Politics at work is increasingly important for younger workers



Source: Online survey conducted by The Harris Poll on behalf of Glassdoor, Oct–3–5, 2023. N = 1,055

Partisan animosity and **affective polarization** have gained attention in recent years across the globe. Unlike issue-based political differences, affective polarization refers to the strong negative feelings that individuals hold towards voters of opposing parties. It is not surprising that partisan animosity has also implications in nonpolitical settings, including workplace interactions. While a majority of US workers are still comfortable working with colleagues they disagree with politically, younger cohorts – particularly, Gen Z workers – feel less comfortable with political disagreements at work than older ones. Similarly, younger workers appear more willing to leave a company if the CEO’s political allegiance does not align with theirs.

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Geopolitical Research

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