



Russia invaded Ukraine. Vladimir Putin's excuse for this unprovoked act of aggression was that he wanted to "de-Nazify" the country, a democracy with a Jewish president, Volodymyr Zelensky. The invasion, which Mr Putin thought would end in a quick and easy victory, proved spectacularly incompetent.

Russia failed to take **Kyiv**, the Ukrainian capital. Its vehicles and kit broke down. Ukrainians fought hard, picking off Russian fuel and ammunition supplies and pushing the invaders back. America and Europe supplied Ukraine with weapons, cash and intelligence. Russia shelled civilians, tortured captives, kidnapped children and made thinly veiled threats to use nuclear weapons.

In the bleak midwinter

Some 7.8m **refugees** fled from Ukraine; another 7m were internally displaced. America estimated that 100,000 troops on each side had died or been injured in the war and 40,000 civilians had been killed.

As the year ended, Ukrainians had **recaptured** much of the territory Russia had stolen. But Mr Putin **drafted** hundreds of thousands more troops and bombed Ukrainian electricity infrastructure, hoping to freeze civilians over the winter. Ukrainian generals predicted that Russia would launch a big new offensive in early 2023.

Hundreds of thousands of young men left Russia to avoid the draft. Even as a **mercenary group** led by a pal of Mr Putin scours Russian prisons for

new recruits to send to the front, Russians are still banned from calling the war a war.

The West imposed **sanctions**, barring Russia's banks from SWIFT, a global payments system, freezing many of its foreign assets and banning the sale to it of high-tech components. Hundreds of companies pulled out of Russia, including Apple, BP, Ford and Shell. Russian planes were banned from Western airports. Some wealthy Russians faced sanctions, too. Roman Abramovich gave up his ownership of Chelsea football club.

The war caused **energy prices** to soar. Oil rose to nearly \$140 a barrel before falling again. Mr Putin cut off most gas supplies to Europe, where governments scrambled to secure new supplies and subsidise household heating bills. Investment in alternative energy rose.

The prices of wheat, cooking oil and other essential **foods** rocketed as the war disrupted exports from Ukraine and Russia. The high cost of fuel and food helped spark civil unrest in over 90 countries.

Germany unveiled a new foreign policy, called the *Zeitenwende* (turning point). Chancellor Olaf Scholz vowed to raise defence spending and end the country's long dependence on Russian energy.

Finland and **Sweden** applied to join NATO to protect themselves against Russia. This was awkward for Mr Putin, whose excuses for invading Ukraine included a desire to halt the alliance's eastward expansion. If both countries join, Russia's border with NATO will have doubled. However, Turkey is holding up the applications.

And a partridge in a pear tree

For **Britain** it was the year of two monarchs, three prime ministers and four chancellors. Boris Johnson resigned, eventually, after becoming the first prime minister to receive

a criminal fine (for breaking lockdown rules). "Them's the breaks," he said. Liz Truss's tumultuous seven weeks in Number 10 saw the pound fall to a four-decade low against the dollar, government-bond yields soar and the IMF rebuke her government for its unfunded budget. "The markets will react as they will," said her chancellor, Kwasi Kwarteng, and they did. Rishi Sunak restored some calm when he took over from Ms Truss.



Queen Elizabeth II died, aged 96, after 70 years on the British throne. Some 250,000 people filed past her coffin as she lay in state. King Charles III, who has promised to follow his mother's tight-lipped approach to reigning, will be crowned on May 6th.

'Tis the season to be jolly

The **covid-19** virus became less dangerous as more people were vaccinated. Most countries loosened their restrictions, though not in time to allow the unjabbed Novak Djokovic to play in the Australian Open. A truckers' protest in **Canada** against covid mandates morphed into a movement against the government, which enforced the Emergencies Act for the first time.

Xi Jinping secured a third term as **China's** leader. His "zero-covid" policy was all but abandoned after protests against harsh lockdowns, the biggest since he came to power in 2012. Covid started to spread rapidly in China. Experts fretted that the government has failed to vaccinate old people properly. China continued to avoid the use of highly effective foreign-made vaccines.

Inflation soared to double digits in America, Britain and the euro area, prompting **central banks** to tighten monetary policy sharply. In March the Federal Reserve increased its main rate for the first time since 2018. In November the Bank of England raised its rate by the biggest amount since the 1980s. The European Central Bank lifted its from a negative -0.5% to zero, and then higher.

President **Joe Biden** signed a huge package of subsidies to promote clean energy and tackle climate change, the misleadingly named Inflation Reduction Act. America's Supreme Court overturned *Roe v Wade*, passing control of **abortion** policy back to the states. Some 13 states banned most abortions. The Democrats held on to the Senate in midterm elections, defying expectations, and only narrowly lost the House. Candidates in tight races endorsed by **Donald Trump** did especially badly. At the end of the year the House committee investigating the assault on the Capitol in 2021 recommended that Mr Trump face charges of insurrection.



The death in custody of Mahsa Amini sparked huge protests in **Iran**. Amini had been arrested by the morality police for wearing her hijab improperly, and died after being beaten. Protesters railed against the theocracy for weeks. Women burned their hijabs in public. Around 15,000 people were arrested; some were executed.

In **Sri Lanka** the spike in food prices came on top of a slump in food production caused by

▶ a ban on chemical fertilisers. The Rajapaksa brothers were blamed. Mahinda Rajapaksa resigned as prime minister amid the worst economic crisis since independence. Gotabaya Rajapaksa fled the country when a mob stormed his presidential palace.

Joyful and triumphant

Italy elected a hard-right coalition led by Giorgia Meloni of the Brothers of Italy. Ms Meloni became the country's first female prime minister. After yet another election in **Israel** Binyamin Netanyahu was set to become prime minister again, a year after he left office in disgrace. **South Korea** got a new president: Yoon Suk-yeol. Emmanuel Macron was re-elected in **France**. In **Australia** the Liberals were turfed out after nine years in charge. Ferdinand "Bongbong" Marcos, the son of a dictator, won the **Philippines'** presidential election. **Colombia** got its first-ever president from the left: Gustavo Petro, a former guerrilla fighter. William Ruto won **Kenya's** presidential election. The opposition challenged the result, though there was no repeat of the widespread killings that marred previous ballots. After years seeking the job, and time in prison, Anwar Ibrahim became **Malaysia's** prime minister.

Jair Bolsonaro lost **Brazil's** presidential election, but did not admit it. Without evidence, his party claimed the vote was rigged. The electoral authority dismissed the challenge and fined the party for wasting its time. Luiz Inácio Lula da Silva will be sworn in on January 1st. He vows to halt the destruction of the Amazon rainforest, which accelerated under Mr Bolsonaro.

Imran Khan was ousted as prime minister of **Pakistan** following a vote of no confidence in parliament. He did not go quietly. Six months later his party won most of the seats in a series of by-elections. A few weeks after that Mr Khan was shot in the leg at a rally.

God rest ye merry gentleman



Elon Musk, the founder of Tesla and SpaceX, bought **Twitter**. He sacked the CEO, the entire board and half the staff. Mr Musk said he would allow more free speech, but balked when offensive tweets proliferated and upset advertisers. In December he asked his Twitter followers if he should stay as CEO; they said no. Mr Musk ceased to be the world's richest man; Bernard Arnault, the boss of LVMH, a luxury firm, surpassed him.

Stockmarkets were battered during 2022. The shine came off **big tech** stocks. The share prices of Meta and Tesla fell by over 60%. Apple briefly reached a stockmarket value of \$3trn in January; it is now worth about \$2.1trn. The S&P 500 had its worst first half since 1970. **Cryptocurrencies** were also hammered, especial-

ly after the collapse of FTX, one of the biggest crypto exchanges, whose boss was arrested on suspicion of massive fraud. Bitcoin is down by 65%.

America limited exports to China of **chips made with American technology** and banned outright chips for use in the development of Chinese artificial intelligence. China took the dispute to the WTO.

The worst drought on record in the **Horn of Africa** pushed more than 80m people into hunger. Millions are on the brink of famine.

Ethiopia and the rebellious leaders of the northern region of Tigray agreed to end a civil war. Hundreds of thousands of civilians are thought to have died because of the conflict, mostly from hunger or disease.

Business and daily life in **South Africa** were constantly disrupted by power cuts. Eskom, the state electricity monopoly, has been so hollowed out by corruption that half of its generation capacity is regularly offline.

Abe Shinzo, a former prime minister of Japan, was assassinated. **Salman Rushdie**, a writer, was stabbed by a jihad-

ist but survived. In 1989 Iran's late ruler, Ayatollah Khomeini, had ordered Muslims to kill Mr Rushdie for writing "The Satanic Verses", a novel.

The **world's population** passed 8bn, just 12 years after it reached 7bn. Improvements in nutrition and medicine have increased humans' lifespan.

Ding-dong merrily on high



The **Oscars** ceremony was full of surprises. "Coda" became the first film released primarily over streaming to win best picture. Will Smith, an actor, slapped Chris Rock, a comic, for being rude about his wife. **Netflix** reported a dip in subscribers and introduced ads to increase revenue. The biggest box-office hit was "Top Gun: Maverick", proving that a 60-year-old actor in a leather flight jacket and shades can still pull them in.



Why 2022 mattered

Some years bring disorder, others a resolution. This one asked questions

IT WAS A year that put the world to the test. From the invasion of Ukraine to covid-19 in China, from inflation to climate change, from Sino-American tensions to pivotal elections, 2022 asked hard questions. The ordeal has not only sent the world in a new direction, but also shown it in a new light.

The biggest surprise—and the most welcome—has been the resilience of broadly liberal countries in the West. When Vladimir Putin ordered Russian troops into Ukraine on February 24th, he expected the government of a corrupt state to buckle. After a humiliating withdrawal from Afghanistan in 2021, the decadent, divided West would surely fail to match condemnation of Russia with real backing for Ukraine.

In fact Volodymyr Zelensky and his people affirmed that self-determination and liberty are worth dying for. They became an inspiration (see next leader). After an upsurge in popular support, Western governments threw their weight behind democracy's new champion. Led by the Biden administration, the West is providing arms and aid on a scale even hawks had not imagined.

At home voters also made themselves heard, siding against taboo-busting populists. In America, despite the awful approval numbers of Joe Biden, centrists used their ballots to preserve fundamental rights, including in some states the right to an abortion after the Supreme Court overturned *Roe v Wade*. In competitive races hard-core election-deniers endorsed by Donald Trump almost all lost.

In France Marine Le Pen camouflaged her far-right origins, but was still beaten by Emmanuel Macron, a centrist. After Giorgia Meloni became Italy's first far-right post-war prime minister, she leaned to the centre. Even in stumbling Britain, both Labour and the governing Conservatives are calculating that victory in elections lies away from the populist extremes of right and left.

As messy democracies show unexpected resolve, so seemingly steady autocracies have had feet of clay. Mr Putin is the prime example, doubling and redoubling his catastrophic gamble. But he is not the only one. After three months of protests following the death in custody of Mahsa Amini, who had been arrested for failing to follow the rules in wearing her hijab, the security forces in Iran have taken to shooting female protesters in the face, breasts and genitals. Now that the mullahs have forfeited the faith of their people, they have no other lever but violence.

Those who admire strong leaders for getting things done should be careful what they wish for. Xi Jinping has extended the dominance of the Chinese Communist Party, installing himself as its permanent chief and the most powerful leader since Mao Zedong. But his steps to cool the property market, rein back consumer tech and block covid did grave harm to the economy. Today, as the virus spreads, it is clear that his government wasted months when it should have been vaccinating the elderly, stockpiling drugs and creating intensive-care beds.

Even China's all-encompassing social control showed cracks. Although the Chinese security services swatted down widespread protests last month, these had been triggered partly by the sight of maskless crowds in Qatar enjoying the World Cup.

For all those who embrace classical liberal values, including this newspaper, Western resilience is heartening—and an important change after a long retreat. But the good news goes only so far. The tests of 2022 have also revealed the depths of the world's divisions and have set big government on the march.

To gauge the divisions, compare the almost universal support for America after the attacks of September 11th 2001 with the global south's determination to stay neutral in the fight over Ukraine. In the most recent UN vote to reprimand Russia, 35 countries abstained. Many understandably resent how the West asserts that its worries are issues of global principle, whereas war in Yemen or the Horn of Africa, say, or climate-related droughts and floods, always seem to be regional.

In much of the world liberal values are embattled. Despite the defeat of Jair Bolsonaro in Brazil, democracy is under strain in Latin America. As he presides over ruinous inflation in Turkey, Recep Tayyip Erdogan is prosecuting potential opponents in the election in 2023. In Israel Binyamin Netanyahu is trying to avoid jail for corruption by forming a coalition with the Arab-hating, gay-bashing far right. Indonesia adopted an illiberal criminal code in December that threatens to ban sex outside marriage, stifle free speech and impose religious orthodoxy. India's economy is brimming over with tech-inspired enterprise, but its politics are majoritarian, ugly and cruel.

All around the world, the idea of limited government is taking a beating. Because of the post-invasion energy shock, European governments are pouring money into fixing prices. They are also powering the transition from fossil fuels, itself a welcome goal, using industrial policy rather than markets. America's answer to the security threat from China is to deploy trade

barriers and subsidies to decouple its own economy and boost home-grown industries. If that harms America's allies, too bad.

Economic nationalism is popular. The largesse during the pandemic changed expectations of the state. Creative destruction, which reallocates capital and labour, may be unpalatable to ageing populations that put less store by economic growth and to younger voters who embrace the politics of identity.

But big-government capitalism has a poor record. Given decades-high inflation, caused partly by ill-judged fiscal and monetary policy, especially in America, it is odd that voters want to reward politicians and officials by giving them power over bits of the economy they are not suited to run. State-backed champions in energy and tech sometimes succeed, but the more that countries pile in, the more waste and rent-seeking there will be.

The chips were down

Judged by the liberal yardstick of limited government, a respect for individual dignity and a faith in human progress, 2022 has been mixed. However, there is hope. The West was arrogant after the collapse of Soviet communism. It paid the price in Iraq, Afghanistan and the global financial crisis of 2007-09. In 2022, having been rocked by populism at home and China's extraordinary rise, the West was challenged and it found its footing. ■

