

THE WORLD

# REWired

ANALYSING THE BUSINESS IMPACT  
OF THE 2024 GLOBAL ELECTIONS

SPRING 2024



The EU: A State  
of Flux.

Bucking the Global Trend:  
Britain's Power Shift.

Ireland: The Slow  
Bicycle Race.

America 2024: The  
world is watching.

# FROM THE EDITOR



Countries with around half the world's population are going to the polls in 2024. More people are voting this year than in any other in history. 'The Year of Elections' is already everyone's phrase of the moment – but what does it mean? And what actually matters for businesses as these contests go down to the wire?

There are a series of overlapping risks that are difficult to predict and plan for. This year's Davos summit was dominated by leaders talking about the unique challenges that 2024 presents, from the potential impact of AI on election integrity and fears of decaying democracy to intensifying regional conflicts and disrupted supply chains.

These issues all matter. But elections are not solely determined by what global leaders think – they are decided by the people. The pressures their voters are facing - and their response to events – can push new issues to the fore, impacting election results and the policy agendas that follow them.

This year's elections also do not exist in isolation. Politicians in different markets are watching closely to see what issues they can adapt from others to seal the deal with their own electorates.

Companies have a lot to sift through as they track threats and opportunities and at a time in which they are trying to rewire their strategies for the long-term. The most resilient businesses are those that understand where they are exposed and can adapt to changes that these moments bring. That could be a Known Unknown already driving the political conversation, or an Unknown Unknown that will erupt during a campaign.

This collection of short essays looks ahead to these challenges, both in specific markets like the EU and UK and in areas impacting them all, such as technology and sustainability. It includes contributions from Hanover policy experts focused on fast-changing regulatory landscapes, and advisors who have been at the centre of some of most high-profile elections of recent years.

We hope you find their insights useful as you prepare your business for this historic year.

**Joe Derry-Malone**  
Managing Director, Advocacy  
Hanover Communications





# THE EU: A STATE OF FLUX.

BY BRIAN HAYES  
SENIOR ADVISER, HANOVER



From the United States and Mexico to the UK and India – 2024 is undoubtedly the year of major elections. Closer to home on 5th June, the European Union goes to the polls to elect a new European Parliament. This is on top of at least two national elections in the first half of 2024, Portugal and Belgium, and at least another six in the second half of 2024. So, expect a lot of campaigning, electioneering and quite a few promises as we go through the year.

For those MEPs standing again – it will be their date with destiny. Elsewhere, expect significant MEP turnover. Last time in the 2019 EP elections, one third of all MEPs were new to Parliament. That’s likely to grow this year. And while there is an expectation that Commission President Ursula von Der Leyen will seek a second term, businesses should expect significant Commissioner and Commission staff turnover across briefs that cover their policy and regulatory issues. In 2019, two thirds of the Commissioners were replaced by their respective member state.

The EP election is every five years, and it is one of the biggest parliamentary assemblies in the world, electing no fewer than 720 members. That’s up from 705 seats in the last parliament – 12 member states see their seat allocation increase going into the June elections. And because the EP is directly elected - the only institution in the EU that is - the outcome this June is critical for trying to understand the state of public opinion within the 27-member state bloc.

Whoever is elected to the next European Parliament will be joining a Parliament that is now a big player in terms of the formation of EU legislation. Both the Commission and the European Council constantly look to the EP for allies. The Parliament is no longer a talking shop. It doesn’t get everything it wants, but it has become a more equal partner with the Council over the past 20 years especially when it comes to setting regulations and directives.



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**SPEAKING TO MEPS YOU GET A SENSE THAT THE LAST FIVE YEARS WERE COMPLETELY UNPREDICTABLE.**





Even on areas like regulatory technical standards, the Parliament can make life very difficult for EU Regulation or Supervisory Bodies. It's interesting that the European Central Bank now sees the Parliament as its main vehicle for accountability to EU citizens.

And while many, both inside and outside of the EU, don't fully understand the way in which EU co-decision making takes place, one thing is certain. The Parliament will continue to flex its muscles and maximise its influence in the new mandate post June 2024.

Current polling suggests that the EP's biggest political group, the European People's Party (EPP), will remain the largest grouping with the S&D group (Social Democrats) coming second. It is likely that both groups will lose some seats and will, with the Renew Group (liberals), form a working pro-EU majority. At this stage, it looks like the ECR group – comprising more euro sceptic MEPs – will gain seats and that the Greens, the big winners in 2019, will be under pressure. Given the expected shift in the EP towards the right and more conservative political positions, it will be fascinating to see the impact of this shift on plenary and committee votes going forward.

Speaking to MEPs, you get a sense that the last five years were completely unpredictable. From the Covid pandemic to the war in Ukraine and a final settlement of Brexit – much of the agenda has been set by forces outside the EU. And while the EU will always respond to the world and its immediate neighbourhood, even at this juncture, the next five years will see a strong focus on building up European infrastructure and markets.

Doing more trade deals is critical to the EU but a much stronger focus on building up EU autonomy and platforms – what is referred to as the “open strategic autonomy” – will be critical in understanding what might happen next. Growing EU manufacturing, becoming less dependent on China, unlocking EU defence spending and building capacity on new EU clean energy – these themes will shape future policy choices and will be centre stage in the next Parliament.

Just look at the appointment of two former Italian prime ministers by the European Council last year to produce two seminal reports - Mario Draghi on the EU competitiveness agenda and Enrico Letta on internal market reforms. These set out important signposts on potential new priorities for the next Commission and Parliament. After 30 years of the internal market, arguably the greatest EU achievement, there is much more to do in breaking down barriers and improving competitiveness.

So, businesses should expect to see lots of new faces across Brussels and Strasbourg as we go through 2024. And while fixed term parliaments do bring politicians certainty on the length of their mandate, they always bring change the other side of the election. Trying to understand the shifting political sands is critical to our understanding of what might happen next. Something that has been in very short supply since the pandemic in 2020.

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# BUCKING THE GLOBAL TREND: BRITAIN'S POWER SHIFT.

BY SIR DAVID HANSON  
SENIOR ADVISER, HANOVER

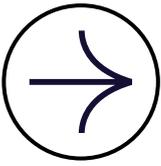


The British public may have been exhausted by so much political change over the past ten years. But politics is not done with British voters, and this year's election - expected probably in the autumn - should not be overlooked in a year busy with elections globally.

The UK poll will be the first to take place post-Brexit and post-pandemic and it brings with it a high likelihood of a change of party in power - from Conservative to Labour - which would open up all kinds of opportunities for the UK and those considering investing in it.

If Labour wins (the polls say this is likely but the task remains huge), the party is committed to an active industrial strategy with a shift to clean and green energy at its heart. While industries should not expect huge subsidies, they have been looking to the US and the Inflation Reduction Act as a model for their Green Prosperity Plan.

Even now the plan has been watered down for the election, the party will remain keen on active collaboration with US and EU green spending plans which could benefit UK businesses.



## **Security is a key theme, which for those with a historical perspective has echoes of Labour's famous victory in 1945.**

The party talks of securonomics: a challenge to the consensus of globalisation with a progressive bent. Security is a key theme, which for those with a historical perspective has echoes of Labour's famous victory in 1945.

The task facing an incoming Labour government will be huge, reconstruction of a nation after the pandemic, Brexit, years of public service decline and low growth. A centre-left government taking on these challenges could be in sharp contrast to parts of Europe and the US, where nations are drifting rightwards.

Labour's electoral offer is however realistic, based on an acknowledgment that huge promises don't land well with a jaded and disillusioned public. But its longer-term missions and plans like the GPP indicate greater ambition.

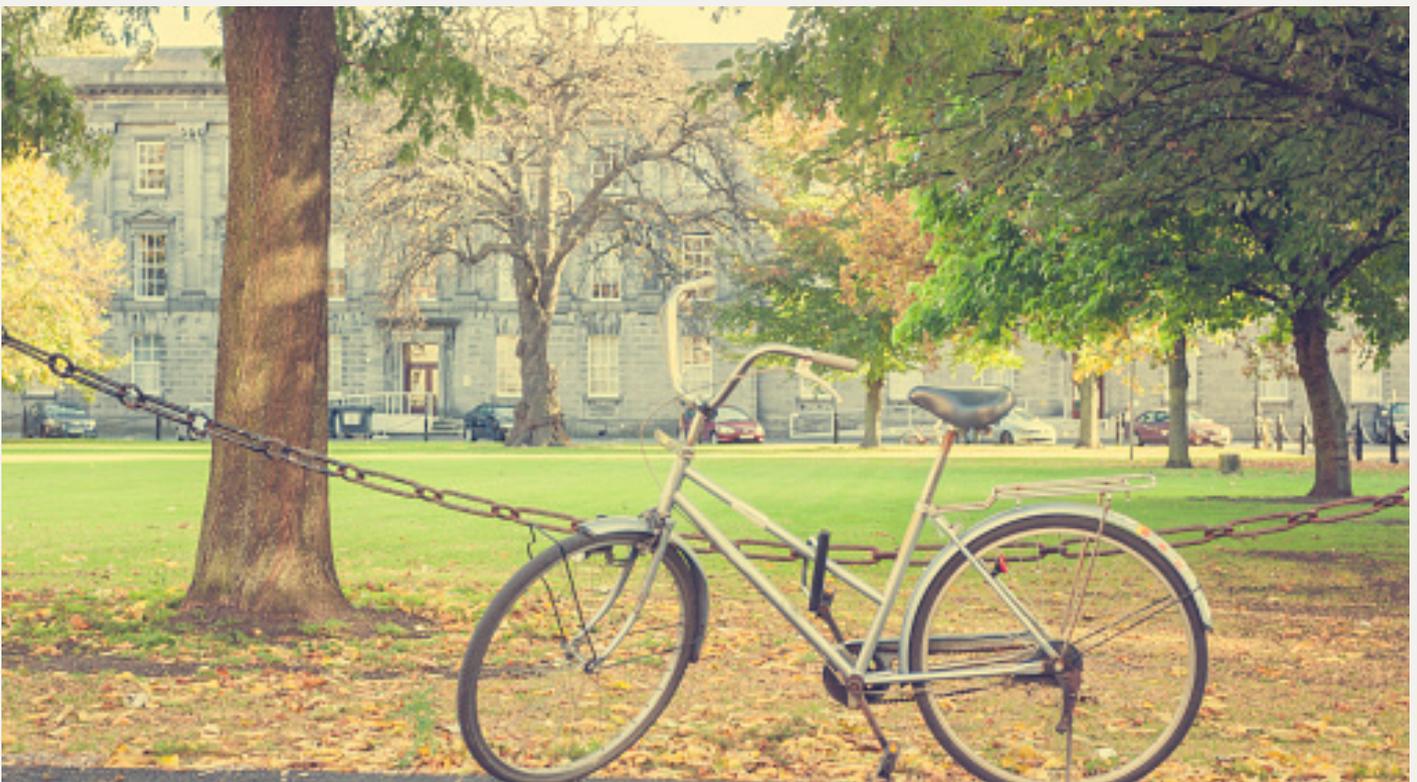
**Sir David Hanson is a senior adviser to Hanover. He is a former Labour minister and former UK Member of Parliament.**



# IRELAND: THE SLOW BICYCLE RACE.



THE CRYSTAL BALL GAZING IS WELL AND TRULY UNDERWAY IN IRELAND, AS SPECULATION AROUND THE POTENTIAL DATE OF THE NEXT GENERAL ELECTION REACHES FEVER PITCH.



**BY MARY HARNEY**  
**SENIOR ADVISER, HANOVER**

# Polls have highlighted housing, health and, increasingly, immigration as key issues with the public.



The political earthquake caused by Taoiseach Leo Varadkar's resignation has accelerated speculation of the timing of an Irish general election. At just 37, Simon Harris has been elected as the youngest ever Taoiseach and he will immediately seek to assert his own style of leadership.

Constitutionally, the next national election must be held before mid-March 2025, but the expectation is the European elections in June could trigger an earlier polling day.

If sitting TDs become MEPs, by-elections must be held within six months. While not all candidates have been selected, some sitting TDs / Senators will be on the European ballot paper, meaning vacancies will likely arise in the Oireachtas. The local elections, also in June, could be another barometer of likely trends at national level – notwithstanding the fact that it was much less so on the last occasion.

Sitting Irish governments have a poor track record in by elections, and latest polling data for Fine Gael, Fianna Fáil and the Greens give little reason for complacency on their part, even if support for left-leaning opposition party Sinn Féin appears to soften.

Every election sees a level of natural attrition, and the upcoming general election will be no different as a number of sitting TDs, mainly on the government side, have declared their intentions to step aside.

While there is a generational shift at play in some departures, a number of younger representatives have also ruled themselves out for personal reasons. Departures of sitting TDs will be seized as opportunities for other parties. So far Fine Gael and Labour appear to be the most vulnerable in this regard but it's still early days.

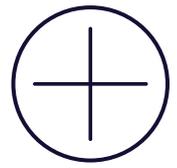
While the ultimate power to call the election will sit with incoming Taoiseach Simon Harris, Fianna Fáil and the Greens will also be interesting to watch as each party continues to assess the way the wind is blowing for them. Polls have highlighted housing, health and, increasingly, immigration as key issues with the public.

Government parties will focus on the degree to which progress on these can be made before the election. With every chance of a hung parliament and protracted negotiations on government formation, businesses need to be engaging on policy across the political aisle to protect and enhance their reputation.

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# AMERICA 2024: THE WORLD IS WATCHING.



BY LARRY SMITH  
DIRECTOR, HANOVER



## **Of all the planets in this year's constellation of elections, none looms larger than the US presidential contest.**

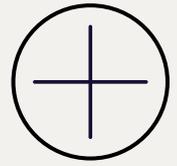
And none has more potential to roil other markets around the world, with a second Trump term posing risks for security, supply chains, climate – even the fate of democracy itself.

But the American people may have other thoughts on the matter. While the rest of the world regards a rematch between Donald Trump and Joe Biden as a defining moment in world history, many US voters have greeted the prospect with something more like deep irritation. Polls show widespread frustration with a rematch between two men many voters regard as too old for the job. They also show traditional domestic concerns – migration over the US-Mexico border, the deteriorating state of abortion rights, and the performance of the economy – motivating large parts of the population.

Yet the world has a habit of intruding on the American public in election years. Jimmy Carter's prospects of re-election in 1979 were killed off by a failed attempt to rescue hostages in Iran. A videotape of Osama Bin Laden in the late stages of the 2004 election is thought to have helped George W Bush defeat John Kerry. Trump himself arguably lost in 2020 by bungling the spread of Covid into the US. Might we see a similar Black Swan this time around?

Some global issues have already inserted themselves into the domestic conversation. This is most true of the war in Gaza, which threatens to undercut Biden's chances with key Democratic voting blocs such as young voters. Whether such issues have the power to determine the result of the election will depend on the power of events – but also whether they bother an American public increasingly driven by negative partnership and a desire to stop the other side from winning.

# HEALTH IN THE BALANCE.



BY EMMA GORTON, MANAGING DIRECTOR, HANOVER  
& NATHALIE GHERARDI, DIRECTOR, HANOVER



**In the run-up to the major 2024 elections, political leaders must engage with the crucial but often underemphasised issue of healthcare.**

Topics such as immigration, finance, employment, and safety traditionally dominate the voter's interest. However, the relationship between health and these concerns cannot be overstated. The reality of the health workforce crisis, with the NHS in the UK alone facing over 10,000 vacancies, has brought the sustainability of healthcare systems to the forefront of political agendas.

Countries have been caught in a bind, importing healthcare professionals to fill gaps while simultaneously bowing to demands for stringent immigration control.

This not only exacerbates healthcare delivery challenges but stirs ethical debates. Taking medical staff from countries with few resources while not solving their deep-rooted healthcare issues leads to ongoing problems with their own health sectors.

While the pandemic may seem over, it has left health systems bled dry. This is a pivotal moment for political candidates but also industries to demonstrate how they can fortify these essential services. The alarming increase in long-term illness among the EU's working population makes the case for health investment even more compelling. Long-term economic productivity and the wellbeing of populations rely on it.

Advances in AI and medical science offer new treatments and cure more disease than ever before. However, debt-laden economies are forced to ration access to cutting-edge medical innovations. The US has followed Europe and the UK in implementing cost-containment measures such as direct negotiations for selected drugs and health technology assessments. This goes against people's desire for healthcare which aligns with the latest scientific advancements.

Is modern healthcare just a cost or is it an investment for a stronger economy and a healthier society? Healthcare reform must be at the forefront of debate. We need ideas other than the usual cost-containment, and which acknowledge that healthcare is key to building a better future. This is why healthcare industries are pivotal. They spread knowledge and awareness, as well as drive innovation through sustained investments. It is therefore vital that they, along with future decision makers, work as partners to address those challenges and develop disruptive solutions.

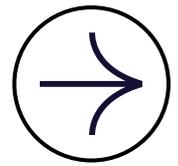
SUSTAINABILITY

# ECO-AGENDAS AND POLITICAL CLIMATES.

BY SABRINE SKIKER, DIRECTOR, HANOVER  
LARRY SMITH, DIRECTOR, HANOVER



# There is one known unknown that may keep global warming top of everyone's minds: the weather.



At first glance, the fault lines on sustainability in forthcoming elections are clear. Those on the political left will campaign to go further in hitting net zero targets, citing the growing prominence of climate concerns for voters. Those on the political right will seize on the cost to consumers that comes with ambitious measures, pointing to recent controversy over clean air policies in the UK and the backlash against the ban on oil and gas boilers in Germany.

But voters may have other things on their mind beyond the price tag of green investment plans or the future of fossil fuels. Britain's election in 2017 saw politicians ambushed by social media pressure for action on animal sentience. Dutch politics was last year rocked by a backlash against measures to reduce livestock numbers and buy out private farms.

Emmanuel Macron had to contend with fallout from the Gilets Jaune protests over fuel taxation as he prepared for re-election in 2022. Will businesses focused on energy and climate challenges have to contend with other unexpected turns in the political debate?

Politicians appear more prepared – and in some cases ready to lead rather than follow climate and environment concerns. Britain's third party, the Liberal Democrats, are hoping to capitalise on popular anger over deteriorating water quality as they look to topple the ruling Conservatives in the South of England.

Some EU politicians are trying to square the circle to push for an Industrial Green Deal, keeping both competitiveness and green policies at the forefront.

In the US, congressional Republicans have again shown interest in the reforestation agenda, a cause President Trump championed in 2020 in a bid to soften views of his climate policies.

However, there is one Known Unknown that may keep global warming top of everyone's minds: the weather. Extreme climate events have arguably helped change the course of elections for years now – with Hurricane Sandy giving Barack Obama a late assist in 2012, and wildfires and flooding in Australia contributing to Scott Morrison's defeat in Australia in 2022. Politicians, voters and businesses may find their best-laid plans blown away as global temperature rises intrude more into their daily lives.

# THE RIPPLE EFFECTS ON GLOBAL TECH.

BY CLAUDIA LA DONNA, MANAGING DIRECTOR, HANOVER  
& CONOR GOULDSBURY, ASSOCIATE DIRECTOR, HANOVER



With 2024 shaping up to be a showstopper in political terms as voters go to the polls, policymakers are focused on digitalisation and how technology is set to shape the electoral landscape.

The outcome of those elections - at the European level, in the UK, and the United States - will shape the business environment for digital innovation and inform the uptake of new technologies in the near term.

Will companies need to take account of greater international alignment on regulation of complex technology policy questions, or further divergence in approaches between Europe and the US, and within Europe, between the EU and the UK?

Similarly, for businesses operating in the EU - can the continent truly lead in areas of technology? Europe's ambition is to remain a trendsetter when it comes to digitalisation and tech regulation in the coming years. The drives towards open strategic autonomy and tech sovereignty are expected to remain high on the political agenda.

A greater focus on investments in homegrown technologies, bolstering cybersecurity, and enacting policies to protect data and foster innovation are also anticipated, with the goal of strengthening Europe's digital economy and geopolitical influence.



## **The EU AI Act enters into force. However, many important questions remain for legislators on AI.**

As the current EU institutional cycle concludes, discrete signals are emerging that reveal the likely direction of travel under the next mandate. Business should expect consolidation of previous legislation in the tech space and increased regulatory scrutiny of AI, including a greater focus on ethical standards, transparency, and accountability in the use of generative AI.

The EU's AI Act – the first of its kind – is due to be formally adopted soon. However, many important questions remain for legislators, businesses and other actors. Can hard law on generative AI be expected after 2024 and what's next for generative AI in the EU, UK and at global level? What advances will the UK government make on AI regulation, and, internationally, what comes after Bletchley? Will a second Trump administration throw out the AI rulebook for economic growth?

The outcome of this year of elections is likely to have a decisive bearing on these questions, on the direction of tech regulation and the speed of uptake of new technologies for the coming decade.



# CONTRIBUTORS

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Joe leads Hanover's UK Advocacy team. He has over a decade of experience in political consultancy and provides strategic advice to public affairs clients in the energy, financial services and tech sectors, as well as leading major integrated campaign work for businesses in highly regulated sectors. Joe previously ran Hanover's Energy and Infrastructure team, during which time he led the growth of the portfolio and advised clients on their engagement around sustainability issues.

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Larry provides strategic oversight of projects for Hanover's energy and industry clients, drawing on over a decade's experience in agency and politics. For over five years he led Hanover's public affairs work with Tata Steel, helping the business through several high-profile policy and media challenges. He has also acted as strategic counsel to clients across the Group on Labour, briefing executives on its priorities for business and approaches to engaging the party.



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