

# MARKET SIGHT LINES



## The 2024 Global Election Supercycle: Implications for the U.S. Elections

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As we've discussed before, we're experiencing a global election supercycle in 2024, with about 40% of the world's population going to the polls. Some results are in, and we're seeing a pattern of meaningful shifts in power, some possibly affecting our relations with various countries and regions. In this week's Sight|Lines, we share a brief update on some elections around the world and discuss how these results may affect our internal relations, as well as potential implications for our U.S. elections later this year.

### **THE TAKEAWAY: POWER SHIFTS AROUND THE WORLD FORETELL THE POTENTIAL FOR CHANGE HERE IN THE U.S.**

Each election around the world is being influenced by a complex set of issues and circumstances, but some patterns emerge as the results roll in. In summary:

- In Mexico, Claudia Sheinbaum was elected by a wide margin to become the first female president there.
- Sheinbaum won with the support of President Andres Manuel Lopez Obrador – AMLO, as he's commonly known – and her promise to continue the *Fourth Transformation*.
- Mexico will continue to cooperate with the U.S. to strengthen border enforcement, in turn capitalizing on nearshoring efforts by U.S. companies.
- In India, Prime Minister Modi won a third term, but his party lost its parliamentary majority, as high unemployment and inequality remain key issues.
- In the European Union (EU), the center held seats, the far-right gained seats, and the more progressive candidates lost seats, as migration and the cost of climate change influenced voters.

## **IN-DEPTH: MEANINGFUL POWER SHIFTS AROUND THE WORLD MAY INFLUENCE U.S. INTERNATIONAL RELATIONS AND FORETELL CHANGE TRIGGERED BY U.S. ELECTIONS**

Each election around the world is being influenced by a complex set of issues and circumstances, but some patterns emerge as the results roll in. We're seeing major power shifts in both directions, left and right, yet with a common focus on economic opportunity and protectionism. Going deeper:

- Mexico elected its first female president, a left-leaning candidate favoring government development:
  - Claudia Sheinbaum won by a 30% margin with the support of President AMLO.
  - She plans to continue the *Fourth Transformation*, AMLO's ambitious agenda to transform Mexico's political, economic, and social landscape with a focus on corruption, social programs, national economic development, security reforms, and energy sovereignty.
  - Sheinbaum will continue to cooperate with the U.S. to strengthen border enforcement.
  - Many U.S. companies are "nearshoring" supply chain and production to Mexico, an economic benefit supported by Sheinbaum.
- India's voters reelected Prime Minister Modi for a third term, but his party lost its majority:
  - Modi's party, the right-wing Bharatiya Janata Party (BJP), emphasizing Hindu nationalism, economic liberalism, and national defense, lost its parliamentary majority.
  - Despite India's progress, high unemployment and inequality have sown discontent.
- In the EU, we've seen a shift to the right, with the center holding seats, the far-right gaining seats, and the more progressive candidates losing seats.
  - EU voters have expressed concern over migration and the cost of climate change.
  - Notably, France will hold snap elections after President Emmanuel Macron's centrist party underperformed versus the far-right in the elections to the European Parliament.
- Some thoughts on the U.S. elections:
  - The races for the presidency, House, and Senate each appear "too close to call."
  - The two main parties remain highly polarized and polarizing, each stoking emotion on extreme issues like immigration, reproductive rights, and climate change.
  - The lesson from other global elections: Chances are high that we see a meaningful power shift in the U.S. as voters respond to these more contentious issues.

### **CONCLUSION**

We're in a global election supercycle in 2024, with about 40% of the world's population going to the polls. As we parse the results, we're seeing a pattern of meaningful shifts in power as voters respond positively and negatively to various issues. While the U.S. elections appear "too close to call," the lesson from around the world is that there is a possibility of a U.S. power shift in one direction or the other.

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