

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 **US-Taiwan** trade talks. Meanwhile, **Japan's** main opposition party won all three seats in by-elections, **Turkey's** ruling coalition is set to launch a new effort for constitutional change, the two leading presidential candidates claimed victory after the second of three televised candidate debates in **Mexico**, and **South Africa's** ruling party is polling barely above 40%. Our graph of the week zooms in on **respect for political counterarguments**.

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

US and **Taiwanese** trade negotiators will begin a new round of talks in Taipei this week. Our Asia expert [Gabriel Wildau](#) analyzes the situation.

What will be discussed?

Talks will be held under the negotiating mandate agreed in 2022, which aims to establish a "21st century" trade agreement. Tariff cuts are not on the agenda, but the two sides will discuss agriculture, labor, digital trade, environment, and state-owned enterprises.

How will Beijing respond?

Beijing has criticized the talks, as it does regarding other forms of high level official engagement, but the US Trade Representative says the talks "are being conducted consistent with the US' one-China policy."

WHAT TO WATCH

ASIA PACIFIC

Japan

The main opposition Constitutional Democratic Party won all three seats in the 28 April Diet by-elections, putting yet more pressure on embattled prime minister Fumio Kishida. The ruling LDP suffered an embarrassing loss in its heartland Shimane-1 district, having already chosen not to defend Nagasaki-3 or Tokyo-15. Immediate political repercussions are unlikely, with Japan now entering the Golden Week spring holiday period and Kishida departing for a six-day trip to Europe and South America on May 1. Upon his return, the PM looks set to face louder criticism from within the party, further reducing his hopes of winning a second three-year term as LDP leader in September.

EUROPE

Serbia

This week parliament is expected to approve a new cabinet led by Milos Vucevic (Serbian Progressive Party, SNS). The constitutional deadline to elect a new government following the December 2023 parliamentary elections expires on 6 May, which falls on a public holiday to observe the Orthodox Easter. Unless a new government is approved within this period, the constitution obliges president to dissolve parliament and call early general election. The governing SNS has pledged to respect the deadline, but at this point neither the date of the vote nor the proposed composition of the cabinet is known.

Turkey

Despite the defeat in the recent local elections, the ruling coalition is set to launch a new effort for constitutional change this week. The Speaker of Turkey's Grand National Assembly, Numan Kurtulmus, will start the process by holding meetings with party leaders this week. Meanwhile, the junior partner in the ruling coalition – the Nationalist Movement Party (MHP) – has declared it prepared a 100-article constitutional proposal – a move likely aimed at gaining leverage ahead of talks with its senior partner, President Tayyip Erdogan's Justice and Development Party (AKP).

UK

Voters will go to the polls in local elections in England and Wales on 2 May. More than 2,600 local councilors, mayors and police commissioners will be chosen, while one parliamentary by-election will also be held. Depending on the size of the expected overall defeat for the Conservatives, there might be renewed speculation about a leadership challenge against PM Rishi Sunak and about the general elections being held before autumn. Meanwhile, Humza Yousaf's resignation as Scotland's First Minister once again highlights the travails of the ruling Scottish National Party (SNP), a key factor underpinning Labour's stable lead in national opinion polls.

LATIN AMERICA

Brazil

The government provokes the Senate Chairman with action at the Supreme Court. The issue refers to the extension of payroll benefits to 17 economic sectors and municipalities which cleared the Congress with a comfortable majority. The government vetoed it but Congress overrode the veto. The government then issued an executive order to block the extension but with a later date of entry into force - as if to prolong the negotiations with Congress. In the meantime, however, the Attorney General's Office challenged the constitutionality of the bill at the Supreme Court (STF) on April 24, thus showing the government continued determination to block the extension of benefits. On top of it, the rapporteur of the bill in the STF immediately issued a favorable opinion to the government and four other judges followed the rapporteur. The government insists on avoiding any additional burdens on the budget but the impact of the payroll benefits - a reduction of taxes of BRL 9.4bn (USD 1.9bn) on companies and municipalities - would supposedly be compensated by BRL 10bn (USD 2bn) in resulting revenues.

Mexico

Both Claudia Sheinbaum and Xochitl Galvez claimed victory after the second of three televised candidate debates held on 29 April. Galvez's performance was certainly more combative, as she seeks to dent Sheinbaum's poll lead, which public opinion surveys put at anywhere between 10-20 points. Galvez insists that there is a "hidden vote" in her favor that polls are failing to register. Sheinbaum continues to project a disciplined image, while attacking Galvez as being the candidate of the "PRIAN", an amalgam of the Institutional Revolutionary Party (PRI) and the National Action Party (PAN) that President Andres Manuel Lopez Obrador (AMLO) has spent his presidency excoriating; the PRI especially remains deeply discredited. The final debate takes place on 19 May, ahead of the vote itself on 2 June.

MIDDLE EAST AND AFRICA

South Africa

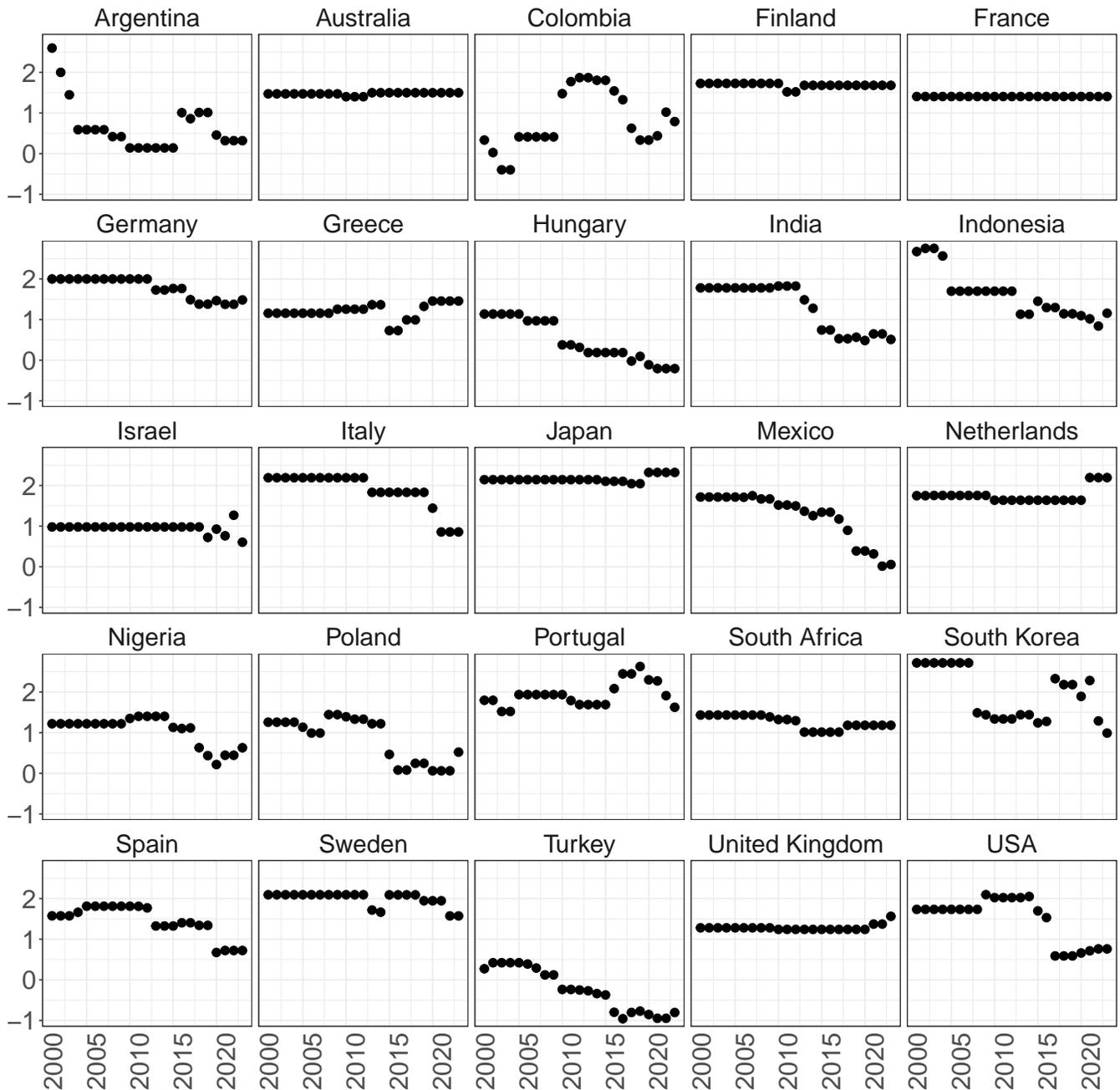
The latest Ipsos opinion poll puts support for the ruling ANC among registered voters at just 40.2%. ANC support levels are at record lows and show that ANC approval ratings face downward pressure a mere month ahead of the 29 May elections. Nonetheless, expectations are still for the ANC to garner above 45% of the national vote, though the probability of a second scenario – a drop below 45% – has also increased in recent months. While the largest opposition parties – the Democratic Alliance

(DA) and Economic Freedom Fighters (EFF) – are not tracking notable gains in the polls, the biggest wildcard remains ex-president Jacob Zuma’s MK party. Ipsos has MK polling at 8.4%, though its campaign might be hitting a turning point, amid speculation over Zuma’s health, expulsions, allegations of falsified signatures, and a Constitutional Court case – now scheduled for 10 May – that will review Zuma’s eligibility for parliament.

GRAPH OF THE WEEK

Respect for counterarguments declines globally

To what extent do political elites acknowledge and respect counterarguments?



Source: Pemstein et al. (2024, V-Dem Working Paper Series 2024:21).
Scores are based on assessments by V-Dem's country experts

As rising levels of polarization impact many countries, **respect for counterarguments** has also declined over the past two decades. Political elites are increasingly less likely to acknowledge and respect opposing views when considering important policy changes. This trend is evident across a diverse range of geographies and regime types, according to data from the V-Dem project, a detailed democracy index run by political scientists. Paradigmatic examples of this trend include countries such as Mexico, Sweden, the US, Turkey, and Spain.

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