


2024  DGA
ELECTION
— SERIES —

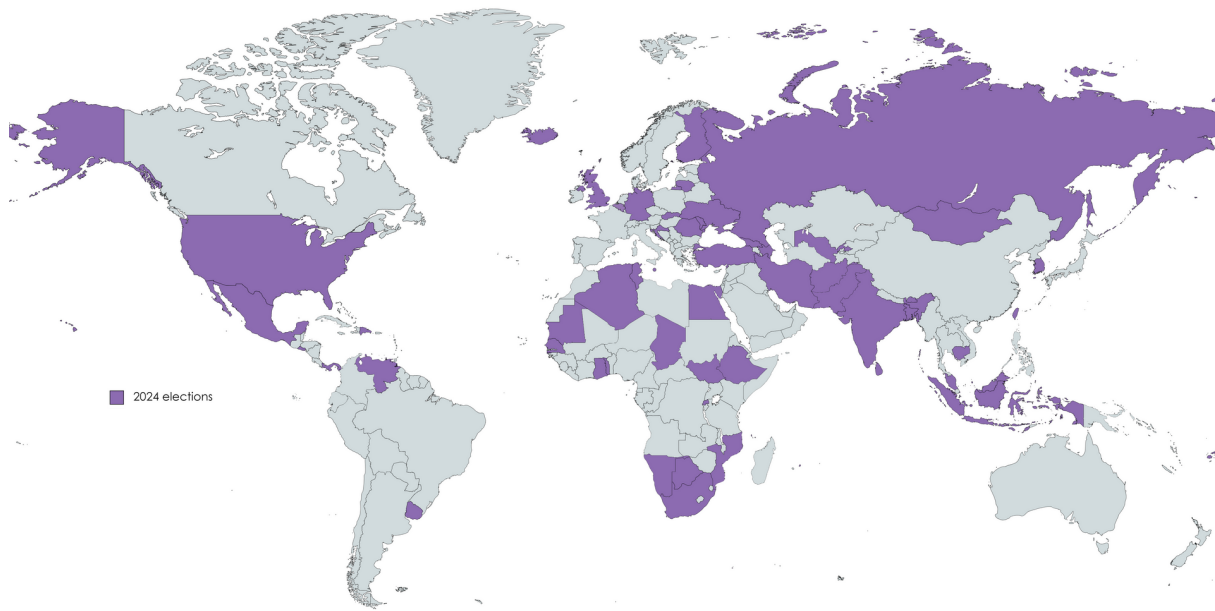
GLOBAL ELECTION PREVIEW



Insights from our regional experts on the implications for businesses surrounding eight key elections happening around the world this year.



2024 DGA **ELECTION** SERIES



OVERVIEW



In 2024, over 65 economies, home to more than half of the world's population, will be holding elections with the power to significantly alter public policy, market performance, regulatory environments, and geopolitical dynamics.

Throughout the year, our experts will be shining a light on key elections underway, outlining the latest political developments, key issues at play, and what it all means for businesses seeking to navigate and ultimately thrive in the evolving global landscape.



2024 DGA ELECTION SERIES

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Snapshot

President Joe Biden and former President Donald Trump have secured their respective parties' nominations, ushering in what will be the longest general election in modern time. It is a rematch for which independent voters have expressed little enthusiasm. This promises to be a close race decided in a few key battleground states including Arizona, Georgia, Michigan, Nevada, Pennsylvania, and Wisconsin.

Key Issues

The Economy

Biden has presided over an expanding economy, with unemployment low, stocks hitting all-time highs, and inflationary pressure easing. Yet polls show that Americans are unwilling to credit him and are frustrated about the increased prices of everyday expenses.

Immigration

Polling shows increasing voter concern over the situation at the U.S. border with Mexico, with many calling it their top voting issue even while living hundreds or even thousands of miles away. Biden can use congressional Republicans as an effective scapegoat for the policy failure, while Trump argues that only he "can fix it."

Women's Reproductive Rights

The U.S. Supreme Court's ruling last year that eliminated a nationwide right to abortion was a moment of triumph for conservatives. It has also led to voter backlash, even in "red" states. The recent Alabama IVF ruling, which said embryos should be legally treated as people, has again put Republicans on the defensive with independents and college-educated women. The Biden campaign is expected to continue pressing on this issue.

Foreign Policy

American elections are generally about the future of everyday Americans. Foreign policy is historically a low priority for American voters. However, top-of-mind issues such as NATO, the Ukraine-Russia and Israel-Hamas wars, and tense U.S.-China relations are being debated in Congress and on the campaign trail. We are seeing the impact of foreign policy mostly in Democratic primaries, and not to the advantage of the incumbent.

Business Outlook

The longest presidential election in U.S. history and the campaign advertising that comes with it will reinforce the country's deep partisan divisions. Businesses should be cautious during this time. The election increases the possibility that everyday corporate and sovereign activity could find its way into a national campaign; since both candidates and their positions are well-known, the media will seek to inject new issues into the campaign.

Upcoming Milestones

Trump's Legal Battles

These are uncharted waters in American politics. Trump faces four criminal indictments in four different cities involving more than 80 felony counts as he campaigns to reclaim the White House. Recent polling finds that more than half of Americans believe Trump is guilty in at least one of the four indictments tested, although as you'd expect, poll responses vary widely across party lines. A decision in at least one of the four cases is expected before Election Day.

Supreme Court

As part of the above, the Supreme Court will consider Trump's claim of immunity on April 25. The court would need to issue a decision by early June to leave enough time for the trial to wrap up before Election Day. The court, which holds a 6-3 conservative majority, ruled unanimously on March 4 that states can't bar Trump from their ballots for his role in the January 6, 2021 attacks on the Capitol.

VP Selection

No presidential election has been decided by a Vice Presidential selection. Trump said his list includes Florida Gov. Ron DeSantis, Florida Rep. Byron Donalds, former Hawaii Rep. Tulsi Gabbard, South Dakota Gov. Kristi Noem, biotech entrepreneur Vivek Ramaswamy, and South Carolina Sen. Tim Scott. However, we believe it's safe to add Rep. Elise Stefanik, Arkansas Governor Sarah Huckabee Sanders, and Trump's former HUD Secretary Ben Carson to the list of contenders.

Third Party Challenges

Robert F. Kennedy Jr. has qualified for the ballot in Georgia and his campaign feels confident about his chances in Arizona, Nevada, Michigan, among others that have filing deadlines between from July 9 until August 17. Inclusion on these ballots gives the third party a chance to play spoiler.

Snapshot

March 1 marked the official start of the largest general election in Mexico's history, with more than 100 million Mexicans eligible to vote. Polls show former Mexico City Mayor Claudia Sheinbaum with a consistent two-digit lead over main opposition coalition candidate and current senator Xóchitl Gálvez. Sheinbaum is the heir apparent for President Andrés Manuel Lopez Obrador (AMLO)'s MORENA party and must walk a fine line to leverage AMLO's high personal popularity while showing her independence, particularly on economic and environmental policies. Gálvez's background as a self-made tech entrepreneur has helped her build a strong base of middle-class urban voter support, though she will need to increase her national recognition, particularly in Mexico's poorer, rural states, to overcome Sheinbaum.

Key Issues

Security

Sheinbaum has stated her intention to continue the armed forces' role in security, while increasing and improving training for the national police. Gálvez plans to boost civilian police powers and reduce military involvement in civilian matters.

Education & Health Services

The AMLO administration made significant progress in reducing the percentage of people below the poverty line, raising the minimum wage and increasing government spending through direct cash transfer programs. However, there have been setbacks in budgets and access to health services and education, accentuated by the impact of the pandemic. Both Sheinbaum and Gálvez aim to improve these sectors.

Fiscal Reform

Both candidates have rejected the need for comprehensive fiscal reforms but recognize budgetary pressures on public finances might necessitate adjustments. Sheinbaum focuses on boosting tax compliance, while Gálvez looks to widen the taxpayer base and reallocate funds.

Business Outlook

Although Mexico's economic outlook is relatively strong and outperforming other emerging economies, election outcomes will shape the country's business environment, especially in security, fiscal policy, and the investment climate. Both candidates propose maintaining social programs and enhancing foreign investment to leverage nearshoring trends, with fiscal reforms looming as a potential future necessity. An open question for investors will be the extent to which the next president will grant more autonomy and resources to the country's regulatory bodies, as opposed to what we have seen in AMLO's government. Sheinbaum's victory might extend both this trend of a more centralized executive power, as well as more support for Mexico's state-owned oil and electricity companies, PEMEX and CFE. Sheinbaum's campaign has hinted at plans for new subsidies to PEMEX to lead renewable energy initiatives, despite its mounting debt. Gálvez opposes these subsidies, proposing to modernize PEMEX and enhance private sector participation in the energy sector. The composition of the new Congress will be vital in determining the feasibility of these and other policy proposals, particularly those that would require two-third majorities for constitutional amendments.

Upcoming Milestones

Presidential Debates

The first debate is scheduled for April 7, followed by a second on April 28 and a third on May 19.

Election Day

Election day is set for June 2 and the new administration will begin on October 1.

U.S. Elections

The U.S. presidential race puts the spotlight on sensitive bilateral issues related to immigration, border security, and drug and firearms trafficking. If President Biden wins re-election, it will mean continuity on a consultative approach to address these and other issues, though there is mounting pressure on immigration policy. With his more confrontational, unilateralist approach, a Trump victory would disrupt not only the bilateral relationship but Mexico's political dynamics as a whole. Both leading candidates have signaled that North American economic relations will be a priority, taking into account that the USMCA trade agreement is up for review in 2026.

Snapshot

The Conservative Party continues to trail in the polls following a lacklustre budget that failed to generate momentum and the defection of Conservative firebrand Lee Anderson to the right-wing populist Reform Party, which threatens to Hoover up Conservative votes. Labour has retained a consistent poll lead, as the party carefully avoids big tax and spending traps set by the government.

Key Issues

The Economy

The Conservatives' reputation for managing the economy suffered a blow after mortgage rates shot up in the wake of former Prime Minister Liz Truss' disastrous "mini-budget" at the end of 2022. Labour has been happily picking at that scab, and with the U.K. having just come out of a shallow recession at the end of last year, the Conservatives have a tough task in proving they can be trusted on the economy again.

Public Services vs. Tax Cuts

Tax thresholds were frozen in 2021 in order to pay for expensive government support schemes during the pandemic and the energy crisis. With the U.K. tax burden at a historic high, limited tax cuts in the Chancellor's last two economic statements have done little to shift the polls, with research showing that people would instead prefer more funding for public services. Labour has shelved a £28 billion green investment plan and remains cautious about big tax or spending pledges that could leave the party exposed.

Immigration

"Stopping the boats" was a cornerstone of Prime Minister Rishi Sunak's promise to voters, but he is struggling to force contentious legislation through Parliament to support the deportation of illegal immigrants to Rwanda. Labour claims the Rwanda scheme is expensive and ineffective, promising instead to focus on tackling criminal gangs that are supporting dangerous Channel crossings.

Business Outlook

If the run-up to this election has taught us anything, it is that public money is in short supply. It is no coincidence that Labour has been courting big international investors and promising to involve the private sector more proactively in major strategic decisions if they are elected. At the same time, businesses have priced in a Labour win and the ability to access shadow ministers is increasingly competitive. Businesses therefore need to think carefully about their message and offer to a potential incoming Labour government, and ensure they are laser-targeting the people with genuine influence. They also shouldn't forget the Conservatives, who not only have a tendency to surprise at election times, but could also be a powerful voice in opposition.

Upcoming Milestones

Local Elections

The local elections in May will prove a useful indicator of the final national result. A very poor showing for the Conservatives could lead to questions about Sunak's leadership and expose further divisions in the party, while a particularly strong showing for Labour would help to buoy their image as a government in waiting.

Illegal Migration Act

With summer fast approaching and illegal Channel crossings poised to become headline news once again, a big question is whether the government can achieve one of its flagship pledges to fly illegal immigrants to Rwanda in the spring to stymie the bad news. However, the Rwanda scheme remains open to legal challenge, even if the government manages to get its new legislation onto the statute book.

Autumn Statement

A final economic statement is expected from the Chancellor in the autumn, which is the government's last chance for a pre-election tax giveaway. The government hopes that the overall U.K. economic picture will be rosier towards the end of the year, as people start to feel the benefits of tax cuts and a growing economy in their pockets.

Snapshot

The rise of the far right continues to dominate the national and European political scene, with a strong showing in the recent Portuguese elections following the victory of Geert Wilders in the Netherlands' elections. At the EU level, it will be a challenge to form a stable pro-European centrist majority that can deliver a policy agenda for the next five years.

Key Issues

Defence

In response to the war in Ukraine and concerns about a second Trump presidency, defence will become a priority issue with its own dedicated commissioner. There will be a focus on building up the European defence industry, coordinated planning, and joint procurement.

Climate

The focus will shift from regulation to implementing the vast array of climate laws adopted in the past 5 years, and there will be a push to ensure the clean technology industry remains in Europe. The Green Deal was the centre-piece of the von der Leyen Commission – what she called “Europe’s man on the moon moment” – but it has become a target in the election campaign from angry farmers and right-wing populists exploiting the costs of meeting ambitious new targets.

Migration

The centre-right will take a tougher stance on migration issues to try and steal votes from the populists, including measures to deport asylum seekers to “safe” non-EU countries.

Business Outlook

Grim projections for a more polarized and fractured parliament in June have dented business confidence. A distinct shift to the right will make it difficult to find majorities in areas like climate, trade, and agriculture – but these forces will also aim to reduce burdens to business and cut back reporting requirements. Business will be faced with difficult choices about which MEPs to the right they can have legitimate contacts with and which ones remain firmly off-limits. It will become increasingly difficult to ignore far-right parties that are in government coalitions, both at the local and national levels.

Upcoming Milestones

Liberal Party’s Grand Electoral Launch

On March 20, the Liberals will adopt their election manifesto and lead candidates for the campaign, thereby completing the season of party congresses. They are set to choose German Liberal Marie-Agnes Strack-Zimmerman to lead their campaign. She heads the Bundestag Defence Committee, highlighting the key role defence policy will play in the policy agenda. The European People’s Party have already elected current European Commission President Ursula von der Leyen, and Luxembourg Jobs Commissioner Nicolas Schmit will lead for the Socialists.

EU Single Market Report

On April 17, former Italian Prime Minister Enrico Letta will present his report on the future of the Single Market to EU leaders, which will feed into their future priorities. Their “strategic agenda,” setting the overarching priorities for the next five years, will be adopted at the end of June.

Race Against the Clock

The final plenary session of the European Parliament between April 22-25 will adopt the last remaining legislation before the election. Negotiators are busy rushing through deals to wrap up the remaining files, with recent agreements on packaging waste and business supply chain rules. All files that are still at the committee stage will lapse.

Snapshot

A momentous convergence of decision-making looms on June 9, as Belgium braces for European, federal, and regional elections. The ascent of the extreme left in French-speaking regions and the surge of the extreme right in Flanders signal potential challenges in coalition formation. For companies, institutions, and organizations reliant on legal frameworks, 2024 promises to be pivotal.

Key Issues

Migration

In Flanders, migration emerged as a significant theme in the 2019 elections and continues to gain prominence leading up to the elections in June. While healthcare and energy have been focal points in recent years, migration remains a constant concern for the Flemish population. In Wallonia, on the other hand, migration is not as significant of an issue.

The Economy

Belgians express pessimism about the economy, with concerns about rising living costs. While the economic situation has improved compared to last year, issues such as purchasing power and energy prices will feature prominently in debates. Additionally, Belgium faces the challenge of managing a high national debt, necessitating reforms.

Distrust in Politics and Institutions

Trust in politics and institutions hit an all-time low last year, and although it hasn't declined further, it hasn't improved either. This lack of confidence in political institutions remains a significant issue, potentially influencing Belgian voter behavior and the overall political landscape.

Business Outlook

The fate of the federal government hinges on the outcomes of the current majority parties. The Vivaldi coalition's continuation, possibly with Les Engagés, appears likely. Yet, the rise of extreme parties like the Workers' Party (PTB) and Vlaams Belang poses uncertainties. Urgent attention is required for budgetary woes and socioeconomic reforms. However, prolonged coalition negotiations threaten vital reforms.

Upcoming Milestones

Candidate Lists

On April 15 at 16:00, candidate lists will provisionally close, halting new submissions. Appealing will remain possible. After the appeal phase, lists will be definitively closed and officially communicated on April 30.

The Closing of Parliaments

The closing of the parliaments will occur from April 24 to May 8. Parliamentary sessions are wrapping up with votes on pending legislation. The Federal Parliament will also decide which articles of the Constitution are open for review in the next term. The Walloon Parliament closes on April 24, followed by the Brussels Parliament on May 3. Both the Federal and Flemish parliaments adjourn on May 8.

Snapshot

Regarded as a “model democracy” in the restive Sahelian region of Africa, Senegal faces social unrest after the incumbent president, Macky Sall, delayed the upcoming presidential elections. After a period of unusually violent protests, the Constitutional Council repealed the decision and forced Sall to announce a March 24 election date and promise to step down when his mandate ends on April 2.

Key Issues

Electoral Predictability

It is difficult to discern a frontrunner in Senegal, amidst a crowded field of 19 candidates and a national ban on polling. Nevertheless, as the ruling party's candidate, Amadou Ba is the pick of outgoing President Sall despite Ba's unpopularity. The leading opposition candidate is Bassirou Diomaye Faye, who represents a coalition started by Ousmane Sonko, a widely popular yet controversial anti-establishment politician disqualified from running for “corrupting youth.” Faye and Sonko ran their campaign from behind bars until March 15, just days before the election, when an amnesty law went into effect that released them both and fueled opposition support.

Macroeconomic Policy

While Ba's platform is expected to largely follow the Sall economic model, Faye is campaigning on a drastic economic plan that, if instituted, would impact macroeconomic predictability in the country and region. The nationalist economic plans would have significant implications for foreign investors, especially those keenly interested in Senegal's oil-producing prospects that are set to materialize towards the end of 2024.

Political Stability

Senegal can still rely on the strength of its democracy and rule of law, but the integrity of these institutions is being tested. The Constitutional Council has played a large role in adherence to democratic processes, such as repealing the election postponement and pushing for the government to announce a make-up election date. In the context of neighboring Sahelian coups, the role of Senegal's army and the evolving strength of protest movements are magnified.

Business Outlook

With its lauded stable democracy and discovery of oil reserves, Senegal is well positioned to become one of the continent's next economic powerhouses. However, its commercial outlook will depend on the resilience of its rule of law amidst election turmoil, as well as the traction gained from potentially substantial changes to its macroeconomic policy.

Upcoming Milestones

Landmark Dates

March 24, the first round election date, and April 2, President Macky Sall's official end-of-mandate date, are landmark dates in this electoral saga. These are critical junctures in the democratic process that will reveal how the justice system, military, civil society, and the presidency interact to uphold democracy.

Post-April 2

A key inflection point to watch is the period following April 2, which will present heightened uncertainty for the country. Should no candidate manage to win a majority of votes in the first round, timelines for organizing a runoff election between March 24 and April 2 will be tight. If a candidate is elected by April 2, all eyes will be on a peaceful transfer of power. In the absence of an outright winner by then, it would be unsurprising for Sall to try and seize such an opportunity to push the limits of the law even further, as he has shown a penchant to do.

Snapshot

For the first time in three decades, South Africa's ANC party will have its long-held majority seriously challenged in the 2024 elections, scheduled for May 29. With the highest income inequality in the world and persistent infrastructure and service-delivery challenges, the country faces unprecedented prospects for new voting patterns and changes in the policy environment for businesses.

Key Issues

ANC's Dwindling Dominance

Three frontrunning parties will take center stage in these elections, absorbing smaller parties into strategic coalitions. Among the "big three" is the ruling party of liberation leader Nelson Mandela, the African National Congress (ANC), which is still expected to win a narrow victory for President Ramaphosa. Though early polling data anticipates the ANC will maintain its lead, it predicts a historically thin margin of below 52%, the lowest in party history. As the Democratic Alliance (DA) and Economic Freedom Fighters (EFF) have likely maximized their bases of support – between 20-27% and 10-16% respectively – outcomes for these elections will largely hinge upon voter turnout. Meanwhile, a potential wildcard has recently emerged in the formation of the uMkhonto we Sizwe (MK) political party by former President Jacob Zuma. The disgraced former ANC leader created his party late last year in an attempt to disturb ANC electoral plans and reposition himself within the political landscape of the country.

Voter Apathy

As of March 18, more than 27.7 million South Africans are registered to vote, which is just over a third of the total population of roughly 60.5 million. A high voter turnout is unlikely, mostly due to widespread disenchantment with the country's trajectory and lack of trust in politicians and political parties. If the ANC fails to sufficiently enthruse its voter base this cycle, particularly in key issue areas of national economic stability and job growth, the dominant party risks seeing voting figures dwindle significantly.

Divergent Policy Priorities

Under Ramaphosa, the ANC seeks to continue delivering on its [Manifesto](#) to confront a range of national issues, including tackling widespread unemployment, reducing costs of living, and ensuring strong democratic governance. As the major opposition force to the ANC's agenda, the DA's [2024 Manifesto](#) operates largely on a "rescue plan" for the country that advances job creation policy solutions and frames [Broad-Based Black Economic Empowerment Act](#) (B-BBEE) policies as flawed toward national economic development. Meanwhile, in its [2024 Manifesto](#), the EFF cites policy achievements on issues of land redistribution (e.g., restricting foreign land ownership) and strengthening the B-BBEE framework.

Upcoming Milestones

Election Day

A key period to watch is around May 29, voting day, with voter turnout the key to gauging the likely results of the elections. The ANC is still the dominant force, but political operators are likely to engage in coalition talks as trends become clearer as results trickle in immediately following the closing of polls.

Business Outlook

Should the ANC lose its majority, a series of possible scenarios involving coalition building could shift the country's policy and regulatory environment. The shape of this shift would likely be determined by the extent to which the ANC falls short of the majority threshold.

Snapshot

India, the world's largest democracy, will hold general elections between April 19 – June 1 with the results to be announced on June 4. A month out, the ruling Bharatiya Janata Party (BJP) and the Indian National Congress (Congress), the major opposition, have finalized alliances and “prickly” seat-sharing arrangements with respective coalition partners. Now, a nation of over 1.4 billion braces for a frenzied few weeks of campaigning. Prime Minister Narendra Modi's BJP is widely predicted to be the winner, but the margin matters. The Congress-led INDIA coalition is putting up a united front in some states. India's recent Supreme Court decision to eliminate anonymous political donations known as electoral bonds has given new ammunition to the opposition and injected some spirit into the fight.

Key Issues

Development

The BJP is rallying around the Indian economy's robust performance, promising continued all-around development under its “Viksit Bharat” (Developed India) slogan. The government is capitalizing on India remaining the world's fastest-growing major economy, with projected Q1 2024 growth of 7.6%, despite high inequality. The BJP is promising a “Developed India” by 2047, the 100th anniversary of India's independence, which forecasts the country's emergence as a world leader, a campaign theme that has captured the electorate's imagination. While the opposition's strategy is to highlight the lack of employment opportunities and growing inequality, but their solutions are far from obvious.

Social Security

As unemployment and inadequate wages remain critical issues, all political parties are prioritizing social security. Congress's platform accords a heavy focus on employment guarantees, increasing national wages, social security for unorganized workers, and promises to fill almost 3 million government vacancies. Riding on Mr Modi's personal brand, the BJP introduced “Modi ki Guarantee” or “Modi's guarantee” – a set of welfare programs – in the recently concluded state elections, which will likely be extended to the general elections. The BJP will campaign on welfare schemes for financial inclusion, health insurance, free food grain, monthly fund transfers to farmers, and other government subsidies.

Transparency

Allegations of corruption and cronyism are, once again, in the spotlight. While the BJP continues to highlight Congress's inability to drive out corruption during previous administrations, opposition parties are capitalizing on the recent Supreme Court ruling that struck down an electoral bonds program introduced by the BJP in 2017. They allege the scheme was used to capture the lion's share of private sector financing in lieu of trading support for lucrative government contracts. Publicly-available data on the electoral bonds has put the BJP on the defensive and buoyed the opposition.

Upcoming Milestones

BJP Election Platform

The BJP's election platform outlining social and economic priorities will be unveiled later this March. Over its previous two terms, the BJP fulfilled its most significant commitments, removing the semi-autonomy granted to the Muslim-majority state of Jammu and Kashmir (under Article 370 of the Indian constitution) and construction of a Hindu temple in Ayodhya, Uttar Pradesh on the site of a razed 16th century mosque. The BJP's platform will, therefore, offer clarity on the potential new government's short-term agenda and five-year term.

New Government

After the results are announced, the new government will be formed before June 16 – the last day of the current parliament's term.

Business Outlook

Modi's return would signal policy stability and economic growth. The government would continue to focus on infrastructure development, domestic manufacturing through the “Make in India” program, and industrial subsidies in strategic sectors. The BJP's interim budget in February 2024 showed fiscal discipline despite significant spending on infrastructure development. In a third term, some business circles believe Modi will undertake difficult reforms and pay further attention to India's integration into global supply chains through additional bilateral trade agreements. Foreign businesses will be watching to see if a Modi administration can manage economic nationalist voices in its base and maintain a level playing field.

ABOUT US

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