

MNI POLITICAL RISK ANALYSIS – Week Ahead

September 21-27

by Tom Lake

All timings subject to change.

Monday 21 September:

- **Italy:** Voting period ends for elections to seven of Italy's regional parliaments. The centre-left Democratic Party is fending off challenges from a coalition of centre-right and right-wing parties in four of the seven regions and is expected to lose control of several regional governments. Observers will be keen to see the reaction of the PD leadership at the national level should the party lose in key strongholds such as Tuscany and the Marches. At the same time voting ends in a nationwide constitutional referendum that asks voters whether the number of parliamentarians in the Chamber of Deputies and Senate should be reduced. Opinion polls point towards a comfortable majority of voters in favour of a reduction. Exit polls set to be released at 1500CET (1400BST, 0900ET) when polling stations close.
- **European Union:** Commission President Ursula von der Leyen to meet with Parliament President David Sassoli and German Chancellor Angela Merkel in her role as chair of the rotating Presidency of the Council, via videoconference, to discuss the ongoing negotiations over the multiannual financial framework and its associated COVID-19 recovery package.
- **United States:** Senate Majority Leader Mitch McConnell (R-KY) holds a leadership meeting at the Capitol before a conference lunch on Tuesday with Senate Republicans. McConnell is seeking to ensure a Republican nomination for the empty seat on the Supreme Court bench following the death of liberal justice Ruth Bader-Ginsburg over the weekend aged 87. An announcement for a potential replacement could come as soon as Tuesday.
- **United States:** On the campaign trail, President Trump delivers speeches in Dayton and Swanton in the swing state of Ohio. Holds interview with Fox and Friends at 0800ET (1300BST, 1400CET). Democratic nominee Joe Biden to speak in Manitowoc, WI.
- **Japan:** Public holiday to celebrate Respect for the Aged Day.

Tuesday 22 September:

- **G20:** Trade ministers from the G20 nations due to meet via videoconference to discuss the resumption of economic activity amidst the COVID-19 pandemic. Ministers will also discuss potential ways of reforming the World Trade Organisation as national leaders decides on the body's next director general.
- **United Kingdom:** Final day of the 'committee stage' debate in the House of Commons over the controversial UK Internal Market bill. The bill is likely to pass to the report stage consideration and a third reading, especially after the government relented and offered support for an amendment to Conservative rebels that would give parliament a role in deciding whether the UK would break international law in

overriding the Brexit Withdrawal Agreement. The UKIM bill is likely to face a much tougher route in passing through the House of Lords, where the government does not hold a majority.

- **United Nations:** World leaders to convene virtually for the 75th session of the United Nations General Assembly. General debate, in which national leaders address the assembly, continues through to September 29. A debate will take place on September 23 for leaders to discuss responses to the COVID-19 pandemic.
- **United States:** President Trump delivers campaign speech in Pittsburgh, PA. Democratic vice-presidential nominee Kamala Harris to visit Detroit and Flint in the swing state of Michigan.

Wednesday 23 September:

- **European Union:** European Commission leaders are set to unveil a new 'Asylum and Migration Pact' that will replace the Dublin Regulations. Under the much-maligned regulations, the EU nation that a migrant first arrives in on their path of migration must be the one to handle the individual's asylum claim. This has led to countries such as Greece and Italy saying that they are bearing the brunt of migrant crises with other states doing little to help. The new pact is set to try to spread the burden across the bloc, but Home Affairs Commissioner Ylva Johansson acknowledged getting EU-wide support for a new plan will be difficult.
- **United States:** Chairman of the Federal Reserve Jerome Powell and US Treasury Secretary Steve Mnuchin to appear before the House Select Subcommittee on the Coronavirus Crisis. Representatives are set to quiz both men on the responses from the US Treasury and the Fed to the COVID-19 crisis, the job market, the need for additional stimulus and economic inequality in the US exacerbated by COVID-19.

Thursday 24 September:

- **European Union:** Special European Council summit to take place in Brussels. There are two main areas of focus, the first being 'single market, industrial policy and digital transformation', and the second being foreign relations with a particular focus on Turkey and China. The former issues relate largely to plans for engendering a recovery from the COVID-19 pandemic and the planned multiannual financial framework. On foreign policy, a number of EU member states are keen to formalise a response to Turkey following an escalation in tensions in the Eastern Mediterranean, while EU leaders will also discuss relations with China following the videoconference between Council President Charles Michel, Commission President Ursula von der Leyen, and German Chancellor Angela Merkel (in her role as chair of the European Council presidency) and Chinese President Xi Jinping on September 14.
- **United States:** President Trump delivers campaign speech in Jacksonville, FL.
- **South Africa:** Public holiday to celebrate Heritage Day.

Friday 25 September:

- **Global:** Annual World Health Summit to take place in Berlin, Germany as well as via videolink. Major topic of discussion likely to be combating the COVID-19 outbreak, but also in other areas influencing health policies such as big data, sustainability, and digital innovation. Speakers include WHO Director-General Dr Tedros Adhanom

Ghebreyesus, Director of the European Centre for Disease Prevention and Control
Dr Andrea Ammon, and Global President of Pfizer Vaccines Nanette Cocero.
Continues through to September 27.

Sunday 27 September:

- **Switzerland:** Several referendums due to be voted on, with the primary focus on the “for moderate immigration (limitation initiative)” referendum. This popular initiative seeks to end the free movement of persons between Switzerland and the EU, in place since 1999. At present Swiss citizens have the right to work and live in the EU and vice versa, with professional qualifications recognised and non-Swiss citizens allowed to buy property and be eligible for social insurance benefits. If the initiative is approved the agreement with the EU would be terminated within 12 months. Most political parties oppose the initiative, except Switzerland’s largest party, the right-wing nationalist Swiss People’s Party. Latest opinion poll on September 18 shows 64% opposed to ending free movement with the EU, with 36% in favour. Should the pro-restriction initiative unexpectedly pass it would lead to a major shift in political and economic relations between Switzerland and the EU.
- **Japan:** Junior partner to the governing Liberal Democratic Party, Komeito will hold its annual party convention. Natsuo Yamaguchi set to be formally reappointed as party leader for a seventh consecutive term having won the leadership contest last week running unopposed. Party expected to discuss policy objectives and strategy ahead of next year’s election to the House of Representatives and the Tokyo Metropolitan Assembly.
- **Romania:** Local elections take place after being delayed from June due to COVID-19. Governing centre-right Romanian Liberal Party performing well in the few polls carried out.

Rolling Risks

- **Global:** The spread of the 2019-nCoV, commonly known as ‘Coronavirus’ or COVID-19 is the main story gaining political attention around the world at present. Starting in the Chinese city of Wuhan, the disease has reached 213 countries or territories, with 31,079,041 confirmed cases causing 961,066 fatalities according to the Center for Systems Science and Engineering at John Hopkins University as of September 21. Travel bans and movement lockdowns have been in place in most countries, with some unwinding these measures as the peak of the virus passes while other reimpose restrictions. The pace of the unwinding of these measures differs significantly country-to-country depending on how effective each has been in suppressing the spread of the virus, with some notable centres of outbreak such as the US, India, and Brazil.
- **United States Presidential Election:** The most important democratic election in the world takes place on November 3, with incumbent Republican President Donald Trump facing off against Democratic Party nominee, former Vice-President Joe Biden. The election has been billed as the most significant in a generation, with a plethora of economic and social issues at stake, both domestically and around the world. Biden remains the favourite in betting markets and in opinion polls to take the White House, but Trump managed a come-from-behind victory against Hillary Clinton

in 2016, and his idiosyncratic campaigning and governing style makes any prediction fraught with danger. As the election approaches we are likely to see political, and even social, tension spike. This is especially notable given the already-febrile social atmosphere in many US cities in recent weeks and months following a series of protests and riots related to the Black Lives Matter movement.

- **Global Protest/Political Violence:** Widespread civil unrest broke out in the United States in the first week of June following the death of African-American George Floyd in police custody in Minneapolis, MN in late May. More than 75 cities saw protests against police brutality, with curfews brought in in 40 cities after widespread rioting and looting. Protest movements spread to a number of other Western nations, including the UK and France. The protests and civil unrest have widened into a more general movement seeking to change what protesters say is a racist and unequal society in many Western states. This has spurred a reassessment of monuments in many Western cities, with opponents saying they glorify racist individuals, while defenders argue a nation's history should not be erased due to an individual's views or actions at another point in time. In Hong Kong, there is an increased risk of mass protests and an escalation in street violence in the wake of Beijing's imposition of a new national security law, which opponents say violates the 'one country, two systems' political environment enshrined in the Sino-British Joint Declaration.
- **India-China:** Tensions between the world's two most populous nations reached their highest level in decades on June 15 when a skirmish in the disputed Galwan Valley, a remote Himalayan area along the Line of Actual Control (LAC), left 20 Indian and an unconfirmed number of Chinese troops dead. No guns are permitted by either side along the LAC, meaning the skirmish involved brutal hand-to-hand combat. Both sides have blamed the other for the escalation, the first deaths along the border in over 40 years. The LAC between the two sides is not officially demarcated, making the establishment of control difficult. Both sides have sought to de-escalate the situation in recent weeks, but there remains the prospect of more frequent skirmishes in the region with neither side willing to back down. The two sides agreed to disengage troops at the border following talks between the countries' foreign ministers on September 10.
- **Trade War:** The spread of COVID-19 has seen a number of governments around the world issue strong criticism of the Chinese government for its perceived inaction in effectively containing the initial outbreak of the virus. This in turn could see trade relations worsen substantially if any tariffs or sanctions are imposed on China as a punishment. The state of relations between China and many western economies has deteriorated further following Beijing's decision to implement a new national security law on Hong Kong. Critics have argued the new law threatens Hong Kong's 'one country, two systems' political environment.
- **Brexit:** The UK and EU remain in the process of attempting to reach a deal on a free trade agreement that will come into force at the end of 2020 to avoid the UK leaving the 'transition period', in which it is part of the EU's single market and customs union, without a deal. UK Prime Minister Boris Johnson announced on September 7 that a

deal would have to be reached by the European Council summit on October 15, and if there was not a deal on the table then both sides should halt talks in order to prepare for moving to WTO terms. The talks are at risk of breaking down entirely following the publication of the UK Internal Market Bill, which the UK government acknowledges could result in the UK breaching international law.