

# The Economist

Sep 20th 2025

# The Economist

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# The world this week

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The world this week

# Politics

Sep 18, 2025 03:17 PM



The Israel Defence Forces said it had [gained control of widespread parts of Gaza city](#), as **Israel** launched its long-expected ground attack. Scores of Palestinians were reportedly killed and thousands more fled; the IDF said 600,000 people remained. It says its aim is to defeat the 3,000 Hamas fighters still in the city. Meanwhile, Marco Rubio met Binyamin Netanyahu in Jerusalem to discuss “what the future holds” for Gaza. The American secretary of state admitted that Donald Trump was unhappy with [Israel’s attempt to assassinate Hamas’s leaders in Qatar](#), although he also said that America stands with Israel.

**Saudi Arabia** signed a mutual-defence pact with **Pakistan**, a nuclear-armed country, strengthening their decades-long security partnership. The accord comes after Gulf states and other countries in the region were rattled by Israel’s attack in Qatar. The office of Pakistan’s prime minister said the

agreement “states that any aggression against either country shall be considered an aggression against both”. When asked if that includes the use of nuclear weapons, officials said the pact was “comprehensive”.

America, Egypt, Saudi Arabia and the United Arab Emirates called for a three-month truce in **Sudan’s** civil war. This temporary break would be followed by an immediate permanent ceasefire and a nine-month transition to civilian rule. The proposal comes after renewed efforts by America to broker an end to a war that has displaced millions.

In neighbouring **South Sudan**, Riek Machar, the country’s vice-president and leader of the largest opposition movement, was charged with murder, treason and crimes against humanity, which his spokesman denounced as a “witch hunt”. It is the latest sign that the power-sharing deal between Mr Machar and Salva Kiir, the president, and their respective ethnic groups, has all but collapsed.

Over 200 people died and 100 were missing in two boat accidents in **Democratic Republic of Congo**. One vessel, carrying almost 500 people, capsized after catching fire on the Congo river. A day earlier an overloaded river boat sank in a tributary river farther north.

**Malawi** held presidential, parliamentary and local elections. The rising cost of food was a chief concern among voters. The presidential election is expected to go to a run-off between Lazarus Chakwera, the 70-year-old incumbent, and Peter Mutharika, his 85-year-old predecessor.

Luiz Inácio Lula da Silva, **Brazil’s** president, said that the guilty verdict handed down to Jair Bolsonaro, his predecessor, by the country’s supreme court safeguarded the rule of law and democracy. He also criticised Donald Trump for trying to undermine the court during its deliberations. Four of the five justices deciding the case found Mr Bolsonaro guilty of conspiring to stop the transfer of power after he lost the 2022 election. He was sentenced to 27 years’ confinement.

## Frenemies

American forces struck a second **Venezuelan boat** suspected of transporting drugs, killing three “narcoterrorists” according to Mr Trump. Meanwhile, America added **Colombia** to a list of countries judged to be not co-operating in the war on drugs. Cocaine production has soared in Colombia, but the leftist president, Gustavo Petro, has been less robust than his predecessors in supporting action against drug gangs. He often remarks that whisky kills more people than cocaine.

The government in **Indonesia** announced another stimulus package, which includes providing poorer households with rice. Street protests are still taking place against the perks enjoyed by politicians amid a cost-of-living crisis, but not on the same scale as the recent deadly disturbances. Separately, the central bank surprised markets by cutting interest rates.

Following the recent student-led unrest in **Nepal**, in which 72 people were killed, Sushila Karki, the newly appointed interim prime minister, promised to hand over power to the government that emerges from elections planned for March 5th. “We have to work according to the thinking of the Gen Z generation,” said Ms Karki.

The Taliban banned fibre-optic networks across the north of **Afghanistan** “to prevent immorality”. It is thought to be the first time fibre-optic links have been prohibited in any part of the country, though more expensive mobile connections are still allowed.

The right-wing [Alternative for Germany \(AfD\) party tripled its vote share:](#) in municipal elections in North Rhine-Westphalia, **Germany’s** most populous state, which includes the cities of Cologne and Düsseldorf. The AfD overtook the Greens to come third, increasing its vote from 5% in 2020 to 14.5%. The Christian Democrats came first, holding their vote steady at 33%.

Two senior officers in the **Ukrainian** army were sacked for failing to stop Russian forces from taking territory under their command, according to reports. The officers were in charge of defending part of the Zaporizhia region and an area bordering the Donetsk region and Dnipropetrovsk regions.

The cause of **Alexei Navalny**'s death in a Russian prison was poisoning, according to his wife, Yulia Navalnaya, who managed to smuggle biological samples from her late husband to foreign laboratories for testing. Navalny, Russia's main opposition leader, was found dead in February 2024.

Prosecutors in **Romania** charged Calin Georgescu, who came top in the first round of a presidential election last November, with plotting a coup. The prosecutors allege that Mr Georgescu met a group of military types to discuss seizing power after his victory was annulled by the courts over concerns that Russia had given material support to his campaign. The election was voided and Mr Georgescu was barred from standing in May's re-run, which was won by Nicusor Dan, a liberal.

Tyler Robinson was charged with the murder of **Charlie Kirk**, a conservative commentator and activist. The 22-year-old suspect's parents convinced him to surrender to the police. Enraged by the killing, J.D. Vance, America's vice-president, promised to clamp down on "radical left lunatics". Mr Trump said he might designate Antifa, a far-left movement, as a domestic terrorist organisation.

### **He believes in free speech?**

**Donald Trump** launched a lawsuit against the *New York Times*, claiming it published defamatory articles about him. He is seeking \$15bn in damages. He is also currently suing the *Wall Street Journal*. ABC News and CBS News's parent company have settled lawsuits brought by Mr Trump. ABC pulled Jimmy Kimmel's nightly talk show after he suggested Mr Robinson supported MAGA. The show drew criticism from the Federal Communications Commission. Last month Mr Trump pressed the FCC to revoke the broadcast licences for the ABC and NBC networks, claiming they were biased.



Mr Trump made a [\*\*state visit to Britain\*\*](#), becoming the first American president to have been given the honour of two official trips to see the monarch (he paid his first visit in 2019, to see Queen Elizabeth II). Mr Trump was greeted with an unprecedented amount of pageantry by King Charles III. Coinciding with the trip American companies, including Microsoft and OpenAI, announced big new investments in the country.

The president landed in a restless **Britain**, where scandal has claimed senior Labour politicians and advisers alike. A “Unite the Kingdom” protest, mostly against mass migration, saw 150,000 people march in London (the far-right organisers claimed attendance was much higher). Meanwhile, the courts blocked the deportation of the first migrant under the government’s new “one in, one out” scheme, which is supposed to be its flagship policy to deter illegal migrants. Reform UK, led by Nigel Farage, is the main beneficiary of Britain’s febrile mood. A Tory MP defected to the party this week.

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The world this week

# Business

Sep 18, 2025 03:17 PM



The [\*\*Federal Reserve cut interest rates\*\*](#): for the first time this year, reducing its benchmark rate by a quarter of a percentage point to a range of 4% to 4.25%. Donald Trump has waged a bitter campaign pressing the Fed for bigger and more frequent cuts. The president's nominee for the board of governors, Stephen Miran, was this week approved by the Senate in a super-swift process that allowed him to vote at the Fed's meeting; he dissented from the decision, arguing for a half-point cut. Lisa Cook, whom Mr Trump is trying to sack from the board, also got to vote after an appeals court ruled that she could stay in her job for now.

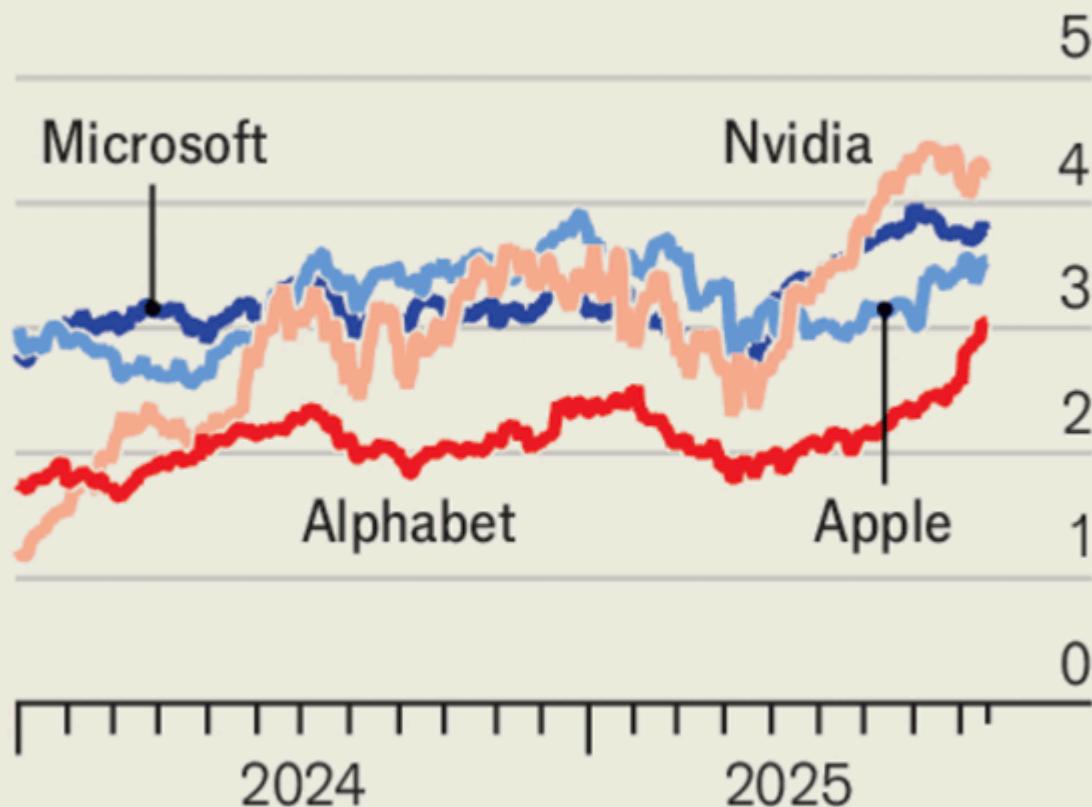
**Britain's** annual inflation rate remained unchanged in August, at 3.8%. Food and drink were again among the main upward forces in the consumer-price index, growing by 5.1%, up from 4.9% in July. The country's stubbornly high inflation is one reason why the **Bank of England** kept its

key interest rate on hold at 4% at its meeting this week. “We’re not out of the woods yet”, said Andrew Bailey, the bank’s governor.

Companies should not be required to issue **quarterly earnings** and should report just twice a year, according to Mr Trump. The Securities and Exchange Commission said it would consider the proposal, a more favourable response than when Mr Trump raised the issue during his first term as president. Quarterly reports have long faced criticism as a distraction for companies from long-term goals, but supporters of the system say investors need frequent financial updates, without which market speculation would be rife.

The SEC found itself mired in a separate controversy amid criticisms that it is curbing **shareholders’ rights**. The regulator decided to allow ExxonMobil to create a new system for its annual meetings that automatically counts the votes of small retail investors who opt in to the scheme as being in favour of management (they also have a chance to opt out). The plan follows Exxon’s battles with activist investors pushing it to curtail oil output. Separately, the SEC said that firms seeking an IPO could now require investors to resolve claims of fraud through arbitration rather than the courts.

## Market capitalisation, \$trn



Source: Bloomberg

**Alphabet's** share price pushed it past a market valuation of \$3trn, only the fourth company ever to do so. Of the other three, Nvidia is now worth over \$4trn, Microsoft has briefly crossed the \$4trn threshold and Apple is worth \$3.5trn. Alphabet's stock has been boosted by a judge's recent decision in an antitrust case to allow Google to keep its Chrome browser.

**Because you're worth it**

**Tesla's** stock also rallied after it emerged that Elon Musk had bought \$1bn-worth of its shares. Mr Musk has said he wants to boost his stake in the carmaker to prevent a takeover. Robyn Denholm, Tesla's chairwoman, has

gone on a media offensive to defend a proposed \$1trn compensation package for Mr Musk, referring to his “unique characteristics”.

Mr Trump said a deal had been reached with China to transfer **TikTok’s** American assets to American owners. The deadline for ByteDance, the owner of the social-media app, to divest its holdings or risk being shut down in America was again extended, to allow the details to be worked out.

The accord on TikTok did not extend to other sources of friction in tech between America and **China**. According to reports, China’s internet regulator has stopped tech firms from buying **Nvidia’s** RTX Pro 6000D chips, which had been made specifically for the country. China also said that Nvidia had violated antitrust laws when it bought Mellanox, a provider of networking equipment, despite conditionally approving the deal in 2020.

Paul Bulcke said he would step down as chairman of **Nestlé** amid shareholders’ disquiet about his handling of the dismissal of Laurent Freixe as chief executive for having a romantic affair with an employee. Mr Bulcke was due to retire next April.

The EU has done almost nothing to implement the recommendations of a report on **competitiveness** in the year since its publication, according to Mario Draghi, the report’s author. Mr Draghi, a former head of the European Central Bank, released his findings to great fanfare a year ago, calling for competition rules to be relaxed, capital markets to be integrated and huge investments in innovation. Europe is now “in a harder place”, Mr Draghi lamented. “Sometimes inertia is even presented as respect for the rule of law.”

## Half baked

The Jerry in **Ben & Jerry’s** decided to leave the ice-cream company he helped found. Jerry Greenfield says he can no longer pursue his values of justice, equity and love at the firm, which “were more important than the company itself”. It’s been a rocky road for Ben & Jerry’s in recent years, as it clashed with Unilever, its parent company, notably over its attempts to stop selling ice cream in Israeli settlements.

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The world this week

# The weekly cartoon

Sep 18, 2025 04:58 PM



Dig deeper into the subject of this week's cartoon:

[Trump targets progressive non-profits after Charlie Kirk's killing](#)

[Is the far left to blame for more political killings in America?](#)

[Is the American left really more supportive of political violence?](#)

*The editorial cartoon appears weekly in The Economist. You can see last week's [here](#).*

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# Leaders

- **How Israel is losing America**

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- **America's monetary policy risks getting too loose**

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- **China's 200m gig workers are a warning for the world**

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The Middle East

# How Israel is losing America

*Public opinion is souring even in Israel's strongest ally. Israelis should worry*

Sep 18, 2025 05:01 PM



ON SEPTEMBER 14TH, after showing Marco Rubio, America's secretary of state, the massive, 2,000-year-old blocks of the Western Wall at Jerusalem's holiest site, Binyamin Netanyahu declared the alliance between their countries to be "as strong and as durable as the stones...we just touched". Unfortunately, he is wrong.

As [Israel becomes isolated over its war in Gaza](#), it depends increasingly on America. During the current UN General Assembly old friends, including Australia, Britain, Canada and France, will recognise a Palestinian state, even as Israel's expansion of settlements in the West Bank makes real statehood less likely. America is all that stands between Israel and a pariah status that would have dire implications for its diplomatic, legal and military security.

For all Mr Netanyahu's blithe assurances that relations with America are perfectly solid, they are not. The prime minister has riled the Trump administration and is ignoring cracks deep within the foundations of the alliance. Democratic voters have long been drifting away from America's most indulged ally. Republican voters are increasingly losing faith, too. A sudden loss of popular American support would be a catastrophe for Israel —a small country of 10m people in a dangerous and hostile neighbourhood.

The polling in America is startling. The share of [Americans who back Israel over the Palestinians is at a 25-year low](#). In 2022, 42% of American adults held an unfavourable view of Israel; now 53% do. A recent YouGov/Economist poll finds that 43% of Americans believe Israel is committing genocide in Gaza. In the past three years unfavourable views of Israel among Democrats over 50 rose by 23 percentage points. Among Republicans under 50, support is evenly divided, compared with 63% for Israel in 2022. Between 2018 and 2021 the share of evangelicals under the age of 30 who backed Israelis over Palestinians plunged from 69% to 34%. Pollsters think that shift has endured.

To understand why this matters, go back to the years when America's bond with Israel was a powerful amalgam of values and interests. Both are democracies founded by pioneers seeking refuge from persecution. Both believed that their country was exceptional: one a shining city on a hill, the other a light unto the nations. At the same time, their interests overlapped. During the cold war, Israel was a bulwark against Soviet expansion in the Arab world. After the Soviet collapse, they were still allied against Iran. After the attacks of September 11th 2001, they were united by a loathing of Islamist terrorism.

What has gone wrong? For Democrats, the falling-out is over values—especially among the young. Democrats tend to project their dismay at America's history of slavery and neo-colonialism onto oppressed Palestinians and Israeli settlers, even though the comparison is strained. This has been exacerbated by a rightward shift in Israeli politics. Furthermore, Mr Netanyahu has put Israel firmly in the Republican camp, partly in the hope that Republicans will attack any Democratic administration that presses him over settlements or peace talks.

The fall-off in support among Republican voters is not so much about clashing beliefs as divergent interests. Anger about using taxpayers' money to support Ukraine spills over to the \$300bn or so America has given Israel since independence in 1948. Israel's strikes on Qatar and Syria have undermined Mr Trump's attempts to create a regional peace. Led by a president who knows where the money is, some in the donor class are gravitating towards the Gulf monarchies.

The war in Gaza has made all this worse. When Americans see photographs of starving children, they rightly shudder. Some Republican commentators, such as Tucker Carlson, resent the idea that Israel might drag America into another Middle Eastern war by attacking Iran. Whenever Israel is criticised, its defenders hurl accusations of antisemitism—not always fairly. With overuse, a heinous charge is losing its sting. That is bad for Jews everywhere, including in Israel.

Optimists will call this scaremongering. Israeli and American governments have fallen out in the past. Their soldiers are closer than ever, fighting together in June for the first time, against Iran. When the Gaza war is done and a new Israeli prime minister takes office, Israel's interest in being close to America will once again assert itself. Israel's ascendancy in the Middle East will mean that America cannot afford to ignore it, they say.

That is complacent. Long-run shifts in public opinion are more dangerous than rows between governments. Although they are slow to gather momentum, they are hard to reverse. When voters change their minds, political taboos can suddenly crumble. Even today, some Israeli analysts fear that Joe Biden will be the last instinctively Zionist American president.

Military support is underpinned by a decade-long agreement. The current one, which supplies Israel with \$3.8bn a year, runs out in 2028 and should be being renegotiated. But Israel is worried that Mr Trump will refuse to hand over money and is looking to repackage the agreement as a “partnership”. The cash matters less than sharing technology and guaranteeing access to advanced weapons—particularly in war.

## A new vision

It is wrong to assume that a successor to Mr Netanyahu can put things right. Israel is a democracy too; and it is a divided one in which many voters embrace the nationalist-religious right. Gaza will be a running sore, even when the fighting stops. Powerful factions are bent on expanding settlements and annexing Gaza and parts of the West Bank.

This week Mr Netanyahu talked of Israel as a “super-Sparta”, ready to stand alone. As Israel fights on in Gaza and attacks Arab capitals at will, it is betting that military domination over the Middle East will make it more secure. That muscle-bound, autarkic vision is a tragic misconception. It could eventually drive away its irreplaceable protector. For Israel, no strategic blunder could be more dangerous. ■

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**Rate expectations**

# America's monetary policy risks getting too loose

*Jobs growth is probably weak because of low migration, not a cold economy*

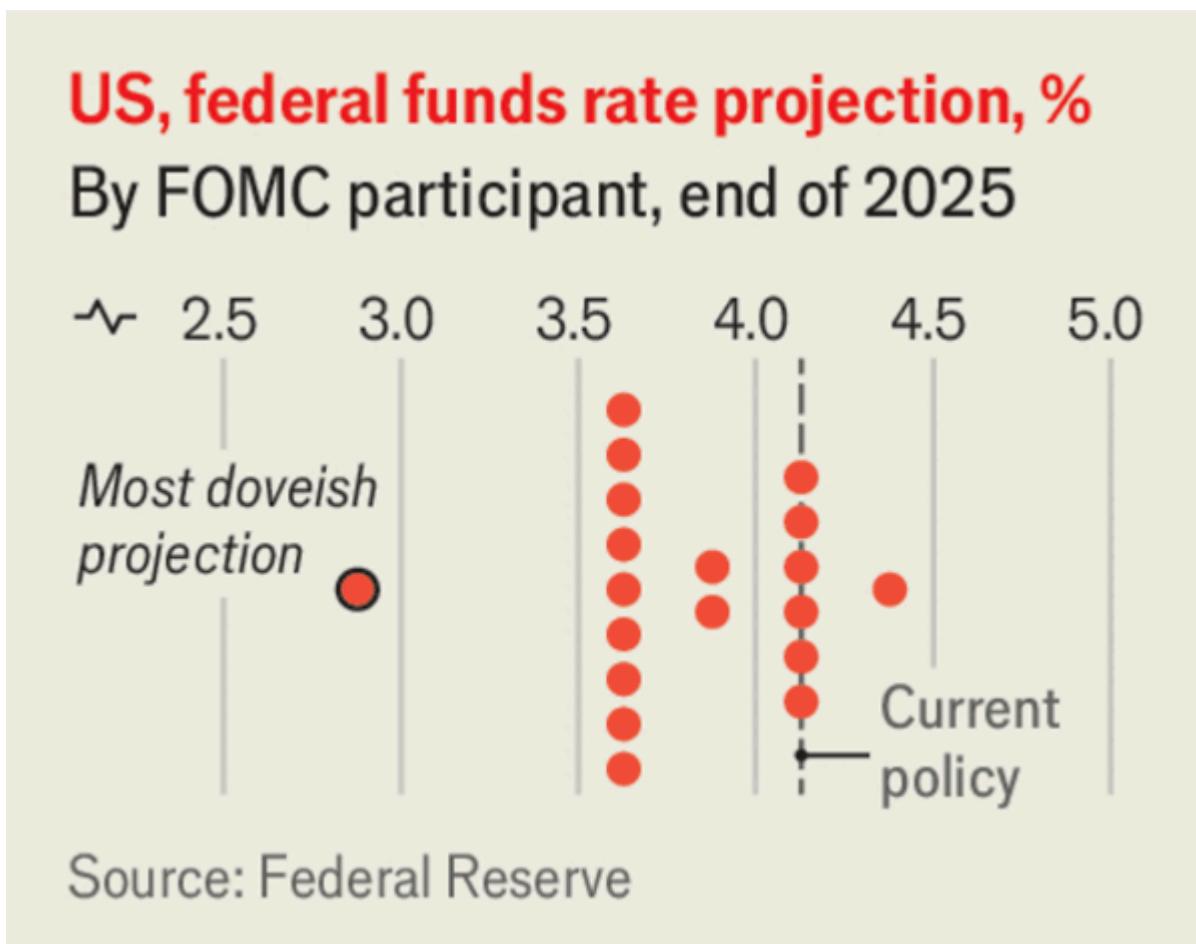
Sep 18, 2025 04:40 PM



THE FEDERAL RESERVE is usually run by technocratic consensus. Today it has become a battleground. On September 17th the Fed cut interest rates for the first time since December, by a quarter of a percentage point, to 4-4.25%. One of its governors, Lisa Cook, could attend only because a court blocked President Donald Trump from sacking her. Another, Stephen Miran, was confirmed just before the meeting for a short stint, after which he says he will return to his job at the White House. It is an unseemly arrangement for a central bank that should be independent of politics. Mr Miran dissented in favour of a half-point rate cut. And he appears to have

called for three such moves by the end of the year, twice what the next-most-doveish committee members suggested in their anonymous projections.

The Fed finds itself at a dangerous moment, and not just because of Mr Trump's quest for lower rates. The economic argument for looser money is finely balanced. Mr Miran's submission, though an outlier, was pivotal: by 10-9, the committee expects at least three rate cuts this year. That is what markets have been betting on, too. But following through on those expectations would be a mistake.



The case for easier money depends almost entirely on the labour market. Recent data and revisions show firms have created only 27,000 jobs per month on average since May, down from 123,000 in the first four months of the year. The hiring swoon has vindicated predictions made by Chris Waller,

another Fed governor and the betting market's favourite to replace Jerome Powell as chairman next year.

The trouble is judging how much poor jobs numbers—and an accompanying slowdown in economic growth—reflect softer demand for workers rather than their shrinking supply. Immigration has collapsed under Mr Trump. Agents reported just 8,000 “encounters” with illegal migrants on the southern border in July, compared with 100,000 in the same month last year. Some researchers think that net migration this year will be negative. The [unemployment rate](#), which should reflect the balance between supply and demand, is only 4.3%—hardly evidence of a glut of workers.

The rest of the [economy shows no sign of flagging](#). Retail sales are strong, as is sentiment in the service sector. And Wall Street is euphoric. The stockmarket is soaring, fuelled by optimism about AI, credit spreads are tight and crypto is booming. Financial conditions should partly reflect the stance of monetary policy—how far rates are above or below a neutral setting. The Fed's judgment that policy is tight sits uneasily with investors valuing stocks more highly, relative to their earnings, than at any time since the dotcom boom.

The central bank should also worry about inflation. It stands at 2.6% on the Fed's preferred measure, and is rising because of the president's tariffs. The effect should be temporary because tariffs will not rise for ever. But the creeping politicisation of the Fed threatens the case for ignoring one-time shocks to prices. Central bankers who are not trusted to ignore politics find it harder to stop inflation becoming entrenched. Doing so means tolerating a weaker economy.

That makes it a particularly bad time to loosen too much. Imagine the brawl if the central bank had to correct course and hike rates sharply with Mr Trump in the White House. One cut makes sense as insurance against the danger that the jobs market is weakening too much. Going much further risks a mistake that the central bank cannot afford. ■

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Different drums

# What Elon Musk gets wrong about Europe's hard right

*He imagines a continental revolt against Islam and elites*

Sep 18, 2025 04:39 PM



“YOU EITHER fight back or you die,” Elon Musk told a big crowd in London on September 13th at a rally organised by Tommy Robinson, a convicted criminal who preaches anti-Muslim bigotry. Mr Musk has cultivated ties with insurgent hard-right parties across Europe. The continent is being overrun by Muslims, he claims, and faces demographic disaster and oppression by corrupt elites. It can be saved only by disruptive, MAGA-like parties that represent the true voice of citizens (take it as read: white, Christian ones).

In fact, to lump together Europe's hard-right forces is a mistake. They all dislike immigration and wokery, and are fond of conspiracy theories and social-media pugnacity. But their paths are different. In France the hard right appears to be moderating as it gets closer to power. In Germany the [Alternative for Germany \(AfD\)](#) is radicalising further, but remains distant from power. Britain is in flux: as the rally showed, extreme views are becoming normalised, and the electoral system could yet propel the hard right into office.

Giorgia Meloni in Italy is actually in power. When she first soared in the polls, liberals panicked. Here, they feared, was a future prime minister rooted in post-fascist politics, who might unleash culture wars at home and an economic crisis in the European Union. Yet since winning office in 2022 Ms Meloni has proved pragmatic. She has been firm but not xenophobic on illegal migration. She has not waged a culture war, beyond trying to restrict surrogacy. She has cleaved to fiscal discipline, backed Ukraine against Russia and avoided open conflict with the EU. Her calculation is clear: Italy's economy depends on European largesse, its companies on the single market, its bonds on the European Central Bank's support.

In France [Jordan Bardella](#) shows early signs of following a similar script, positioning himself as the moderate face of Marine Le Pen's National Rally ahead of a probable tilt at the presidency in 2027. (Ms Le Pen is currently barred from standing.) Mr Bardella is trying to reassure French business that a hard-right president need not mean fiscal ruin or a euro crisis. Whether he can honour that promise is doubtful. But even the act of wooing the establishment marks a shift.

Contrast those two cases with the AfD. It thrives in Germany's east, where disaffection with the state runs deep. Its rhetoric is xenophobic and pro-Russian. Nonetheless a "firewall" put up by mainstream parties which refuse to work with it has so far blocked it from national or state-level office. It did well last year in state elections in the east, but without coalition partners failed to turn protest into power. And local elections in North Rhine-Westphalia, outside its eastern base, on September 14th showed its limited appeal west of the Elbe: it increased its share but failed to break out of the poorer areas.

Britain is the new battleground. Nigel Farage, leader of Reform UK, has been careful to distance himself from Mr Robinson and the violent right: he was wisely absent from the rally. But Reform's rhetoric has grown more radical, with proposals for mass deportations. It is polling at around 30%, far ahead of any other party. Britain's first-past-the-post system means that vote share could be turned into a parliamentary majority, although the next general election is not due until 2029.

Even if the hard right is moderating, it still poses threats. Mr Bardella still rails against immigrants. The solution to many of Europe's problems—weak defence, declining competitiveness, a lack of innovation—is further European integration, which makes all its hard-right parties bristle. Yet there is a difference between wreckers and pragmatists. In Italy, and perhaps France, the hard right is realising that to win and then govern is to compromise. Europe is not being overrun by the hard right. Its politics are being reshaped—unevenly, and, we hope, less catastrophically than Mr Musk would like. ■

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**Artificial intelligence**

# India could be a different kind of AI superpower

*It won't look like America or China. It could still be a winner*

Sep 18, 2025 03:17 PM



ARTIFICIAL INTELLIGENCE (AI) is taking off in India. The country is now the second-largest market for OpenAI, whose ChatGPT service has 700m active users worldwide. Anthropic, another AI startup, also counts India as its second-largest market by usage. That reflects not just India's huge population but also its appetite for new technology. According to BCG, a consultancy, [92% of Indian office workers regularly use AI tools](#), compared with 64% in America. In contrast to rich countries, a large majority of Indians believe AI's benefits outweigh its risks.

The enthusiasm has been boosted by the “blitzscaling” tactics of Silicon Valley firms. OpenAI is selling access to a chatbot in India for a fifth of the price of its cheapest American plan. Grok, from Elon Musk’s startup, xAI, is priced at a quarter of its American rate. Perplexity, a generative-AI upstart, has made its service free for a year to all 360m users of Airtel, a big Indian mobile operator.

Even in India, however, the boom in AI causes anxiety. The country’s youth-unemployment rate stands at 16%. Jobs in manufacturing have grown far less than had been hoped, in part because of rising automation—a trend that AI threatens to accelerate. White-collar work is starting to look wobbly, too. Tata Consultancy Services, India’s biggest IT-services firm, recently said that it would cut 12,000 staff in order to become “future ready”. Jefferies, an investment bank, predicts that more IT firms will follow.

A second fear is foreign domination. Some Indian policymakers and investors fret that their country will come to rely on AI products and services that are controlled by firms from abroad. Keen not to be left out of the model race, the government has tapped Sarvam AI, a local startup, to build India’s first home-grown foundational model.

Such worries are understandable. Yet India stands to gain far more by embracing AI than it will lose. Many benefits of being open to global tech firms are already plain. The country’s payments network, which handles around 700m transactions a day, is piloting the use of AI to spot fraud in real time. Deeper transformations may emerge. AI assistants might help mitigate India’s chronic shortages of teachers and doctors.

Foreign dependency is also less of a problem than it may seem. True, India does not create the latest models or the fastest AI chips. But its firms can innovate in a distinctive way, by turning AI into world-beating products and services. India has the world’s second-largest pool of developers on GitHub, a coding platform, and a vast domestic market in which global tech giants and local firms compete side by side. That gives its firms both the talent and the testbed to create usable, affordable services that do the sorts of things that ordinary people want from AI.

Already, Indian users are shaping how the most popular AI models develop. Voice, not text, has quickly emerged as the dominant way of interacting with AI tools in India, in part because some users struggle to read. Indian firms are especially adept at designing services for a varied audience.

The “India Stack”—India’s digital platform for biometric identification and payments—has already become a model for other countries. Products infused with AI could be the next export of this kind: frugal, scalable innovation that is pioneered in India but adopted across the developing world. India’s path will not mirror America’s or China’s. But it could prove no less consequential. For billions in poorer countries, the shape AI takes could depend on what happens in India. ■

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**From proletariat to precariat**

# China's 200m gig workers are a warning for the world

*What a giant precarious workforce reveals about the future of jobs*

Sep 18, 2025 04:40 PM



THE BIGGEST workforce in the world has undergone an extraordinary transformation. China's farm labourers and industrial proletariat have been joined by an [army of gig workers](#): Tens of millions now use tech platforms to find jobs for fleeting periods; fully 200m, or 40% of the urban labour force, depend on some kind of flexible work. The fortunes of these precarious workers, many of whom struggle to buy property and gain access to public services and benefits, will shape China's economy and

society for years to come. As technology remakes labour markets, China's gig workers offer lessons for countries everywhere.

Thanks in part to its early embrace of the “superapps” that organise many facets of people’s lives, China is home to the world’s most advanced gig economy. Today 84m people there rely on platform-based forms of employment, including ride-hailing drivers and food-delivery riders. As consumer apps have spread, this sort of work has become prevalent across emerging Asia, too. In India roughly 10m people work in the gig economy, on platforms and off. In Malaysia, it is 1.2m, roughly 7% of the labour force.

Lately gig work in China has spread to its vaunted manufacturing sector. The regimented proletariat is gradually being replaced by millions of casual workers who fill jobs “on-demand”, flitting from one factory floor to another at the direction of giant recruitment platforms. The jobs often require no skills beyond a knowledge of the Roman alphabet. The workers may stick with them for no more than a few weeks or even days. Researchers put their number at perhaps 40m, a third of China’s manufacturing workforce—and more than three times the size of America’s.

One reason for the rise of this gig army is that firms want flexibility. Employers prize the freedom to scale their business up or down, responding to seasonal demand, the vagaries of the market and the shifting winds of geopolitics. Technology has played a role, too. Smartphone apps help match customers’ orders with available delivery drivers; in manufacturing, technology has automated away many tricky tasks that used to need experience. Even as this has created jobs for highly skilled engineers, it has left gaps in assembly, packaging and inspection that any warm body can fill.

Flexible employment of all kinds suits many workers. Those who are adept at navigating the platform economy can earn more by job-hopping than they could from a single employer. A survey in 2022 found that the monthly income of dedicated delivery drivers in China was almost a fifth higher than that of migrant workers. Others, lacking their parents’ tolerance for drudgery, are unwilling to perform the same repetitive task week in, week out.

Despite these benefits, gig workers face difficulties. Without a steadier relationship with their employer, younger workers will never acquire the skills they need to prosper in life. Having left their rural hometowns, they may fail to set down roots in the cities where they work so promiscuously. Without proof of stable employment, they may be denied easy access to urban public services under China's *hukou* system of household registration. And if they fail to settle, they may never marry and have children, worsening the ageing of China's population. One way or another, this cohort of workers will have to provide for many elderly people as well as themselves.

Some of these difficulties, such as the *hukou* system, are unique to China. But in other ways, China's experience is worth studying. Many countries, especially in developing Asia, hope to match its manufacturing success. None can afford to squander the potential of the young. A shortage of good jobs is one reason why youth in several Asian countries have risen in protest at the self-dealing of their political leaders. In Indonesia demonstrations in August turned violent after an armoured vehicle ran over a gig worker who gave rides on his motorbike.

One lesson from China is not to set too much store by manufacturing. Countries that have lost industrial might or never attained it dream that factory jobs can provide steady employment, rising wages and social stability. That may be true for a few engineers and technicians. But China shows that other roles can be displaced or de-skilled by automation.

That leads to another lesson: it would be futile to try to stamp out gig work in the hope that permanent jobs will take its place. The real alternative to gig work is often no work at all. A recent survey found that 77% of ride-hailing drivers entered the industry after losing their previous job. Recruitment platforms did not invent precarious employment. And though their algorithms can be cruel taskmasters, pushing drivers to drive recklessly fast, they are an improvement on gangmasters who used to match workers and employers. In many parts of Asia, including China, day labourers still huddle on the roadside early in the morning, waiting for employers to pick them from the throng.

The final lesson, therefore, is that governments should rethink the social contract to make gig work as beneficial as possible. China has regulated algorithms to make them a little gentler. It is also trying to narrow the divide between the new and the old by nudging e-commerce platforms to provide social security to gig workers. India is persuading platform workers to register in order to receive benefits such as accident insurance and, eventually, health care.

## Stepping stones

But governments need to be more ambitious still. Instead of trying to shoehorn gig work into their existing schemes, they should redesign the policies themselves. China could make mandatory contributions from employers less onerous, cutting their incentive to choose gig workers over permanent ones. Countries should make pensions more portable, by allowing a tighter link between what people pay in and what they receive. Many Asian countries run the risk of getting old before they get rich. Helping precarious workers prosper is more pressing now than ever. ■

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# Letters

- **Is Donald Trump a friend of the electrification of cars?**

A selection of correspondence :: Also this week, smartphones, Charlie Kirk, the politics of climate, AI and beer, robotaxis in Europe

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A selection of correspondence

# Is Donald Trump a friend of the electrification of cars?

*Also this week, smartphones, Charlie Kirk, the politics of climate, AI and beer, robotaxis in Europe*

Sep 19, 2025 01:01 PM



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## Mr Trump's hostility to EVs

You suggested that future historians may view [Donald Trump as a friend of the electrification of cars](#) ("Emitting defeat", August 30th). As a historian of the electric-vehicle industry, I find that improbable. The current

administration has gutted America's automotive industrial policy, scrapping EV tax credits, halting charging programmes and reversing efforts to build a domestic supply chain. It has raised trade barriers to EV imports and dismantled regulatory incentives that drove electrification for decades: fuel-economy standards, greenhouse-gas rules, and credit markets that let carmakers trade compliance obligations. Republicans have even revoked California's authority to set its own targets, despite states that represent about 40% of America's car sales having opted into those rules.

Though you acknowledge this, your argument is that by selling more profitable petrol cars today, Detroit will have more money for EVs tomorrow. By that logic General Motors might as well sell cocaine; one day the profits might be invested in battery factories.

LEVI TILLEMANN  
*Washington, DC*

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## Get smart on smartphones

The theory that [smartphones have large negative effects on young people](#), and that banning them will have mostly positive effects, has been tested and falsified many times over (“Attention deficit”, September 6th). For example, the study of Indian classrooms you discussed does not present “strong causal evidence” in favour of banning smartphones in schools. It shows that forbidding phones has a tiny effect on grades and “no significant changes in overall student well-being, academic motivation, digital usage, or experiences of online harassment”.

This is in line with numerous other studies looking at smartphone bans and research on smartphones and social media in general. These routinely find small correlations between smartphones and mental-health problems, and little to no evidence of causation. If this is the strongest evidence for banning smartphones, then schools will need to look elsewhere for ways to raise standards.

DR OLIVER SCOTT CURRY  
Research affiliate  
School of Anthropology  
University of Oxford

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## **Free speech is precious**

[Charlie Kirk showed why the First Amendment of the constitution is needed](#) to protect free speech from government intervention. Free-thinking Americans have to handle that right. Tragically, Kirk's murder illustrates the consequences when someone takes a dispute into his own violent hands ("Beyond debate", September 13th). Although surveys show that people overwhelmingly reject political violence, the whole idea of general decency among Americans is eroding. Monetary incentives in social media feed off partisan distrust and finding a way to disincentivise performative outrage in politics is now surely a priority. Until then, how about we try being a little bit nicer to each other?

TYLER DOERSCHUK  
*Columbus, Ohio*

*The Economist* is wrong to laud Charlie Kirk as a supporter of debate and free speech. His prove-me-wrong shtick depended on editing out the people who succeeded in debating him. His Turning Point USA organisation ran a Professor Watchlist dedicated to the denouncement, harassment and firing of academics who disagreed with him.

Like most of Donald Trump's supporters, he used free speech to mean speech that I agree with.

PAUL JOHNSON  
*Fareham, Hampshire*

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## No sense of urgency

Your leader on climate tipping points correctly pointed out that [a catastrophic collapse of the Atlantic Meridional Over turning Circulation](#) “could take just a few decades” but “there is no evidence that such possibilities are feeding into government planning processes” (“The other General Winter”, August 16th). I am reminded of the brilliant aphorism in “Yes, Prime Minister”, a British comedy series: “Diplomacy is about surviving until the next century; politics is about surviving until Friday afternoon.” The analogue in this situation would be, “Science is about survival over the next few millennia, government is about winning the next election.”

AVINASH DIXIT  
Professor of economics, emeritus  
Princeton University  
*Princeton, New Jersey*

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**Time to put cash in the attic**

[Phone snatchings won't stop](#) as long as thieves can fence them for \$100 or more in cash, typically within an hour ("Rogue Britannia", August 23rd). The global "sophisticated supply chain" starts with old-fashioned traceless currency. Fences abound. There's a similar process with other stolen goods, which account for much burglary.

Cash isn't disappearing, because the cash industry won't allow it. It is trying to get the British Parliament to adopt an act that will force retailers to accept cash. A similar bill is before Congress in America. Most crimes rely on cash for secrecy, yet policymakers are hopelessly distracted by arguments for cash's privacy. The pro-cash narratives are false. We need to move to the cashless era.

DAVID WARWICK  
*Santa Rosa, California*

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### **Bring us in good ale**

"Brewer's bot" (August 30th) reported on [the use of artificial intelligence in commercial beermaking](#). AI can help homebrewers as well. In September 2023 I asked ChatGPT for an "award-winning, all-grain, brew in a bag" recipe for a British Dark Mild that I could make with my dad and enter in our Williamsburg home-brew club's fall competition. It turned out very well, taking first prize. We shared the recipe with brewer friends in Kilmarnock, another town in Virginia, and they brewed a batch based on our AI-generated recipe. British Dark Mild is a style of beer that was once popular and deserves to be rediscovered.

JAY CRANDELL  
*Hayes, Virginia*

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### **Are robotaxis necessary?**

[Charlemagne asked whether Europe faced a Sputnik moment](#) by falling behind in the development and use of robotaxis (September 6th). Robotaxis

are an elaborate solution to car dependence, a particular problem in North America. Poor urban planning in America requires car journeys to get through even basic daily activities. Europeans living in compact, walkable, mixed-use urban settlements don't need R2-D2 to chauffeur them to the store or the office. They can walk, cycle, or take public transport because every destination has not been banished to the edge of town behind a no-man's land of automotive infrastructure.

The answer to Charlemagne's loaded question is no. It is better to ask when America is going to realise how far behind it has fallen in building liveable cities where gadgetbahns are unnecessary.

EAMONN GORMLEY  
*San Jose, California*

The reason why Europe is years behind the United States and China in deploying self-driving taxis and cars is not so much because of its fragmented single market but more the dead hand of regulation. The key regulatory body, the United Nations Economic Commission for Europe, has been mulling over proposed rules for automated driving for a decade. In the meantime, fully automated test cars, albeit with a compulsory hands-off driver, have been safely driving around the multi-exit Rond-Point de l'Etoile in Paris and the almost equally difficult seven-circle Swindon roundabout in Britain. As 56 member states in Europe, North America and Asia and over 70 international professional organisations take part in UNECE deliberations, this regulatory logjam may take some time to resolve.

ADAM RAPHAEL  
*London*

The reason why Paris is a magnet of international tourism, whereas Phoenix is a testbed for robotaxis, is because the former offers cafés, culture and cobblestone, whereas the latter is known mainly for its wide roads that make driving easy. European cities and their citizens are not left behind. They offer a future that prioritises quality of life by focusing on public transit and walkable neighbourhoods.

ALEXANDER REISACH  
*Paris*

A gentle reminder for anxious Anglo-Saxon motorists who dread tackling Paris's Rond-Point de l'Etoile is that there is a perfectly safe annular street bearing two names, rue de Presbourg and rue de Tilsitt, that runs anticlockwise around it. At each intersection with the 12 avenues radiating from the roundabout, traffic lights ensure smooth movement of vehicles. Wise cyclists like myself and timid car drivers always use this street. Voilà!

GEOFFREY NICKSON  
*Saint-Cloud, France*

Here is another tip for driving around the Rond-Point de l'Étoile. Stay on the outside, which means the French rule of *priorité à droite* will enable you to cut through the apparent traffic jam at will, obliging others to let you through.

Above all, never get caught in the middle.

ALAN RIDING  
*Paris*

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## By Invitation

- **Europe is not pulling its weight in paying for drug development, says Tomas Philipson**

Drug prices :: The former chair of America's Council of Economic Advisers wants NATO-style spending targets for innovative medicines

**Drug prices**

# Europe is not pulling its weight in paying for drug development, says Tomas Philipson

*The former chair of America's Council of Economic Advisers wants NATO-style spending targets for innovative medicines*

Sep 18, 2025 03:17 PM



AFTER IMPOSING tariffs on European drug exports this summer, Donald Trump wrote to the heads of 17 big pharmaceutical firms, demanding that American prices be brought into line with the lower prices paid abroad. He pledged to use “every tool” to stop Americans from paying more than patients elsewhere.

The president is understandably frustrated by freeloading by foreign drug manufacturers. European and other rich countries consistently underspend on innovative medicines, shifting the burden of paying for medical progress onto Americans. That imbalance means Europe's own biotech industry relies on American profits to remain viable. But if the White House's plan for most-favoured-nation treatment goes ahead, Americans and Europeans alike will suffer, because lost revenues would mean less investment in the innovation producing tomorrow's medicines.

Europeans may bristle at Mr Trump's charge that his country is subsidising global drug innovation. Many top drug companies are European. Their research contributes significantly to pharmaceutical R&D. Yet the president isn't claiming that Europe plays no role in innovation; he is arguing that its drug industry would be untenable without the American market.

Brand-name drugs often launch years earlier in America, cost three times more than the OECD average and enjoy broader insurance coverage. As a result, America accounts for 70% of OECD-wide profits on patented medicines, even though it represents just over a third of OECD countries' combined GDP.

Biopharmaceutical innovation is a global public good. But it is both risky and expensive to carry out. On average, it takes a decade and over \$2bn to bring a medicine to market. Nine in ten clinical trials fail. That creates a classic free-rider problem: countries want new medicines, but want others to pay the higher prices that produce the needed return on investment in R&D.

Meanwhile, to save money, many European countries with public health systems suppress prices for new drugs as well as restrict their use. Italy claws back payments to manufacturers if spending on particular medicines exceeds certain thresholds, so discouraging investment. It also restricts access to costly drugs, delaying coverage. Britain's approach for gauging the cost-effectiveness of treatment values a patient's additional year of health at just £20,000-30,000 (\$27,000-40,000). This is far below valuations of \$100,000–150,000 used in American cost-effectiveness studies. Britain then demands steep discounts and limits access to drugs in line with its

impossibly low valuations of a healthy life. Just 13% of new treatments are covered without restrictions.

Germany links new drug prices to older treatments, while France uses rebates, clawbacks and taxes to achieve some of the lowest drug prices in Europe. EU countries also delay pricing and reimbursement decisions: the average delay of 700 days (far beyond the 180-day EU legal limit) erodes both patient life and investment returns. In short, European health systems undercut the incentives needed to sustain drug development. The situation is untenable. Without American patients helping to foot the bill, European pharma could not maintain its current pace of R&D. To end this free riding, Mr Trump wants to cap American drug prices at the lowest level charged in any developed country.

Of course, if such a cap were implemented without European prices being lifted, biopharma innovators would suffer such steep falls in revenue that they would have to shut down R&D projects. That would have global consequences, including for America. It would be better, therefore, to think of free riding as a trade issue.

NATO offers a model. The alliance currently requires member countries to spend at least 2% of their GDP on defence to ensure that the burden of collective security is equitably shared. Similarly, European and other high-income countries should adopt minimum-spending targets for innovative medicines. A sensible target would be the per-head share of GDP that America spends—ie, nearly 0.8% of per-head GDP. By contrast, Italy and Spain currently spend 0.5%, Germany 0.4% and France 0.3%. If those countries alone matched the American share, biopharma revenues would jump by tens of billions of dollars. That would inevitably yield more new drugs, with health and economic benefits to match.

Guardrails would be needed. Spending thresholds should account for discounts, rebates and clawbacks. Reimbursements should reflect a drug's value, determined by the private market ideally but at a minimum using a formula based on the cost-effectiveness thresholds that prevail in America. Europe must also better protect intellectual property. If governments delay pricing decisions beyond the 180-day legal limit, companies should receive

automatic patent extensions. Otherwise, R&D may remain too risky for many firms to undertake.

These reforms would not be burdensome. Rather, they would establish a fairer system in which advanced economies contribute in proportion to the medical innovation they depend on, while ensuring a healthy flow of new drugs. The reforms would not even require big new spending. It is already more expensive to fill a typical prescription in Europe than it is in America, because America fills a greater share of prescriptions with generics that on average cost half as much as they do in Europe.

In other words, by raising reimbursements for new drugs while increasing the use of cheaper generic therapies, Europe could spur more investment in lifesaving R&D and defuse Mr Trump's mutually destructive pricing push. Europe doesn't need to spend more. It just needs to spend smarter.■

*Tomas J. Philipson is an economist at the University of Chicago who served as acting chairman of the Council of Economic Advisers during President Donald Trump's first term.*

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# Briefing

- **America is falling out of love with Israel**  
Lurching apart :: The war in Gaza has undermined one of the world's closest alliances
- **Israelis do not like to think about estrangement from America**  
An essential friendship :: But they are beginning to have to

Lurching apart

# America is falling out of love with Israel

*The war in Gaza has undermined one of the world's closest alliances*

Sep 18, 2025 03:16 PM



“IF AMERICA WAS being bombed day and night because of something horrific our government did, and many innocent Americans and American children were being killed and traumatically injured, and we begged for mercy, but the rest of the world said, ‘Americans voted for their government so they deserve it’...And our cities and homes were bombed and turned to rubble. And our infrastructure was destroyed, no farms, no grocery stores, no more organised society. And no one helped our injured and hungry children. How would you feel?”

So Marjorie Taylor Greene, perhaps Donald Trump's most ardent acolyte in Congress, began a recent tweet in support of Palestinians and in opposition to Israel's war against Gaza. In the same post, she goes on to complain about the military aid that America sends to Israel. She concludes, "I don't know about you, but I don't want to pay for genocide in a foreign country against a foreign people for a foreign war that I had nothing to do with."

Since June, when America bombed Iran at Israel's urging, a band of right-wing politicians and pundits have come out loudly against America's alliance with Israel, a previously unimaginable stance for any self-respecting right-winger. Many of those calling for a big downgrading of ties —Steve Bannon, Tucker Carlson and Matt Gaetz, to name a few—are stalwarts of the MAGA movement. They complain that Israel is dragging America into foreign conflicts, that it is hoovering up resources that America should be using at home, that it is hostile to Christians and that it disregards America's interests. Unconditional support for Israel, Ms Greene argues, contradicts the Republican Party's "America first" slogan. In fact, since so many Republicans seem content to lavish money and weapons on Israel, she has come up with a new slogan to rule out such coddling: "America only".

## **Paradigm Lost**

For at least a generation, support for Israel has been an absolute given in American politics, superseding party, president or circumstance. America, as a result, has become Israel's closest ally by far, shielding it from diplomatic attack, sending warships when it is under military threat, sharing sensitive intelligence and technology and showering it with aid. Yet Israel's rightward political shift in recent years, and especially the protracted war in Gaza, has alienated many ordinary Americans. The disquiet about Israel that has been building for some time within the Democratic Party is now growing among Republicans, too. Younger members of both parties have shifted especially dramatically. A fundamental reshaping of one of America's deepest friendships seems all but inevitable, with huge ramifications for the Middle East and the world.

The sudden dissent on the right in America comes as Israel's diplomatic support is atrophying around the world. Several of America's closest allies—Australia, Britain, Canada and France—plan to recognise Palestinian statehood during the current United Nations General Assembly, citing the dire humanitarian conditions in Gaza as their motive. The Trump administration has rebuked this move, calling it a “reward for terrorism”, and the State Department has stopped issuing visas to Palestinians travelling to America for the meeting. America's veto on the Security Council means full Palestinian membership of the UN remains out of reach for now, but the shifting stance of America's allies indicates how reliant Israel is on America's backing.

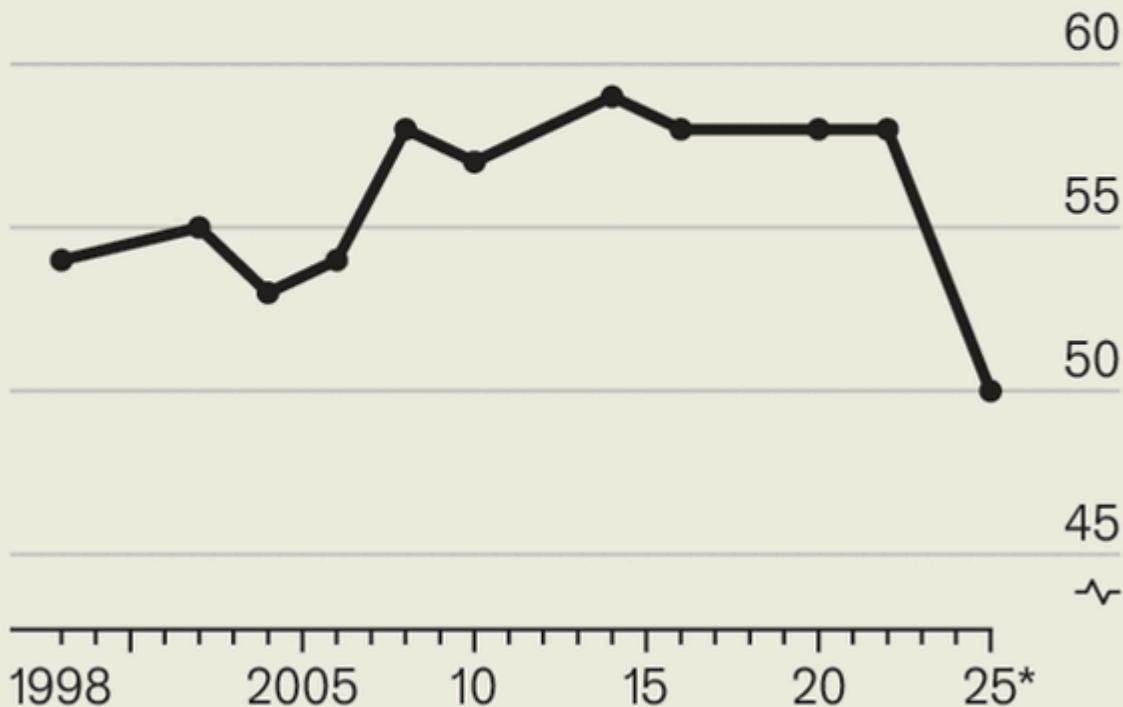
### **Israel Agonistes**

Yet public support for Israel in America is plunging. A YouGov/*Economist* poll from mid-August found that 43% of Americans agree with Ms Greene that Israel is committing a genocide in Gaza. The share who say their sympathies in the conflict lie more with Israelis than Palestinians has reached a 25-year low. Before Hamas's brutal attack on October 7th 2023, and Israel's ensuing two-year war in Gaza, things looked different. Americans have long had a largely favourable view of Israel. Since the war began, that enthusiasm has evaporated (see chart 1).

## Slippery slope

1

**“Rate your feelings towards Israel, where 100 means very favourable and 0 very unfavourable”**  
United States, average score among respondents



\*April 18th-20th

Source: Chicago Council on Global Affairs-IPSOS poll

The steepest drop is among Democrats. Young Democrats began souring on Israel a decade ago. By the start of the war in Gaza they were solidly hostile. The most notable recent shift is instead among Democrats over the age of 50, whose negative views of Israel have surged by 23 percentage points over the past three years. Republicans tend to be much more pro-Israel. But younger ones are starting to break ranks, too. Those under 50 are nearly evenly split in their views, with 50% seeing Israel negatively and 48% positively (see chart 2). That is a stark change from 2022, when the margin was 35% to 63%. The age effect is even more pronounced among

evangelical Christians. A poll commissioned by the University of North Carolina at Pembroke found that between 2018 and 2021 the share of evangelicals under the age of 30 who supported Israelis over Palestinians plummeted from 69% to 34%. There has not been good polling on the group since, but researchers reckon the shift is enduring.

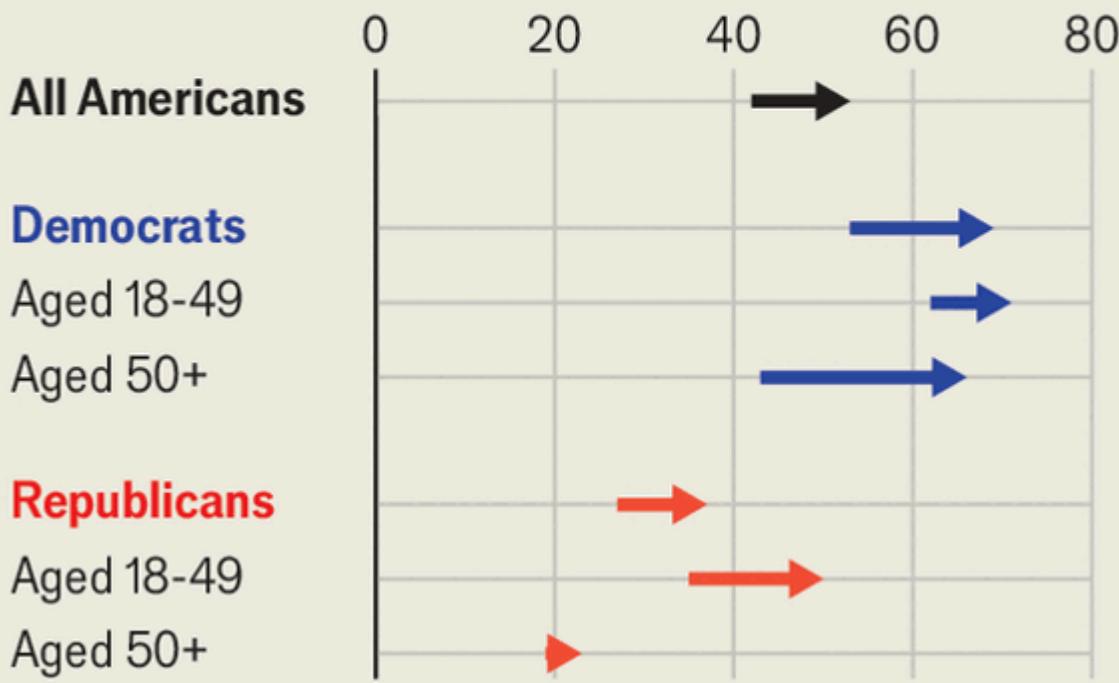
Naturally, politicians are beginning to reflect the feelings of their constituents. Democrats have led the way. In late July 24 of the 47 Democrats in the Senate voted to halt an arms shipment to Israel. Just eight months earlier, in November, only 18 had. Three of the new “yes” votes were senators who took office this year.

## Only pointing one way

2

“Do you have a favourable or an unfavourable opinion of Israel?”, % responding “unfavourable”

March 2022 → March 2025



Source: Pew Research Centre

Democrats once firmly in Israel's corner are softening their stance. Jake Auchincloss, a congressman whose district in the suburbs of Boston is home to 100,000 Jews, says attitudes among his constituents shifted rapidly after a ceasefire in Gaza collapsed in March. The policy memos he sends out in response to constituents' inquiries provide a neat illustration of how rapidly views are evolving. Since January he has updated the ones on climate change and gun violence five or six times. "On the Israel-Gaza conflict, I think we're on version number 23," he says. With each revision, his criticism of Israel's humanitarian failings has become stronger.

Primary pressure is also nudging pro-Israel Democrats to the left. Ritchie Torres, a congressman from New York City who routinely defends the Israeli government, is on a list of politicians that allies of Zohran Mamdani, the Democratic nominee for mayor, want to unseat. He recently stated on social media, “The free world has a moral responsibility to Palestinians in distress. Flood Gaza with food.”

Democrats’ disillusionment with Israel has been hastened by Binyamin Netanyahu, Israel’s prime minister for most of the past 15 years. In 2015, while the administration of Barack Obama was in the middle of negotiations with Iran to curb its nuclear-weapons programme, Mr Netanyahu accepted a Republican invitation to address Congress about the dangers of such talks. Democrats felt that he was taking sides in American politics. Since then Mr Netanyahu has cosied up to Mr Trump and made his partisan allegiances even clearer. He has even nominated the president for a Nobel peace prize. That has made support for Israel’s government feel like a proxy for backing the American right, says Peter Beinart, a progressive commentator.

Israel’s conduct has also become ever more at odds with Democratic policies. Mr Netanyahu’s expansion of settlements in the West Bank, and the violence that has come with it, has eroded hope for a two-state solution, which Democratic presidents, in particular, have long championed. For many Jewish Americans, who are overwhelmingly Democrats, the Israeli government’s treatment of Palestinians clashes with values taught in schools and synagogues, says Jeremy Ben-Ami, the head of J Street, a liberal pro-Israel lobbying group. That “disjuncture” has brought groups like J Street that are critical of Israel into the Democratic mainstream. Over the past four years J Street’s budget has risen by more than 50%. During the last election cycle it raised \$15m, up from \$9m in 2020.



There did not use to be much debate

Palestinian activists have also managed to build support through solidarity with other left-wing causes, such as the Black Lives Matter protests that erupted across American cities in 2020. Lots of young Americans were first introduced to the Israel-Palestinian conflict when handed flyers at BLM rallies. Many people have come to see it as fitting “a princess-dragon paradigm”, says Enia Krivine, the head of the Israel programme at the Foundation for Defense of Democracies, a think-tank.

Older Democrats, meanwhile, find that the bloodshed in Gaza no longer squares with their image of Israel as a plucky underdog. “For those of us who grew up around the Six Day War there was this romantic vision that Israel was a force for good,” says Paul, a Zionist Democrat retiree attending a recent protest against Mr Trump. “Now it’s being run by a party that has no interest in that.”

Despite the rising chorus of criticism from the likes of Ms Greene, Republicans have not moved nearly as far as Democrats have. At least superficially, Republican support for Israel looks stronger than ever. Ever since the terrorist attacks of 9/11, Americans who advocate a strong military response to Islamic extremism have seen a kindred spirit in Israel. Many evangelicals consider the existence of the Jewish state an essential step

towards the re-establishment of God's reign on Earth, and so have made supporting Israel as central to Republican dogma as opposing abortion.

## **Dauntless in Gaza**

In some respects Mr Trump has been the most enthusiastically pro-Israel president of all. Mr Netanyahu has visited the White House three times since he took office in January, more than any other foreign leader. Mr Trump has made deporting pro-Palestinian foreign students a tenet of his immigration policy and is punishing universities for failing to combat antisemitism, which he often seems to elide with any expression of pro-Palestinian sentiment. His plan to turn Gaza into a glitzy riviera has stoked the Israeli far-right's campaign to expel Palestinians from the territory altogether. When Israel asked Mr Trump to join in its bombing campaign against Iran this summer, the president obliged. It was the first time that America and Israel have attacked an enemy together.

Most Republicans in Congress are similarly pro-Israeli. No Republican senators voted with Democrats in July to restrict arms sales. In August Mike Johnson, the speaker of the House of Representatives, became the second senior American official to ever visit a West Bank settlement, declaring that the "mountains of Judea and Samaria" belong to the Jewish people "by right". In the past such visits were considered taboo by leaders in both parties since they undermined the prospects for a two-state solution. Dan Senor, a Republican foreign-policy wonk, says there is "zero evidence" that congressional Republicans are feeling pressure to change their stance on Israel, particularly because they do not face the same primary pressures that Democrats do.

But if the Republican Party learned anything from last year's election, it is that podcasters and pundits with big online followings have the power to galvanise voters. One indication that senior Republicans have sensed a shift in the public mood is the increasing shrillness with which they defend America's alliance with Israel. Last month Lindsey Graham, a senator from South Carolina, gave an impassioned speech rebutting talk of genocide and reminding his colleagues, "Israel is our friend." It ended with a histrionic warning: "If America pulls the plug on Israel, God will pull the plug on us."

There are specific factors feeding disillusionment with Israel on the right, as well. One is the familiar isolationist view, long embraced by Mr Trump among others, that America should stay out of foreign wars. Many in the party are keen to slash military aid for Ukraine, an idea Mr Trump himself sometimes seems to endorse. That only begs the question of why there should be an “Israel exception”. The widespread perception that the Israeli government is committing war crimes makes the question even more awkward.

There has also long been an antisemitic streak in the Republican Party, for all Mr Trump’s professed zeal to protect America’s Jews. Ms Greene, for one, has floated conspiracies about Jewish space lasers sparking wildfires and repeated claims that “Zionist supremacists” are conspiring to dilute Europe’s white population through migration. Nick Fuentes, a far-right commentator who believes the Holocaust is “exaggerated”, recently complained that Mr Carlson and others had finally begun speaking out against Israel only when it became “unavoidable”.

Tellingly, the American Israel Public Affairs Committee (AIPAC), America’s most prominent pro-Israeli lobbying group, has recently changed its strategy. It used not to spend any money supporting particular candidates in elections, presumably because there were so few candidates who appeared anything but friendly to Israel. In the decade to 2021 it devoted a mere \$157,000 to election spending, a rounding error compared with its lobbying bill of \$31m. Over the past two electoral cycles, however, AIPAC spent \$65m on elections and just \$9m on lobbying. Forget the minutiae of policy: it is fighting to keep friendly congressmen in their seats.

The stage is set for a big political reckoning. Mr Trump may be able to stick to his pro-Israeli stance without paying a price, but other politicians will not be so lucky. The Democrats who join the race to replace him after next year’s midterm elections will be forced to make their positions on Israel known to primary voters, especially if the war in Gaza is still dragging on. A successful nominee will not be able to back the Jewish state as adamantly as Joe Biden, the most recent Democratic president. The Republican primary will probably feature a populist candidate, hostile to foreign entanglements. Rumours abound that Mr Bannon, a household name on the

right who has become very critical of Israel, is mulling a run. The same influencers who helped Mr Trump win could whip up support for such a campaign.

J.D. Vance, Mr Trump's vice-president, is already the Republican favourite. He has been a vocal opponent of sending arms to Ukraine, but his views on Israel are harder to read. In May he was set to visit—his armour-plated limousine had already arrived in Tel Aviv—when he called off the trip after Mr Netanyahu mobilised more troops for the war in Gaza. Curt Mills, a prominent voice among Republicans hostile to Israel, has a good relationship with Mr Vance. From recent conversations with him about the Middle East, he gets the sense that Mr Vance will come round to the “America only” camp. “I think he’s going to be good on this,” Mr Mills avers.

Such pressure will not necessarily dissipate if the war in Gaza ends or Mr Netanyahu leaves office; it reflects a generational shift. “The old Republican consensus has frayed, probably permanently,” says Dov Waxman of the University of California, Los Angeles. Previously routine bilateral matters, such as the negotiation of a new deal to provide aid for Israel to procure American weapons, may not proceed as smoothly in future. Indeed, [Israel might find that relations become chillier](#): in all manner of ways, from weapons procurement to diplomatic support. The immutable relationship that has shaped the Middle East for 50 years is suddenly looking shaky. ■

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An essential friendship

# Israelis do not like to think about estrangement from America

*But they are beginning to have to*

Sep 18, 2025 03:16 PM | JERUSALEM



THE ISRAELI grandes who have made quick jaunts to Washington this month to check in with the great and the good have not had the reception they were hoping for. “We heard from usually pro-Israel Congress members and senators in the Democratic Party that from now on conditional aid to Israel would be the party’s default position,” said a senior Israeli politician. “But what was even more surprising was the criticism we were getting from the Republicans we met. They are also under pressure from their constituents when it comes to Israel.”

At home, too, there is a sense of growing isolation. In a speech this week the prime minister, Binyamin Netanyahu, in response to a threat by the European Union to suspend its free-trade agreement with Israel, declared that the economy would have to develop “autarkic features” to shield it from international boycotts. That sent the stockmarket sliding, prompting a hasty clarification from Mr Netanyahu that he was talking only about the defence industry. Anyway, he added, “The United States is with us.”

Mr Netanyahu’s rivals are not so sure. For months they harangued the prime minister for damaging ties with America. “Netanyahu doesn’t know the new America...He made a series of severe mistakes that led to a historic decline in the relationship,” harrumphed Yair Lapid, the leader of the opposition, earlier this year.

The immediate concern, voiced both inside and outside the Israeli government, is that America will withdraw its support for the war in Gaza and oppose future Israeli military forays in the region, such as further strikes on Iran’s nuclear facilities (something Israel’s spies think may be necessary). As it is, Mr Netanyahu has irritated the Trump administration with his attacks on Syria, despite America’s friendly stance towards the new regime there, and by the bombing raid he ordered on Hamas officials in Qatar, an American ally. Mr Netanyahu was dismayed to see Mr Trump rush to placate the Qatari leadership after Israel’s strike. “Trump is more transactional than Biden, who was instinctively pro-Israel,” says an Israeli diplomat. “He could listen to his friends in the Arab world, like the Qataris, who are urging him to take a tougher position. Especially if the war in Gaza continues.”

There are also longer-term worries about the future of America’s military support. Before Barack Obama left office in 2016 he signed a ten-year, \$38bn aid package, mainly to subsidise Israeli purchases of American arms, which runs out in 2028. Discussions about a new package would normally already have begun. Although Israel is completely reliant on America for advanced fighter jets for its air force, in particular, some Israeli officials believe it would be better not to request more such aid, but instead to propose a “technology partnership” with America. “Trump is the kind of president who insists on seeing what America gets out of a deal,” cautions

an Israeli official. “It might be more sensible to present the next aid deal differently.”

A sense is also growing that, whoever is in the White House and whatever Israel’s military campaigns, relations with America may not be so close in future. A senior official predicts, “Joe Biden [Mr Trump’s predecessor] will have been the last Zionist president.” The next Democrat to occupy the White House, he reasons, will have to make concessions to the younger generation in the party, who have become much more hostile to Israel as the war in Gaza has dragged on.

Yet America’s help would be hard to replace. Military aid may be the least troubling element. Israel had budgeted to spend over \$23bn dollars on defence the year the war in Gaza began, including \$3.8bn in grants from America. American aid, in other words, although important, is only a small share of military spending. Israel’s GDP, of roughly \$540bn last year, is big enough to sustain higher outlays on defence. (Regardless of who paid, Israel would still want to buy advanced weapons such as fighter jets from America to keep all its gear operating together smoothly.)

Other forms of assistance have no ready substitutes. America gives Israel access to its intelligence and surveillance networks. It operates a massive radar station in Israel’s Negev Desert which provides early warning of incoming missiles from Iran. Over the past two years America has repeatedly deterred Israel’s enemies and bolstered its defences by deploying carrier groups, missile-defence batteries and fighter squadrons to the region. Attempting to replicate such capabilities would be ruinously expensive for a country as small as Israel.

### **Intangible but priceless**

America has also refrained from selling its most sophisticated weapons, such as its F-35 stealth fighters, to any other countries in the Middle East. It has used its veto power at the UN Security Council to block resolutions on Israel around 50 times. Such boons are hard to quantify, but the value of being seen as a close ally of America, with all the diplomatic, military and financial heft that entails, is doubtless immense. “The strategic alliance with

America is the cornerstone to Israel's national security" is a catchphrase among Israeli generals, politicians and pundits.

Israel's friendship with America did not really blossom until the late 1960s. It survived the prior 20 years despite the belligerence of its neighbours, and could doubtless cope again if the two fell out. But few Israelis want to contemplate the costs, privations and dangers that would entail. ■

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# United States

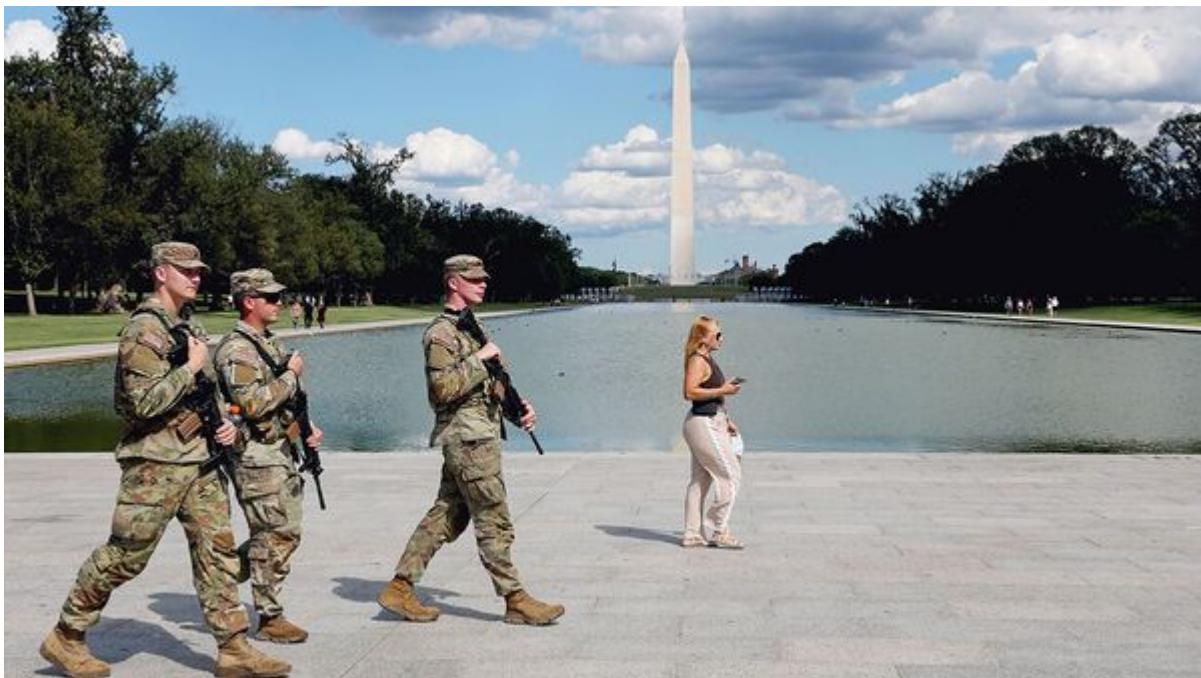
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**Soldiers as cops**

# The president is putting America's armed forces in a bind

*Turning soldiers into cops was once a last resort. How far might he go?*

Sep 18, 2025 04:40 PM | Washington, DC



THE TECHNICAL term for it is a military-presence patrol. The non-technical term is a political stunt. Since August, [National Guard troops](#) have been ambling around landmarks in Washington, DC, including the Mall and the main train station. Donald Trump ostensibly sent them to fight crime. In reality they are not making arrests and these are some of the safer parts of America's capital. So they are collecting rubbish and spreading mulch in city parks. Tourists ask them for selfies; some locals tell them to get lost. Soon Mr Trump will deploy more troops in Memphis and possibly New Orleans.

Thirty years ago Charles Dunlap, then an air-force lawyer, warned of the increasing encroachment of the armed forces into civilian life, which he called a “subtle drift towards an uncertain destination”. Under Mr Trump this is less a drift than a lurch. The president loves pageantry, hardware and men in uniform. He also thinks putting soldiers to work as cops in Democratic-run cities is good politics. Residents may resent it in DC and Los Angeles, where he sent troops in June to quell immigration-related protests. But it plays well on Fox News. A recent crime dip in DC validates his claim to have cleaned up that “dirty, crime-ridden death trap” (though this probably owes more to his surge of federal law-enforcement agents, who can make arrests). Republican governors in Louisiana and Tennessee want in.

Having endured British occupations of Boston, New York and Philadelphia during the American revolution, the founding fathers were deeply uneasy about having soldiers police civilians. Laws restricting such military deployments and presidents’ regard for tradition helped maintain that boundary. This suits the armed forces, who train to kill foreign combatants, not monitor fellow citizens. Mr Trump, in contrast, seems to have few reservations about using soldiers for political ends, be it dunking on Democratic mayors or carrying out his deportation agenda. In the process he is testing the boundaries of the law, the morale of the armed forces and a tradition of bipartisan support for that institution, one of the most trusted in America.

In LA and DC, soldiers have served mainly as a show of force. They are not arresting or searching people but are supporting police with protection and equipment. Their presence is a deterrent or, viewed more cynically, a prop. In California, troops did accompany Immigration and Customs Enforcement (ICE) agents on raids. Army lawyers have been seconded to work as immigration judges. The Pentagon has allowed ICE to use a navy base outside Chicago as a staging ground.

Co-operation of this sort will probably increase. Yet so far Mr Trump has avoided more fraught and potentially combustible moves. He has launched an immigration operation in Chicago but has not sent troops there. The presence of soldiers in LA is sparse, down from 5,000 in June, and they are

staying put on an army base. He is deploying the National Guard to Republican states because those governors welcome it (even if Democratic mayors in the targeted cities do not). Still, it is worth imagining where more ambitious LA-type operations could lead: how, as in that city, raids could provoke protests which could turn violent, justifying the move to send in soldiers. If Mr Trump ratchets up his response, would the law constrain him?

Mr Trump's deployment to LA was unusual in two respects: it was unnecessary and unwanted. The unrest that precipitated it was manageable. Protesters threw rocks and Molotov cocktails and set a car on fire. A federal agent broke a wrist. When past presidents sent in soldiers—to quell race riots, for example—they did so in the face of sustained, deadly violence and a near-total breakdown of law and order. Then overwhelmed governors sought federal help. Mr Trump acted over the objections of Gavin Newsom, California's Democratic governor, who sued to block the deployment.

The laws that govern domestic use of the army are old, vague and open-ended. This gives the president a great deal of room for manoeuvre. He can send in troops to suppress a “rebellion” or enforce the laws if local authorities cannot manage. The Posse Comitatus Act (PCA), passed in 1878, bars soldiers from doing direct police work—hence the National Guard's limited mandate in LA. But there is an exception if the president invokes the Insurrection Act. Scholars describe this as a “powder-keg” statute, empowering soldiers to search and detain people. Mr Trump has not gone there yet, though he reportedly mulled it in 2020 during Black Lives Matter protests. He backed off at the urging of his defence secretary and the chairman of the joint chiefs of staff.

A district-court judge said the California deployment was illegal; the ruling is on hold while Mr Trump appeals. The Trump administration is making two maximalist arguments: that the PCA does not apply in the case and that courts cannot second-guess its assessment about when a security threat justifies troops. It cites a 200-year-old Supreme Court ruling from the war of 1812, *Martin v Mott*. Then the court gave the president absolute discretion to call up a militia: “The authority to decide whether the

exigency has arisen belongs exclusively to the President, and that his decision is conclusive upon all other persons.”

Should Mr Trump invoke the Insurrection Act, the Supreme Court will probably weigh in and may well cite that precedent. Ironically, the very success of the idea that soldiers should stay out of policing has created grey areas which empower a norm-busting president, notes Aziz Huq of the University of Chicago. Ordinarily vague laws get clarified when they are invoked and then litigated. That has not happened here because past presidents used them sparingly. Meanwhile, Mr Trump has first-mover advantage in his court fights.

A president can flex plenty of muscle without troops. Mr Trump has diverted 28,000 federal law-enforcement personnel—including one in five FBI agents—to do the work of ICE. And if a president’s goal is intimidation, police in camo, helmets and body armour can do that just as well. There was a telling moment during the recent trial in California. Pressed by lawyers, even federal officials could not tell who was a soldier and who was a law-enforcement agent. They looked indistinguishable: one big militarised blob. ■

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Capital crime

# In Washington, the obvious thing is probably true

*Deploying hundreds of federal agents probably cut crime*

Sep 18, 2025 03:17 PM | Washington, DC



THREE WEEKS after [deploying the National Guard and federal agents](#) to Washington, DC, the president took to social media to triumphantly declare the capital a “CRIME FREE ZONE”. To promote his crackdown, he made a show of dining publicly at an upscale seafood restaurant a block away from the White House, and urged Washingtonians to frolic in the newfound safety of their city. “We’re standing right in the middle of DC, which over the last year was a very unsafe place”, he remarked. “Now it’s got virtually no crime.”

A hasty glance at the city's crime statistics seems to back up the president's boast. Since the deployment of federal forces on August 11th, total crime has dropped by 16% compared with the same period last year, according to data released by the Metropolitan Police Department (MPD). Homicide, sexual abuse, assault and robbery—the main categories of violent crime—are down by 39%. Carjackings, which have been a particular fear for Washingtonians, fell by 75%. All property crimes declined by 13%, and burglaries and car thefts by over 40%.

In addition to the National Guard, the president sent in 500 agents from the FBI and other federal law-enforcement agencies. It would be odd if the visible police presence did not have a deterrent effect. Those agents have been making arrests, too. The mayor, Muriel Bowser, has cautiously welcomed the help.

## Policing the Potomac

Washington, DC, daily violent crimes

Three-month moving average



Source: Washington, DC Metropolitan Police Department

Taking a longer, wider view, the picture becomes more complicated. Violent crime in DC has been consistently declining since 2023, making it difficult to determine the impact of Mr Trump's policies (see chart). The same MPD database shows that violent crime in DC in 2024 was down by 35% relative to the previous year—the lowest it has been in 30 years (until now). Carjackings fell by nearly half over the last year alone. “These things were already declining,” points out Jeff Asher, a crime analyst. “You can’t really tease out anything from that small of a sample,” he says, referring to the time since the federal takeover.

Deploying soldiers to the streets of Washington also appears to have dampened the more mundane aspects of city life. It might have seemed impossible to make the city's nightlife less lively, but the president seems to have managed it. Reservations and footfall in many restaurants and shops are down. Bike-sharing trips across the city have dropped sharply. International tourism has cooled. The recent fall in property crimes like theft could be accelerated by the fact that fewer people are going out, says Mr Asher.

To further complicate matters, hovering over all this debate about how far crime has fallen and why are allegations of data manipulation. The Justice Department and the Republican-led House Oversight Committee are investigating whether the MPD cooked the books by reclassifying serious offences to make crime rates appear lower than they really are. Michael Pulliam, a DC police district commander, was put on leave in May for allegedly fiddling with figures. And although the MPD's data on murders and carjackings generally match what it reports to the FBI, it might have exaggerated drops in violent assaults and robberies. Experts say that could be because of bureaucratic incompetence as much as intentional malice. In any case, declaring a city "crime-free" is not the same as making it so. ■

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Deathly data

# Is the far left to blame for more political killings in America?

*Opinion polls probably overestimate public support for violence*

Sep 18, 2025 03:16 PM | PHILADELPHIA



SINCE THE assassination on September 10th of Charlie Kirk, a right-wing activist, President Donald Trump has said that “most of the violence is on the left”. Pam Bondi, the attorney-general, posted on X that “we’ve watched the radical left normalise threats, call for assassinations, and cheer on political violence”. And J.D. Vance, the vice-president, claimed, while hosting Kirk’s podcast in his stead, that supporting violence “is not a ‘both-sides’ problem”, but rather one where the left has a “much bigger and malignant problem”.

Untangling how much one side is to blame for political violence is tricky. The suspect in Mr Kirk's murder does indeed seem to have been motivated by politics. Court documents quote texts from Tyler Robinson, who has been charged for the shooting, saying he "had enough of [Kirk's] hatred." Mr Robinson's parents told authorities that he had become "more pro-gay and trans-rights oriented".

Describing the bigger picture of American political violence is a challenge, however. Trying to catalogue political violence is inherently subjective: analysts must determine which forms of violence count as political and assign ideological labels to attackers or victims. Nevertheless, the data sets available suggest that extreme liberals are not committing the majority of political violence in America.

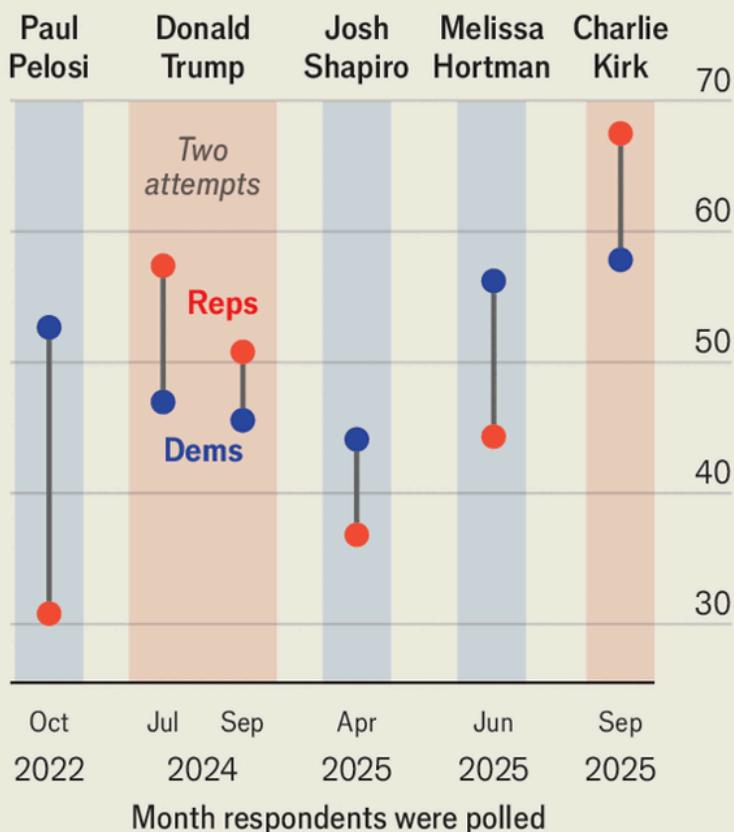
The Prosecution Project, led by Michael Loadenthal of the University of Cincinnati, analyses felony criminal cases involving political violence to see which ideologies are most common. The project attempts to create a taxonomy for crimes that seek "a sociopolitical change or to communicate" to outside audiences, says Mr Loadenthal. Its data show that extremists on both left and right commit violence, although more incidents come from right-leaning attackers. The Prosecution Project uses indictments and court records to ascribe ideology. But those who commit violence often leave a messy trail of resentments that defy easy classification, and some are clearly mentally ill.

## Blue and red mist

"How big a problem do you think political violence is in the US today?"

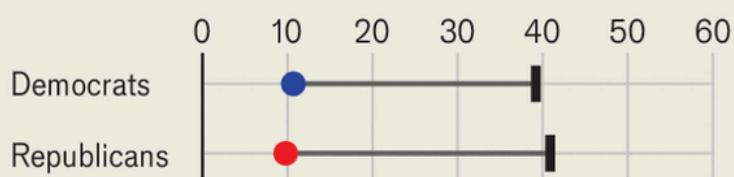
% responding "a very big problem" after selected assassinations or attempts

■ Democrat target ■ Republican target



## Support for political violence, Oct 2020, 100=max

● Actual ■ Estimated by opposing party



Sources: YouGov; "Correcting inaccurate metaperceptions reduces Americans' support for partisan violence", by J.S. Mernyk et al., PNAS, September 20th 2021

While hosting Kirk's podcast, Mr Vance said that "the data [are] clear, people on the left are much likelier to defend and celebrate political violence", citing evidence from YouGov, a pollster. The survey showed that 25% of Americans who identified as "very liberal" said political violence could sometimes be justified, compared with just 3% of those who identified as very conservative and 11% of Americans overall. Although Mr Vance is correct that these data are clear, such polling can be affected by the timing of the question.

Previous polling by YouGov reveals that partisans are far more likely to describe political violence as a big problem in the aftermath of an attack directed at one of their own (see chart). The survey cited by Mr Vance was conducted immediately after Kirk's murder. Many commentators assumed that he was the victim of a political assassination by an extremist liberal. This is likely to have framed the question in the minds of respondents, inflating the gap between liberals and conservatives in the short-term.

A risk in the aftermath of Kirk's assassination is that violence begets more violence. Research suggests that partisans overestimate support for violence in the other party by as much as a factor of four. When corrected on their misconceptions, support for violence falls by a third. The current levels of political violence are nowhere near what they were in the 1960s, notes Lilliana Mason of Johns Hopkins University. She also sees a different trend: attacks against political figures to get attention, not to advance a cause. ■

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**Retribution tour**

# Donald Trump targets progressive non-profits after Charlie Kirk's killing

*MAGA-world sees a plot of violence-enabling leftists*

Sep 19, 2025 02:34 AM | New York



The vice-podcaster

CHARLIE KIRK'S alleged killer may have been a left-winger. He appears to have acted alone. After the assassination of the MAGA activist, some on the left celebrated and suggested Kirk had it coming. This was callous and loony. Not to be outdone, MAGA-world has announced a campaign to take down a supposed leftist plot responsible for the murder.

Stephen Miller, a White House adviser, blamed an “organised campaign” for the shooting and promised to “dismantle the organisations and the entities” behind it. J.D. Vance, the vice-president, said it was time to “go after the NGO network” that he said foments violence. He named the Open Society Foundations and the Ford Foundation, behemoths of progressive giving and bogeymen of the political right. “They are literally subsidised by you and me...And how do they reward us?”

Retaliation started with a television host. After the assassination Jimmy Kimmel, a comedian on ABC, suggested erroneously that Kirk had been killed by a MAGA fan. Brendan Carr, chairman of the Federal Communications Commission, which regulates broadcasters, threatened consequences: “We can do this the easy way or the hard way.” Within hours ABC took Mr Kimmel off the air indefinitely. Mr Carr then said all broadcasters should ease up on the “progressive foie gras”.

Donald Trump’s retribution tour was well under way before [Kirk](#)’s murder. He has revoked law firms’ security clearances and universities’ research grants. He has sued media outlets whose coverage he dislikes, including ABC and, most recently, the *New York Times*. In April Mr Trump ordered an investigation into ActBlue, an influential Democratic fundraising platform that he accuses of accepting illicit foreign donations. The Federal Trade Commission is probing whether Media Matters, a left-leaning watchdog, colluded with advertisers to boycott X, owned by Mr Trump’s pal. Criminal probes have been launched into some of the president’s perceived enemies.

Now progressive non-profits look set for more trouble. Mr Vance alluded to the government’s leverage. Charities do not pay income tax; donors get to deduct their gifts from their taxes. But weaponising the Internal Revenue Service (IRS) for political purposes is illegal. A president and his cabinet members cannot order audits. A non-profit whose tax exemption is at risk enjoys many procedural protections and can sue on free-speech grounds.

The first real warning sign came instead from a different corner of government. The Department of Education has proposed a rule denying federal-student-loan forgiveness to graduates who work for non-profits with a “substantial illegal purpose”. Its definition of illegal would cover a range of lefty activism: services for undocumented immigrants, transgender health

care, pipeline protests. Getting booted from the student-debt-relief scheme is headache enough for non-profits, since the programme incentivises bright young graduates to work for them, often at below-market salaries. Now some wonder whether the IRS itself will try to apply that same definition to non-profits, with an eye to yanking tax exemptions.

That would be legally dubious. But a threat need not be actionable to be chilling, notes Roger Colinvaux of the Catholic University of America. After a string of executive orders targeting “diversity, equity and inclusion”, non-profits started deleting DEI language. Many are conducting mock audits in anticipation of IRS scrutiny. Foundations such as Ford or Gates once amplified their grantees, whose affiliation with the heavyweights raised their profile. Now this is a liability. “We see a lot of website scrubbing,” says an adviser.

Even if threats to weaponise the IRS go nowhere, they can be distracting. That may be the point. Two dozen Republican congressmen want the House speaker to empanel a committee to probe NGOs and donors promoting “anti-American ideology”, which apparently means immigrant services and criminal-justice reform. They ought to pick up their Alexis de Tocqueville. You could tell an American, the 19th-century thinker said, by his love for civil society. ■

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Golf populi

# What this year's Ryder Cup says about America's duffers

*More local governments own courses and the demography of players is changing*

Sep 18, 2025 03:17 PM | The Bronx



MANY OF THE world's best golfers will tee off on September 26th in suburban New York to compete for the Ryder Cup, a team event pitting Europe against America where the prize is not money but continental bragging rights and a shot at individual glory (or embarrassing failure) under intense pressure. The biennial competition has become a huge attraction, drawing raucous crowds unburdened by the sport's expectations of decorum.

When America hosts the competition, it is usually played at exclusive private clubs, some with six-figure initial membership fees, such as Medinah, outside Chicago, and Oakland Hills, near Detroit. This year's competition, however, will be at a public venue: Bethpage, in a state park on Long Island.

Anyone can play there, and New York residents pay just \$80 for a weekend round of 18 holes on the famous Black Course, where the pros compete. A sign seeks to deter duffers: "WARNING The Black Course is an Extremely Difficult Course Which We Recommend Only for Highly Skilled Golfers".

American golfers play increasingly at government-owned courses. New York City, which is about half an hour's drive from Bethpage, has 14 city-owned links. The oldest municipal golf course in America is Van Cortlandt in the Bronx, which became a model for other cities. Babe Ruth and Jackie Robinson, two baseball legends, often played there. Today many golfers, bags slung on shoulders, arrive at "Vanny", as locals call it, on the subway.

Municipal-course golfers come from all demographic and income brackets, says David Cerron of New York City's parks department. Since the pandemic, says Chris Ryan, Vanny's manager, the course is attracting more women, young golfers and ethnic minorities. The idea that all golfers are middle-aged white men is an outdated cliché.

Covid-19 was "a fantastic catalyst for recreational golf", says Greg Nathan of the National Golf Foundation (NGF), a consultancy. The pandemic brought new and former golfers to the links, particularly municipal facilities. This has lifted municipal courses' finances. Before covid some cities had to subsidise their courses. Now many are in excellent financial health. "It could be, today, golf is in the best place that golf has ever been in America," says Mr Nathan. Tee sheets are full.

The past decade has brought a net gain of more than 100 municipal golf facilities, according to the NGF. New York City's are privately managed and provide free lessons to local children. It helps, says Jason Zaretsky, an executive in the system, that "golf has definitely become a lot cooler". ■

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## Fluid identity

# How stable are the gender identities of younger children?

*A study finds that one in five who switch gender change their mind*

Sep 18, 2025 03:16 PM | NEW YORK



WHEN KRISTINA OLSON began studying children who had transitioned from one gender to another in the early 2010s, there were not a lot of them. Social transition (living in a new gender, with no medical intervention) was still controversial for minors. A new understanding was taking hold, however: that trans children know who they are, and that there is therefore little reason to delay. An increasing number of parents followed suit and socially transitioned young children—in some cases, as young as three.

To study the effects, Dr Olson and her colleagues recruited a group of hundreds of these early social transitioners, as well as their families,

planning to follow up with them for many years. They also recruited two comparison groups: a set of siblings of the trans-identifying children, who identified as cisgender at the start of the study, and an unrelated group of children, mostly recruited from Washington state (where Dr Olson, now at Princeton University, was based at the time).

The TransYouth Project, as it came to be called, has since become the single largest and most successful longitudinal effort to track early-transitioning young people in the world. In 2018 Dr Olson [received a MacArthur genius grant](#) for her work. The latest results highlight the complex nature of this research—and the very different ways in which diverse experts in this polarised field can interpret the same statistics.

[“Stability and Change in Gender Identity and Sexual Orientation Across Childhood and Adolescence”](#) was published in the *Monographs of the Society for Research in Child Development*, a journal, in July. The main finding is that many children who transitioned young retained stable gender identities over time. The average child in this study transitioned aged six and a half, and was last contacted by Dr Olson’s team seven years later. Fully 82% of them had been unwavering in their gender identity.

The other 18% had experienced at least one identity change, entailing either a re-identification with their natal sex or—more frequently—coming out as “gender diverse”, a category that is neither cisgender nor a transgender boy or girl (and is more commonly labelled “non-binary”).

## **Changes of heart**

The fact that nearly a fifth of children in the group did not maintain a stable new gender identity ought to give advocates of irreversible medical interventions pause. It also complicates another finding of Dr Olson’s. In 2022 she published an earlier study of the same cohort in *Pediatrics*, another journal. Then, just 7% of the children who had transitioned early had an identity change over a five-year period. Taken together the two studies suggest that with time, a significant number of children are likely to develop different feelings about their gender identities. The current cohort was last surveyed at 15, still years shy of young adulthood.

“The longer the observation, the greater the instability,” says Dr Stephen Levine at Case Western Reserve University School of Medicine, who has been working with and studying trans adults and young people for decades. [Laura Edwards-Leeper](#), another expert, who has become a critic of what she sees as reckless approaches to youth transition, has argued that if rejecting a new gender identity becomes more common with age, “that might be a good argument for why social transition at a young age should be done cautiously”.

The latest study touches on another hot-button issue in the field—the question of external influences. Citing earlier researchers, the authors reference the “common idea in the literature...that parents in some way contribute to or facilitate gender nonconformity in their children”. They express scepticism on the grounds that most of the siblings of trans children “are cisgender”. “Presumably, if parents were encouraging gender nonconformity in general, we might see a higher rate of transgender identity among the siblings.”

But Zhenya Abbruzzese, co-founder of the Society for Evidence-Based Gender Medicine, which is sceptical about medical transition in the young, interprets the data differently. She points out that “remarkably, 23% of female siblings [of trans children] became transgender-identified during the study.” This is a much higher figure than the percentage of natal males (9%) or females (10%) in the non-sibling group who came out as trans during the study, or the percentage of male siblings who did (9%). It also coincides with a period of rapid rise in the number of young people identifying as transgender. The majority of them, often 60% or more according to studies, were born as women.

All these figures, it should be said, are far higher than population-based estimates of the trans population produced by organisations such as the Centres for Disease Control and Prevention. Those have historically hovered at around 1%.

It is obvious that young people understand terms like “gender” differently from their parents. What is unknown is the extent to which these labels reflect deep-seated identities, as opposed to feelings that will, in time, resolve into more conventional sexual orientations and gender identities. As

more evidence emerges, it will inevitably shape policies towards early gender transition.

What do Dr Olson and her co-authors make of all this? In an email, one of the researchers, Benjamin deMayo, “politely” declined to discuss the matter. “Not interested, thanks,” said Dr Olson. ■

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Lexington

# The Donald Trump guide to DEI on campus

*The administration is picking its own favoured students and boundaries for speech*

Sep 18, 2025 03:17 PM



THE AGREEMENT that the Trump administration struck with Columbia University in July makes one thing very clear: the university will henceforth treat everyone on its campus the same, regardless of characteristics such as race that the law recognises as potentially singling people out for discrimination. One provision declares that Columbia “will not provide benefits or advantages to individuals on the basis of protected characteristics in any school, component, division, department, foundation, association or element within the entire Columbia University system”.

That is emphatic indeed. Yet the provision immediately preceding it confers just such a benefit to one such group of potentially vulnerable students: “To further support Jewish life and the well-being of Jewish students on campus,” it stipulates, Columbia will hire an “additional administrator” to communicate with students “concerning antisemitism issues” and advise the school on how “to support Jewish students”. This seems like a fine idea; Columbia has said antisemitism is a problem on campus. But just imagine the Trumpian distress if a college swapped, with the corresponding bigotry, “Jewish” for another word—“black” or “female” or, heaven help the school, “transgender” or “Palestinian”.

As Donald Trump’s administration grinds through the academy, it is not so much eliminating diversity, equity and inclusion programmes as inspiring, or mandating, its preferred version. At Harvard some students returning this autumn wondered why they were taking mandatory antisemitism training, but no other anti-bias training, the *Harvard Crimson* reported. In reaching its agreement with the administration, Brown University vowed to celebrate “130 years of Jewish life at Brown” and also, in admissions, to “outreach to Jewish Day School students”. As noted by the *Forward*, a Jewish publication, those terms were announced a day after the Department of Justice declared it illegal for universities that receive federal funds to give “preferential treatment” to a protected group, including “recruitment strategies” that focused on institutions “because of their racial or ethnic composition”.

The best to be hoped is that this approach might eliminate the excesses of former DEI programmes while helping students those programmes ignored. In practice the administration is committing the sorts of excesses it deplored, ignoring the enduring vulnerabilities of some students while constraining speech, confusing the cut-and-thrust of academic debate with bigotry and risking backlash against the students it says it wants to protect. What should have been the most important lesson of the last episode is going ignored: on campus, if you get “diversity and inclusion” only partly right, you are getting it entirely wrong.

For Lexington’s money, one of the finer essays about the campus protests against Israel appeared in the *Harvard Crimson* in April. Jacob Miller, a

former president of Harvard Hillel, wrote that focusing on whether the protests were antisemitic substituted a semantic dispute for moral and substantive arguments that protesters were benighted. Students had absorbed a bad lesson from national politics about winning a debate. An emphasis on protecting certain groups from prejudice “has created a twisted incentive structure—one in which Jews on campus feel compelled to characterise certain behaviours as antisemitic because they know that is the one sin campus will surely condemn”.

After the attacks on Israel on October 7th 2023, Mr Miller says, many Jewish students felt that “the DEI framework that had taken over the university and protected other groups wasn’t being applied to Jews.” Now, watching developments on his old campus as he pursues a PhD in economics at Yale, he believes “the university is thinking a lot more clearly”, but that pressure from the administration and lawsuits is leading it to institute new measures “in line with the DEI framework they previously had”.

One such step, taken by Harvard and Columbia, has been to adopt the International Holocaust Remembrance Alliance working definition of antisemitism. Mr Trump has directed federal agencies to use this definition in considering claims of discrimination. It rather hazily calls antisemitism “a certain perception of Jews, which may be expressed as hatred of Jews” and then adduces examples that “could” qualify, such as denying the Holocaust. Some examples blend animus towards Jews with animus towards Israel, warning, for instance, against “denying the Jewish people their right to self-determination, eg, by claiming that the existence of the state of Israel is a racist endeavour”.

## Bowdlerise the Intifada

Ken Stern, the lawyer who drafted the definition 21 years ago, has long been advocating against its use as a speech code. He created it to help European researchers track hate crimes, and thinks it is being used to chill debate and teaching on campus. “One of the lessons I’ve learned”, he says, “is that in a political fight—which this is, over Israel and Palestine—any tool at your disposal that can be used will be adopted and subverted and

abused and distorted.” No such broadly applied definitions exist for other bigotries, and Mr Stern argues that universities are inviting demands to define anti-black racism, Islamophobia and other hatreds. The wiser approach, he says, is to enforce rules against bullying, threats and intimidation, and leave speech alone. “You want students to be disturbed by ideas,” he says. “Otherwise, why go to college?”

The bottom line is that Mr Trump, who said he would liberate speech on campus, is failing so far. Earlier this month a survey by the Foundation for Individual Rights and Expression, a non-profit organisation, found “continued decline in support for free speech among all students, but particularly conservatives”. Fully 34% of students called it acceptable in some cases to use violence to stop someone from speaking on campus. ■

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Brazil convicts

# America calls Jair Bolsonaro's conviction a “witch hunt”

*Brazil's ex-president plans to wield political power from prison*

Sep 18, 2025 04:40 PM | BRASÍLIA



ON SEPTEMBER 11TH Brazil's Federal Supreme Court (STF, by its Portuguese acronym) convicted the hard-right [former president, Jair Bolsonaro](#), of attempting a coup d'état. The sentence, handed down by Justice Alexandre de Moraes after four out of a panel of five judges had chosen conviction, was more than 27 years' confinement, mostly in prison. The 70-year-old Mr Bolsonaro was also barred from holding public office until 2060.

Mr Bolsonaro is the first president in Brazil's history to be convicted for coup plotting; previous conspirators were never investigated. But those who

hope that his conviction will allow Brazilians to move past this polarising period and get on with the business of improving their country must wait at least a little longer.

He will appeal. He has little chance of changing the verdict, but a reduced sentence or one served entirely under house arrest is possible. His political allies will soon put an amnesty bill before Congress. Evangelical leaders have held vigils and encouraged their flocks to pray for him. Some form of retaliation from the United States is likely. After the sentence was handed down Mr Bolsonaro's son, Eduardo, who moved to Texas to lobby for his father's cause, suggested that more sanctions against STF judges were on the way. Another possibility is that the tariffs of 50% which the American government placed on Brazilian goods in July are increased, or expanded to more products.

It may be a source of frustration for the Trump administration that this not only failed to influence the outcome of Mr Bolsonaro's trial, but that it is, so far, doing little economic damage to Brazil while boosting the polling of Luiz Inácio Lula da Silva, Brazil's left-wing president. Yet it is hard to see how escalation could change this. If the United States were to bring any more pressure it would probably unite more Brazilians behind the STF's verdict, and around Lula, as the president is known.

## **Escalate to nowhere**

An amnesty bill is unlikely to help Mr Bolsonaro much. The STF has already said it will overturn any law that wipes away the convictions of Mr Bolsonaro and his senior co-conspirators, as it would be unconstitutional. The court is more open to a law that reduces the sentences of the 1,600 people charged with invading Brazil's institutions on January 8th 2023. This could mean releasing people like Débora Rodrigues, a young woman who was given 14 years in prison for writing on a statue with lipstick. Mr Bolsonaro's supporters have already won the backing of centrists in Congress for such an amnesty bill, which could be approved in the lower house as early as this month. Whether they can pass a version that reduces Mr Bolsonaro's sentence, and whether the STF would accept that, remains unclear.

Then there are Brazil's evangelicals. This crucial group, some 27% of the population, has largely stuck with Mr Bolsonaro during his trial. They comprise the majority of the 37% of people in Brazil who said, in a poll taken in early September, that they believed Mr Bolsonaro should not be convicted. They also dominate the 20% who said they would vote for him if the presidential election were held today, far higher than all other right-wing candidates combined.

And so Mr Bolsonaro still holds considerable influence over Brazilian politics. If he were to endorse a candidate for the presidential elections next year, that person would be all but guaranteed to make it to the run-off vote against Lula in October 2026. In exchange, Mr Bolsonaro would seek a presidential pardon should that person win. As with the amnesty bill, the STF has said it will overturn an unconstitutional pardon. But three of its 11 justices are retiring by 2030, meaning the next president will get to reshape the court's composition significantly. If that person is Bolsonaro-anointed, it raises the chances of a re-trial or reprieve, says Luisa Ferreira, professor of criminal law at São Paulo University.

And so in recent months many centrist presidential hopefuls have veered right, lambasting the STF in order to clinch the blessing of Mr Bolsonaro and his supporters. The current front-runner is Tarcísio de Freitas, the governor of São Paulo and former infrastructure minister in the Bolsonaro administration.

A mild-mannered engineer, Mr Freitas unofficially kicked off his campaign in recent weeks by denouncing the "dictatorship" of the STF and the "tyranny" of Mr Moraes. He affirmed he would pardon Mr Bolsonaro in the "first hour" of his presidency. He has already scheduled a meeting with Mr Bolsonaro—who is under house arrest pending his transfer to prison, and whose visitors are screened by the STF—to discuss the amnesty bill.

With Mr Freitas and others chasing his blessing, Mr Bolsonaro's influence is likely to last until next year's election at least. Presidential hopefuls need only declare their candidacy a few weeks before an election, meaning aspirants like Mr Freitas are going to have to keep dancing to Mr Bolsonaro's tune until the second half of 2026.

## Singing for your supper

That will probably lead to more awkward positions like the one in which Mr Freitas found himself in July, when Mr Trump imposed his 50% tariffs. The move disproportionately hurt beef, coffee, and sugar exporters from São Paulo, Mr Freitas's own state. The governor's allegiance to Mr Bolsonaro meant he initially tried to brush off the impact, attempting to blame Lula for "placing his ideology above the economy". After an immediate backlash, he hastily called to "[leave politics aside](#)" and to negotiate with Mr Trump.

Some commentators believe Mr Bolsonaro still wants a family member to assume his mantle, either one of his sons or his wife, Michelle. But none is an ideal candidate. The obvious choice was Eduardo, a congressman, but his role in bringing American tariffs and sanctions down on Brazil has left him deeply unpopular. Flávio, a senator, is well liked by his father's allies but lacks political clout. Carlos is a mere councilman. The former first lady is best liked by the evangelical base and could capture undecided female voters, but has never held elected office. Rumour has it that Mr Bolsonaro would also accept Mr Freitas running for the presidency with one of them as his vice-president.

Brazil has taken a historic step in imprisoning a coup monger for the first time. In so doing, it has probably destroyed Mr Bolsonaro's chances of making a political comeback. But in his role as a power-broker, Mr Bolsonaro will hang over Brazilian politics for some time yet.■

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**Polyp pioneers**

# Colombia is using “coral IVF”

*The country’s response to a devastating hurricane has turned it into a reef-restoration champion*

Sep 18, 2025 03:17 PM | Santa Marta



Hard times create strong corals

COLOMBIAN WATERS are already the site of one coral success. In November 2020 a hurricane barrelled into a scatter of coral-ringed islands in the western Caribbean. Hurricane Iota devastated Providencia, a Colombian island, and destroyed most of its barrier reef. With government funds worth some \$3m, scientists and locals got to work restoring the storm-smashed corals. By 2023, 200 hectares of reef, an area equivalent to 280 football pitches, had been rebuilt along Colombia’s coasts. “One million corals for Colombia” is one of the largest reef-restoration projects in the world to date.

Now, spurred by that success, Colombia's conservationists have hatched a new plan, not to repair reefs smashed by storms, but to save corals that are dying from increasing heat. It is urgent. Rising sea temperatures make coral polyps expel the symbiotic photosynthetic algae that live within them, depriving the invertebrates of food and bleaching them white. As record heat grows more frequent, it is tougher for reefs to regenerate. Disease and shoals of rapacious lionfish compound the damage. The Caribbean has lost more than 50% of its corals since the 1970s.



### Coral-bleaching alerts\*, Jan 1st-Dec 31st 2024

■ Bleach watch<sup>†</sup>

■ Possible bleaching

■ Significant bleaching  
likely

■ Severe bleaching/  
mortality likely

\*Maximum risk recorded in time period

<sup>†</sup>Areas to be monitored more closely

Source: NOAA

750 km

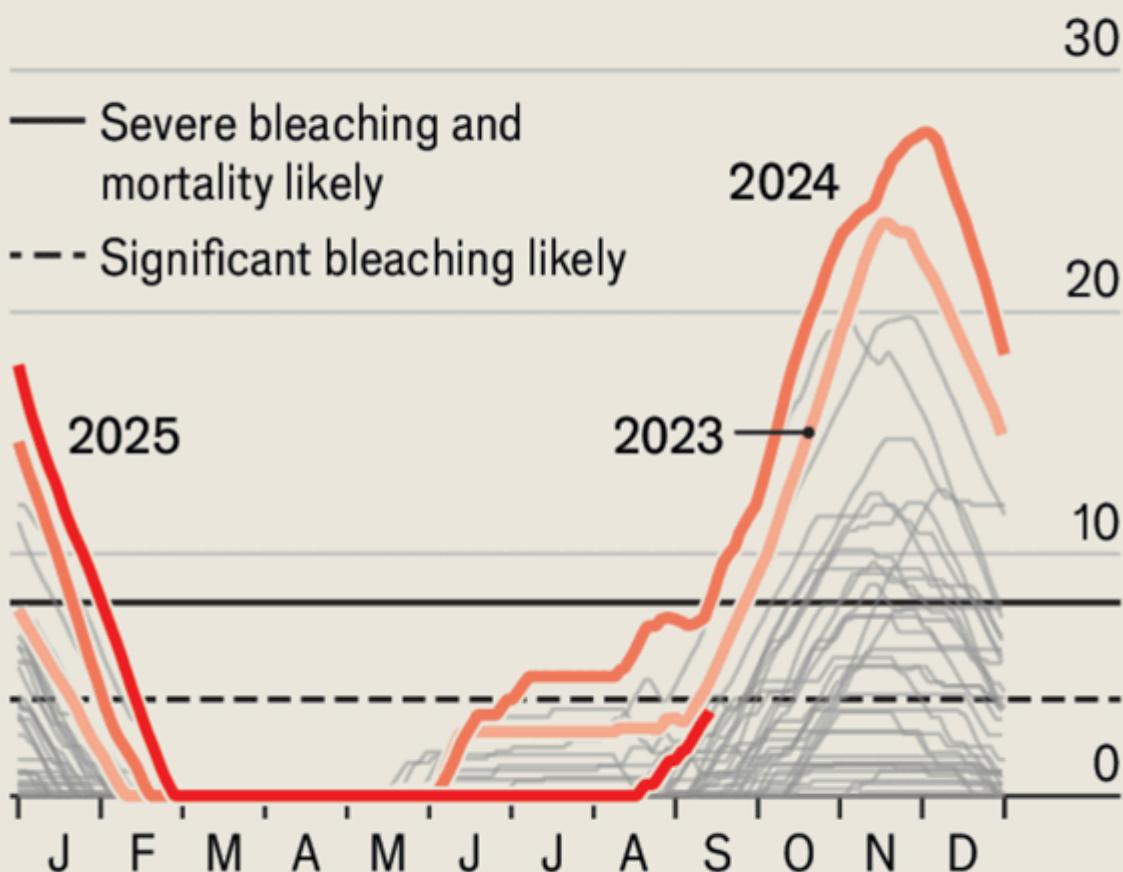
At the end of May, biologists opened a laboratory for coral propagation in Santa Marta, a city on Colombia's Caribbean coast. Local foundations, Conservation International and CAF, a regional development bank, have provided \$257,000 to the laboratory so far. Other countries in the region with "hatcheries" include Mexico and the Dominican Republic.

In the laboratory, biologists are assisting reef reproduction. Cameras signal when spawning begins, prompting divers to descend to collect eggs and sperm, and carry out fertilisation by hand in the lab. By August, researchers had fertilised almost 600,000 eggs. Coral "gardeners" seed the resulting hatchlings onto floating nurseries, then transplant the adolescent corals into the wild around six months later. This "coral IVF" preserves genetic diversity, increasing the chance that heat-resistant genes will propagate to the next generation. The next step is to speed up this process by selecting the hardiest varieties.

Coral thrives in the conditions around Santa Marta, says Dave Hudson, the lab's scientific director. Cold-water currents help reefs survive heatwaves. Long-spined sea urchins keep smothering algae in check. This helps explain why "One million corals for Colombia" worked so well in Santa Marta. After the hurricane, gardeners attached 130,000 living fragments to reefs off Inca Inca Beach. Around three-quarters survived. These have since grown into thickets of spiky, endangered staghorn coral, and gardens of spherical, acid-green varieties. Marine life is returning. Squid, barracuda and parrotfish visit frequently, says Miguel Pineda, a reef ranger.

## Heat death

La Guajira, Colombia, heat stress above historical maximum, degree-heating weeks\*, 1985-2025



\*Heat-stress moving total over the previous 12 weeks calculated by adding up any temperature exceeding the bleaching threshold  
Source: NOAA

But rising temperatures are a chronic problem, not a one-off like a storm, so funding is a challenge. Reef restoration in Colombia is cheaper than elsewhere. The laboratory can grow a new hectare of coral for \$36,000, roughly a third of the regional average. Still, Colombia's government needs a long-term plan to fund coral conservation and spur science, says Carlos

Correa, environment minister from 2020 to 2022. Using artificial intelligence to monitor transplanted corals could reduce costs.

In Santa Marta, locals have warmed to coral conservation. “I didn’t know that coral was an animal thing, I thought it was a rock,” says Kendry Brito, a fisherman turned coral custodian. Now Mr Brito cares for his broods with paternalistic pride. ■

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Guyana's election

# From a forgotten country to an 11bn barrel petrostate

*President Irfaan Ali leads a state which will soon produce more oil per inhabitant than anywhere else*

Sep 18, 2025 03:17 PM | GEORGETOWN



ELECTIONS INVOLVING a few hundred thousand voters do not normally attract much attention. But when the former British colony of Guyana went to the polls on September 1st, it mattered: some 450,000 voters decided who will lead one of the world's fastest-growing economies over the next five years.

The result, declared on September 6th after a snail-paced count, followed by a recount, was a clear win and second term for the incumbent president, Irfaan Ali (pictured below). His ruling People's Progressive Party (PPP)

increased its majority in the legislature, securing 36 of the 65 seats. In his re-inauguration speech, Mr Ali assured supporters that his second term would be the “most consequential” period in Guyana’s history.



The barrels vested in me

He may well be right. The Guyanese state is beginning to receive a huge income from a consortium led by ExxonMobil, an American oil firm, thanks to a series of massive discoveries 190km (120 miles) off its Atlantic coast. The first of an estimated 11bn recoverable barrels arrived onshore in 2019. The nation of around 830,000, which in the early 2000s was one of the poorest countries in the western hemisphere, is now on track to pump more oil per inhabitant than anywhere else. Its GDP has quintupled in five years, according to the IMF.

That change can be hard to see. Much of central Georgetown, the capital, remains a maze of ramshackle wooden houses. After every rainstorm, a whiff of sewage rises from irrigation channels which date from the colonial era (Guyana gained its independence from Britain in 1966). Power cuts, especially outside the capital, are common. “No real money has come to the people yet,” complains Johnny, a trader in the bustling Stabroek market. He quips that the ruling party should be renamed the “People’s Persecution Party”.

The government response is that hard work comes before handouts, mostly building infrastructure. A vast new bridge, built by a Chinese construction company over the Demerara river on the outskirts of Georgetown, is almost finished. The road system is being upgraded, with 61km of highway built in the past four years. Work has begun to pave “The Trail”, the red-dirt track that runs for over 450km to connect Guyana with Brazil. “They are doing OK. Rome was not built in a day,” says Franklyn, a PPP supporter.



And the real windfall is yet to come. Oil revenues are expected to soar in Mr Ali’s second term as upfront costs are paid off and more money goes to the state. “There will be a seismic shift in the fund flows,” says Sasenarine Singh, Guyana’s ambassador to Belgium. Total government income from oil is expected to reach about \$2.5bn this year and \$10bn by 2030, \$20,000 per voter. Mr Singh hopes this wealth will lift “all of our people out of poverty”.

That will happen only if Guyana uses its status as a latecomer to the petrostate club to learn from the mistakes of others. Many were struck by the “resource curse”, where economic growth eventually slumps for a variety of reasons, including governments squandering and stealing the easy money. It is a positive sign, then, that Guyana has sought advice from Norway on how to handle its wealth, and set up a sovereign wealth fund to

do so. The fund is worth \$3.6bn and is growing by tens of millions a month. One stated goal for the reserve is to ensure that “volatility in natural resource revenues does not lead to volatile public spending”.

Its managers will have raucous Guyanese politics to contend with. The main opposition party, the PNCR, found itself overtaken by WIN, a party established only in June. It is led by Azruddin Mohamed, a 36-year-old heir to a gold-trading dynasty. The United States has placed sanctions on Mr Mohamed for alleged tax evasion, corruption and gold-smuggling. He presents himself as a Robin Hood figure, sometimes using his private funds to help the needy. “He is rich, but he used his richness to help us,” said Celia William, 51, an enthused supporter at his closing pre-election rally. With 16 seats in parliament, Mr Mohamed now leads the official opposition. This may complicate the legislative body’s relations with the United States, although American officials have said they hope to find “a way around” the issue.

The extraordinary success of WIN throws up another hurdle. Guyanese politics have historically been divided along racial lines. The PPP’s support comes mainly from the Indian-Guyanese community, while PNCR voters are mostly of Afro-Guyanese descent. That both the president and the leader of the opposition will be of Indian descent for the first time might lead some Afro-Guyanese to feel excluded.

### **The bully next door**

Another complication could come from neighbouring Venezuela. It claims much of Guyanese territory as its own, dating from a border dispute which Guyana says was settled over a century ago. The unpopular regime of Nicolás Maduro has been whipping up domestic support for the issue in recent years. Since 2023 it has included the disputed area as if it were a Venezuelan state on official maps. In May it bumped the propaganda up another notch, asking Venezuelan voters to elect a governor for the territory over which it has no control.

The United States firmly backs Guyana on the issue. Presumably to emphasise that, it flew two military jets over Mr Ali’s inauguration. Once

known as the “forgotten country” of South America, Guyana’s years of obscurity are certainly over. ■

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# Asia

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A fresh perch

# AI is erupting in India

*American firms are piling on users—and sucking up mountains of data*

Sep 18, 2025 04:39 PM



SAM ALTMAN is bullish about India. The co-founder of [OpenAI](#), the firm behind ChatGPT, says the country's adoption of artificial intelligence (AI) has been "unmatched anywhere in the world". India is already OpenAI's second-largest market by number of users and could soon be its biggest. In August OpenAI launched a cheaper version of its chatbot tailored for Indian users. It plans to open an office in New Delhi later this year. Mr Altman is himself due to visit India at the end of this month. According to Bloomberg, a news organisation, he may use the trip to unveil plans to open a mammoth data centre there.

Other tech firms are just as keen. In January Microsoft, which is also an investor in OpenAI, pledged to spend \$3bn over the next few years

expanding its AI infrastructure in India. In August Google and Meta both announced partnerships with Reliance Industries, the conglomerate run by Mukesh Ambani, India's richest man, to build data centres and push the use of AI in Indian businesses. In July Perplexity, a startup hoping to dent Google's dominance in search, made the boldest move: it struck a deal with Bharti Airtel, one of India's biggest telecoms firms, to provide its AI service (usually \$240 a year) free for a year to all 360m Airtel customers.

According to Sensor Tower, a market-intelligence firm, downloads of Perplexity in India soared by almost 800% month-on-month after the Airtel tie-up, compared with gains of 39% and 6% for ChatGPT and Gemini (see chart).

## Help wanted

India, mobile-app downloads, m

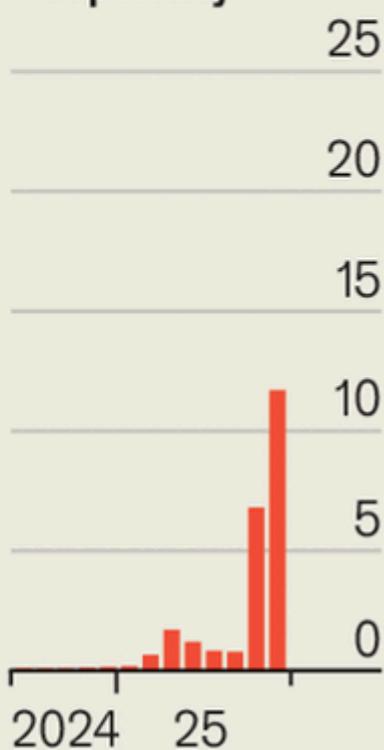
ChatGPT



Gemini



Perplexity



Source: Sensor Tower

For Indians, the battle promises cutting-edge AI tools at extremely low cost. For AI firms, the payoff may lie less in revenue than in reach: the chance to lock in hundreds of millions of users, and the torrents of data they create.

The opportunities in India are staggering. The country has around 900m internet users; only China has more. But unlike China, India is open to American tech firms. Google's Android powers over 90% of the country's smartphones. WhatsApp, owned by Meta, has more than 500m active users. India's e-commerce sector is dominated by American giants: Flipkart,

owned by Walmart, and Amazon. American firms that already have millions of users for products such as search, shopping or messaging have a big head start when it comes to driving uptake of AI services. And Venugopal Garre of Bernstein, a research firm, says tech firms that do well in India can add users at a speed and scale that few other markets can match.

Yet wringing profits from this vast user base will be an altogether trickier task. Most tech firms charge less in India than they do elsewhere. For example, Netflix, a video-streaming service, costs as little as \$1.69 a month in India, compared with \$7.99 in America. For cloud services with a low marginal cost, this is no great sacrifice. But running AI queries is expensive. Processing costs for typical users currently hover at around \$0.07 per million “tokens” (the units of data processed by AI models) and the response to a single query can run to hundreds or thousands of tokens. That expense is the same whether the user is in Bangalore or the Bay Area.

Dmitry Shevelenko, Perplexity’s chief business officer, admits that giving away its service for a year is costly, but says the company has time to “prove ourselves” and convert users into paying customers. India, he notes, shows some of the highest engagement in the countries where Perplexity has run trials. Mr Shevelenko predicts that within five years India will be a “compelling subscriptions market”. That remains to be seen. Though India is vast in users it is small in paying customers, as many other firms have discovered.

Fortunately, subscribers are not the only draw. India’s internet user base is huge, diverse and messy. It encompasses people from many different language groups; it jostles together people who are very wealthy with some who are extremely poor. An executive at a leading AI model-maker describes the country as an ideal “testing ground” for new products, and for observing usage at scale. Already firms are noting that Indian users prefer to speak to their AI models, rather than to type out their queries—perhaps because many Indian internet users cannot read or write.

AI firms have mostly already scoured all large public data sets for information they can use to improve their models. So Indian users are a valuable new source of material to crunch. The country has built a robust digital backbone known as the “India Stack”, which bundles together state-

led services such as a biometric ID system and a digital payments system. That infrastructure has brought online hundreds of millions of people who were previously locked out of many internet services. Their queries provide precious and novel real-world data that can help fine-tune models.

India's regulatory regime helps. Konark Bhandari of the Carnegie Endowment for International Peace, a think-tank, notes that rules do not restrict companies from transferring data across borders. There is, he adds, "nothing on the books" to prevent data collected in India being used to train models overseas. As other sources of fresh data run dry, the potential fire hose in India is a prize few AI firms can ignore.

Indian consumers mostly welcome the arrival of foreign AI firms. But some worry about the impact on the country's big IT-services firms. And many fear long-term dependence on American platforms. That anxiety has only grown since President Donald Trump imposed steep tariffs on India. Mr Garre argues that American firms, with more money and stronger infrastructure, could "kill India's prospects" in AI by deterring investment in local startups. That, he warns, could echo previous periods of fast technological innovation—when Indian companies mostly settled for rigging up peripheral services while their American peers constructed the core platforms. Though the country has one of the largest populations of developers, the number of AI researchers is low.

Mr Altman offers a cheerier vision. India, he has said, can be "one of the leaders of the AI revolution". The question is what sort of leader it will choose to be: one that dominates by dint of its massive user base, or through creating its own technology? ■

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**What lies beneath**

# Sri Lanka's mass graves need proper investigation

*The recent past was vicious and ugly, but the country must face up to it*

Sep 18, 2025 03:18 PM | Colombo



SRI LANKA has a problem with mass graves—and with decades of inaction about them. The country is littered with grisly evidence of its bloody recent past, including a civil war from 1983 to 2009 waged by the Liberation Tigers of Tamil Eelam, fighting in vain for an independent homeland for the Tamil minority in the north and east of the island.

In late August a magistrate in the east ordered excavation at a beachside plot in Batticaloa suspected to contain the bodies of over 150 Muslims who were massacred by the Tigers in 1990. It was first reported in 2014 but investigations into it stalled. His order came as the country was already

grappling with chilling revelations from Chemmani, a lagoon-side village in the Jaffna peninsula in the north, where excavations have been revealing vast numbers of unclothed skeletons. Among them are babies, sighs Benislos Thushan, a 33-year-old Tamil human-rights lawyer. Battered artefacts that have been discovered in the shallow pits include a feeding bottle, a squeaky toy shaped like a boy and a UNICEF schoolbag.



Mr Benislos remembers, as a child, being told to avoid the place because it was dangerous. Evidence of mass graves there first emerged in the late

1990s. In 1998, two years after the Sri Lankan army recaptured the peninsula from the Tigers, Somaratne Rajapakse and five other soldiers were sentenced to death for the abduction, rape and murder of an 18-year-old. Mr Rajapakse said during his trial that mass graves there held 300-400 bodies of Tamil civilians dumped by the security forces. Excavations took place and 15 skeletal remains were exhumed.

Mr Rajapakse alleged that senior army officers had ordered the many civilian killings. He remains in jail but neither the police nor the attorney-general pursued the case. Excavations came to a halt until February this year—a quarter of a century later—when local-government workers who were clearing land stumbled upon human bones. The police reported the findings to the Jaffna magistrate who then ordered a dig in the area. So far 240 skeletons have been unearthed.

The number of these dumping grounds for the victims of atrocities is astonishing. A report by the Colombo-based International Centre for Ethnic Studies in 2023 pointed to at least 26 mass graves, predominantly in the north and east of the country. At least some of them date back to the late 1980s, a period when an armed insurrection was being waged by the Janatha Vimukthi Peramuna in the name of the majority Sinhalese-Buddhist population and Marxism-Leninism.



Sri Lanka's Human Rights Commission, in a submission it made in July to the UN Committee on Enforced Disappearances, cites several cases where excavation and exhumation was done or is in progress. Even Jaffna's main cricket ground, the Duraiappa stadium, stands on the site of a mass grave that was discovered when renovations were carried out in 1999.

But given how much time has passed since the end of the civil war, and given how much international pressure Sri Lanka has faced to pursue truth, justice and reconciliation, it is remarkable how little has been done. The country still has no policy covering the exhumation of mass graves that ensures that affected families are properly represented and that requires forensic analysis to be carried out to international standards.

At least the government has committed sufficient resources to undertake excavation and exhumations at the site in Chemmani. But it is important, says Ranitha Gnanarajah, a lawyer who is representing the families of the disappeared, that they do not stop there. She says that the government—regardless of who heads it—"cannot always get away". Nearly two decades after the war ended, perpetrators have to be identified and prosecuted.

Mr Benislos notes that Sri Lanka's current government swept to power promising "system change": it must ensure that accountability and truth are followed by reparations. Peace, he insists, measuring his words carefully, cannot be built on the grave of impunity. ■

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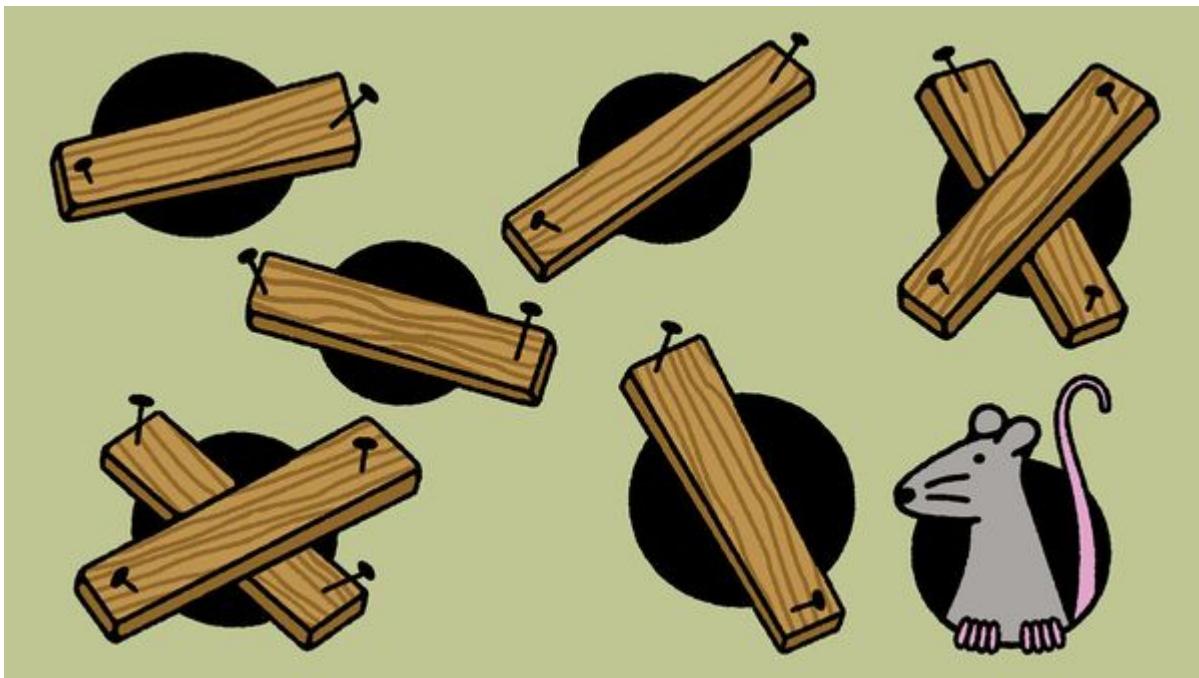
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Banyan

# Meet Thailand's karaoke-crooning prime minister

*He is the country's third leader in two years*

Sep 18, 2025 03:16 PM



**H**OW LONG will Thailand's latest prime minister manage to hang around? Anutin Charnvirakul's two predecessors lasted just a year each. He himself has promised to call an election within four months. Yet there are reasons to think that Mr Anutin, a construction tycoon who took office this month, might succeed in keeping his job rather longer than that.

Mr Anutin exudes an air of easy confidence that has helped make him popular with poor farmers in his party's base in the north-east. His social-media accounts portray him crooning to karaoke hits, playing the saxophone and frying up dinner over a sizzling wok in a country where

cooking skills are widely admired. One post shows him piloting his private aircraft to deliver organs to transplant patients in the countryside.

His skills lie not just in retail politics, but in back-room manoeuvring. His guiding ideology is hard to pin down. Mr Anutin's popular nickname is "Nu", which in Thai can mean either mouse (to his friends) or rat (to those whom he has crossed). A biography of him published a few years ago was entitled "Where there is a hole, there is Mouse". That spoke to his reputation for coming up trumps from all manner of awkward spots.

On September 7th the biggest opportunity of his career opened in front of Mr Anutin. Thailand's king asked the leader of the Thai Pride Party to form a new government—even though his outfit holds only about one-seventh of the seats in the lower house.

Mr Anutin's ascent has been helped by court rulings disqualifying many of the leading figures in Thailand's two largest parties. An illiberal constitution, drafted by Thailand's last military junta and passed in 2017, makes it easy for the courts to remove governments that offend the country's powerful royal and military establishments. The previous two prime ministers, from the populist Pheu Thai party, were both booted from office by the constitutional court on spurious charges of ethics violations.

Mr Anutin has nonetheless pulled off something tricky: he has persuaded decision-makers in Thailand's army and palace to give him a chance at running the country, while also earning enough support in the lower house to cobble together a government. "The perception that he has palace support facilitated his premiership," says Thitinan Pongsudhirak at Chulalongkorn University in Bangkok. Yet to the surprise of many observers, it was the People's Party, parliament's largest and most liberal party, that pushed his candidacy over the line.

It has agreed to prop up Mr Anutin's minority government from the outside. In exchange, it has extracted from him a pledge to call elections by early next year and to allow a referendum on constitutional change. These demands are cardinal to the People's Party's young supporters. They poured onto the streets in 2020 to demand reforms to the country's strict *lèse-majesté* laws; their votes powered their party to a plurality in parliament at

elections in 2023 (though it was ultimately prevented from forming a government). The People's Party thinks that it can win an election again and use its victory to shape a new, more democratic constitution.

Mr Anutin, for his part, may be betting that he can come out on top in any new poll by uniting the country's economic populists and monarchist conservatives against the People's Party's young liberals. To improve its standing with poor rural Thais, his government has already revived a pandemic-era stimulus programme called "Let's Go Halves", which subsidises a chunk of the money people spend buying basic goods from small businesses. And to reassure conservatives, Mr Anutin offers a stout defence of the monarchy's prerogatives and also a hard line on Cambodia, with which Thailand fought a five-day border war in July. If Mr Anutin can unite these disparate groups he could end up winning a majority in any election that gets called soon, and with it a full four-year mandate as prime minister.

That would be splendid for Mr Anutin. But what would it mean for Thailand? Its economy faces a dual crisis of premature deindustrialisation and heavy household indebtedness. Populist handouts will not solve that. Nor does the new prime minister seem to have very much to offer Thailand's disenchanted young liberals, who want deep economic reforms and for the army and palace to get out of politics. Thailand's problems are a maze. This time even the plucky mouse may struggle to find a way out.■

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**Double trouble**

# Asian countries should prepare for a higher rate of twin births

*It could set back progress keeping mothers and newborns safe*

Sep 18, 2025 03:17 PM



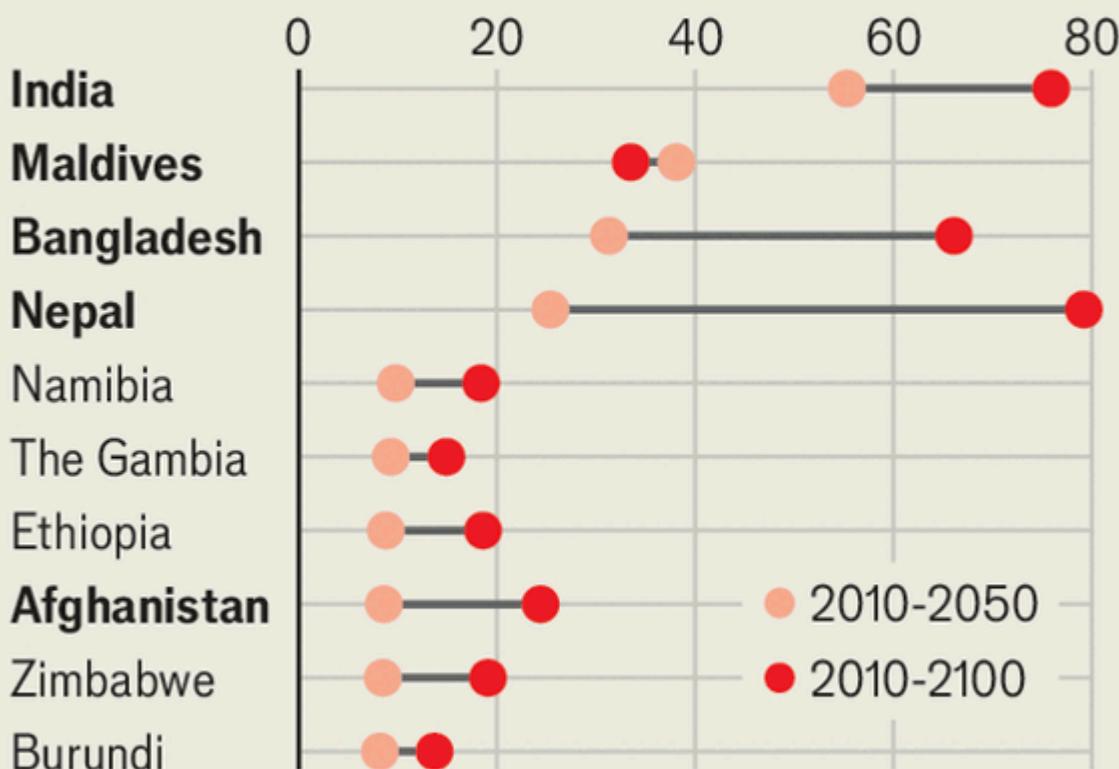
A SIGN OUTSIDE Kodinhi in southern India calls it “God’s own twin’s village”. No one is quite sure why its mothers appear to conceive twins vastly more often than those elsewhere in the country. Yet in the years to come, Kodinhi may end up looking a bit less like an outlier. A recent paper argues that the rate at which twins are born is going to rise in India, and across South Asia more widely. That risks making pregnancy and childbirth more dangerous, for mothers and babies alike.

Surprisingly little is known about why some women are more likely to have twins than others. Between the 1970s and the 2010s global rates of twinning

rose sharply due to the rise of fertility treatments (some techniques make multiple births more likely; these are falling from favour). Yet genetics matters too: twins seem to run in families. Age is also thought to play a role. By one reckoning a 35-year-old is four times as likely to conceive twins as an 18-year-old, even without fertility treatment.

## Unexpected windfalls

Twins per 1,000 births, projected % change



Source: "More twins expected in low-income countries with later maternal ages at birth and population growth", by S. Lee and K. Barclay, *Human Reproduction*, 2025

For the moment many Asian countries have relatively low rates of twinning, compared to those elsewhere. But the age at which women in the region give birth is going up. And that seems likely to drive twinning rates higher.

Projections produced by Susie Lee of the Max Planck Institute and Kieron Barclay of Stockholm University suggests this could cause the rate at which twins are born in India to increase by more than 50% by 2050. In their model, based only on changes in maternal age, the rate rises from an estimate of 7 out of every 1,000 births in 2010 to 11 per 1,000 by 2050. Bangladesh, Maldives and Nepal could also see sizeable increases (see chart). And should fertility treatments grow more available during this period, twinning rates could rise a lot more.

This poses risks. Even in rich countries, twins are far more likely than other babies to be stillborn or to die soon after their birth. Carrying two babies increases the risk of complications in pregnancy, and of the children being born early or small. One study found that twins in India are up to ten times more likely than singletons to die in their first month of life. Coping with the extra risks could put strain on public-health systems. Managing a pregnancy that involves twins can cost five times as much as one with a single child.

South Asia has made good headway in reducing child deaths. Between 1990 and 2022 the mortality rate among under-fives fell by 72%. Yet in part due to its huge population, the region still hosts one-third of the world's newborn deaths. More neonatal intensive-care units, and greater access to caesarean sections, would help mitigate some portion of the risk higher rates of twin pregnancies might pose, says S.V. Subramanian of Harvard University, who has studied mortality among twins in India. Those things are expensive. But without such investment, a quiet demographic shift could set progress back. ■

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The last prince?

# A rare ceremony revives debate over imperial succession

*Right-wingers remain vehemently opposed to female emperors*

Sep 18, 2025 03:16 PM | Tokyo



IN EARLY SEPTEMBER a slim young man in a pale yellow robe entered a palace hall in Tokyo, trailed by a servant carrying the robe's lengthy train. Prince Hisahito (pictured), the 19-year-old nephew of Emperor Naruhito, received a *kanmuri* (a silken crown), after which he changed into black clothes to signal his passage into adulthood. Then he boarded an ornate horse-drawn carriage to visit a shrine dedicated to Amaterasu, the sun goddess. What struck observers was not the ancient ritual itself, but how rare the occasion has become. The coming-of-age ceremony, reserved for male royals, was the first in Japan for 40 years.

That gap is perilous for the world's oldest monarchy. By law, only men can inherit Japan's throne. What is more, the job can only be passed down through the male line (Japanese princesses lose their royal status when they marry). In recent decades Japan's royal men have fathered a number of girls, but only one boy. So Prince Hisahito is the only possible heir in his generation. And his future offspring are key to continuing the royal line.

Polls suggest that most Japanese have long favoured changing these archaic and discriminatory rules of succession. Back in 2005, when it was feared there would not be even one young male heir, a government committee recommended allowing women to be emperors. This talk fizzled out when baby Hisahito arrived. But as the prince enters adulthood, calls for reform are back. He and anyone who chooses to marry him will face immense pressure to birth a male. Many Japanese recall with some regret the intense scrutiny that was suffered in the 1990s and 2000s by the present empress, Masako (who has only one child, a daughter). She was later diagnosed with a stress-related illness.



Yet talk of change continues to face fierce opposition from conservatives, who claim that the imperial line has remained intact, more or less under the existing rules, for some 2,700 years. Although there were female emperors in ancient times, they are often dismissed as caretakers. Even discussing

reform is “a very dangerous thought”, argues Takeda Tsuneyasu, a conservative commentator who co-authored a book entitled “Why Matrilineal Emperors Would Destroy Japan”.

That view is shared by some lawmakers in the ruling Liberal Democratic Party (LDP). Late last year a UN committee that seeks to end discrimination against women advised Japan to revise the succession law. The government has responded by cutting funding to the body. Takaichi Sanae, who could become Japan’s first female prime minister if she wins the race to become the LDP’s new leader in October, is among those strongly opposed to change.

Conservatives argue that, should it become necessary, Japan could find princes by restoring defunct branches of the imperial family. These clans were stripped of their royal status in the late 1940s, during America’s occupation of Japan (many of their menfolk served as senior soldiers during the second world war). Yet they have been living as commoners for several generations. This plan is “hardly realistic”, thinks Takamori Akinori, an expert on the imperial family.

Japan’s constitution bans the royals themselves from commenting on political matters. But they have often looked far more reform-minded than the hangers-on that surround them. In 2019 then-Emperor Akihito became the first monarch in modern Japanese history to abdicate. His wife, Empress Michiko, was the first commoner to marry into the royal family; she bucked courtly norms by choosing to breastfeed and raise her children herself. “Some customs passed down in the name of tradition can hinder progress,” she warned in a speech some years ago. “And some may even cause people to suffer.” ■

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# China

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Silicon linings

# Don't fret over China's new climate targets

*The ambitions of its clean-tech industry matter more than any humdrum pledges*

Sep 22, 2025 10:15 AM | Chengdu



IT IS A huge moment for the world's biggest polluter. China's steel mills, factories and coal-fired power stations pump out billions of tonnes of carbon dioxide each year. At the same time, massive spending on clean-energy technologies continues and China's emissions are starting to dip. Next week Li Qiang, the country's prime minister, is expected to announce China's new set of climate pledges at the UN General Assembly in New York. Momentum is building ahead of the COP30 climate talks in Brazil in November.

The question is whether Mr Li will pledge to accelerate the fall in China's emissions. Every five years, the 195 countries that ratified the Paris climate deal, agreed upon in 2015, are supposed to update their climate targets. These pledges are known as "nationally determined contributions" (NDCs). China's matter more than most. It emitted 12.6bn tonnes of carbon dioxide from burning fossil fuels last year, almost a third of the world's total and three times the amount America did. Expectations are low for its new NDC, however. In the past, modest climate goals have been followed by considerable overachievement. Now China has more reasons than ever to repeat the pattern.

In 2020 the country announced targets which included bringing its carbon-dioxide emissions to a peak by 2030, cutting the share of fossil fuels in its energy consumption and lowering the amount of carbon generated per unit of GDP (or "carbon intensity"). Its record since then has been mixed. It may actually have met its peaking target already. Carbon-dioxide emissions fell by 1% over the first half of 2025, year-on-year, and look set to decline overall this year. But it appears badly off track with its carbon-intensity goals.

That makes it a good moment for China to raise its ambitions. Officials have already promised to broaden the scope of the new NDCs. For the first time, they will cover not just carbon dioxide but also methane, which pours out of China's coal mines and paddy fields, and other greenhouse gases. Goals for all of the country's industries, including the dirtiest such as cement and steel, will also be included in some form. Diplomats will parse the language of the NDCs for clues about China's priorities—there is a big difference, for instance, between "reducing" methane emissions and merely "striving" to do so.

Most attention, though, will fall on the country's total emissions-reduction target. Analysts reckon that China would need to slash emissions by at least 20% from 2025 to 2035 to help keep global temperatures "well below" 2°C above pre-industrial levels—a central aim of the Paris agreement. To limit warming to 1.5°C—a goal that many believe is already out of reach—China would need to cut emissions by at least 30% by 2035.

The target will probably be nowhere near as high as these figures. Li Shuo of the Asia Society, a think-tank in America, is plugged into climate discussions in Beijing. He expects a promise to cut greenhouse-gas emissions by at most 15% and potentially less than 10% over the next decade. “Inevitably, there will be a gap between international expectations and what China is willing to put on the table,” he says. A Western diplomat in Beijing reckons a target in the “lower teens” would be as high as China would venture. Chinese government officials he talks to say that they will not disappoint. But, based on the numbers they throw around, it is hard to imagine how they will avoid that, he says.

One reason for Chinese caution is political. China still calls itself a developing country and sees climate change as a problem largely created by the West. Therefore, the logic goes, Western countries should be the ones setting bold targets to solve the matter. But the appetite for climate action is flagging in much of Europe, and America withdrew from the Paris agreement entirely earlier this year (the state-run *China Daily* since blasted it as an “irresponsible superpower without a smattering of vision”). That all gives China even less reason to stick out its neck. The country may benchmark its targets on the level of reductions America achieved after its own emissions peaked around 2005, reckons Mr Li. That amounted to about 10% over the following decade.

Officials also fret about energy security. China still relies on coal for about 60% of its electricity generation. Policymakers fear an ambitious target might rush them into phasing out the black stuff faster than they would like. That, they fret, could destabilise their power grid and clog the country’s vast manufacturing engine. In 2021 and 2022 droughts disrupted hydropower dams while heat waves increased demand for air-conditioning, leading to power cuts in parts of the country. China’s preferred solution is to keep plenty of coal capacity in its grid, just in case it is needed. It began building nearly 100 gigawatts (GW) of new coal capacity last year, the equivalent of Britain’s total capacity.

Just as China has two reasons to offer only modest targets, there is also one big reason to hope it might overdeliver on them. Thanks to a combination of state support, vast economies of scale and breakneck innovation, Chinese

companies are driving a clean-energy boom. Its magnitude has outstripped the government's expectations. One of China's 2020 NDCs was to plug in 1,200GW of wind and solar power capacity by 2030. That target has since faded into irrelevance—installations have been so fast that it was hit six years early. In the first half of 2025 China added 256GW of solar power to its grid, more than twice as much as the rest of the world.

China is tying its economic future to the clean-energy sector. Last year solar power, electric vehicles (EVs) and batteries were responsible for 10% of its GDP. These industries could see their investment and sales double by 2035, according to the Centre for Research on Energy and Clean Air, a think-tank in Finland. As well as driving growth, these industries are also helping China reduce its dependence on oil imports from conflict-ridden regions such as the Middle East. And they are cementing China's dominant position in global supply chains—some 80% of the world's solar cells are Chinese-made.

To China such concerns are more compelling than high-minded talk about the future of the planet, and will ensure officials continue to support the sector. In the south-western city of Chengdu lie the headquarters of Tongwei, one of China's biggest producers of both solar cells and polysilicon, the material they are made from. The company's exhibition centre duly mentions the risks of a warming world, such as the prevalence of forest fires and floods. But its focus is elsewhere: on how China's manufacturing prowess "smashed foreign technology blockades" to achieve "ascendance and leadership" in the sector, and how Tongwei is now competing with other (Chinese) firms to make solar cells more efficient. Such fervour might be a source of comfort for those worried by a low-ball emissions target. Even if China's climate goals prove unambitious, its clean-tech firms are anything but. ■

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Projecting concern

# The surprising nature of protest in China

*How and why demonstrations occur seems to be changing*

Sep 18, 2025 03:17 PM



QI HONG BEGAN using VPNS to browse the internet outside China's firewall during the pandemic. The 42-year-old electrician grew sick of the discrepancy between the nationalist propaganda in Chinese media and the daily examples of state repression he was seeing online. "I felt disgusted," he says. "Are they really serving the people?" Before leaving China last month, Mr Qi set up a projector in a hotel room in the southwestern city of Chongqing. Once he'd left the country, he turned it on remotely. It flashed slogans on a tower block across the street, calling for the fall of the Communist Party. He also set up cameras inside the hotel so he could film the police's response. He then sent those videos to an account on x, a social

network, that he'd followed inside China, where they received more than 20m views.

It was a daring move, but not a wholly original one. Mr Qi was inspired by Peng Lifa, a man who raised a banner with similar slogans on a Beijing bridge in 2022, and Mei Shilin, a young man who dropped banners calling for political reform from a bridge in Chengdu in April. In 2023 another protester first tested the projector method he used. Still, such political protests are rare and costly. Mr Peng has been sentenced to nine years in prison; Mr Mei's fate is unknown. Mr Qi's family has been taken for interrogation. Their stories reflect new trends in Chinese dissent: an increase in the number of protests, a rise in creativity and a growing connection between individuals inside China and activists on the outside internet.

## Up-roar

### China, protests



\*Includes labourers, property owners, rural residents, consumers and investors

Source: Freedom House, China Dissent Monitor

China Dissent Monitor (CDM), a platform that tracks protests in China by analysing social media, has documented nearly 12,000 protests since June 2022. It counted more than 2,500 protests in the first six months of this year, a 73% increase over the same period last year (see chart). That may seem surprising in a country obsessed with surveillance and security. But it is possible that the government's tight grip has squeezed formal channels of appeal through which Chinese citizens once felt able to air grievances. The sluggish economy seems to be another source of dissatisfaction. Labour protests, which are the most common type, have increased by 67%.

Housing-related protests, conducted mostly by construction workers and contractors who haven't been paid or by homebuyers whose purchased properties have been left unfinished, have doubled. The protests are almost certainly undercounted; many will have been censored before activists could track them.

Growing dissent does not mean the party's hold on power is at risk. As about 85% of the protests seem to relate to issues affecting people's personal finances, they usually target private companies and their bosses. Indeed, protesters frequently appeal to local or central authorities first. It is common to see demonstrators kowtowing before officials to beg for help. Most protesters resort to public dissent only after trying institutional methods of petitioning and appealing and finding them ineffective. Demonstrations that are not initially political can also become so if they are met with heavy-handed repression. Nearly a third of all the protests documented by CDM target local governments—even though many do not start out that way. Chinese dissent is usually a “bubbling process” and “not a sudden explosion”, says Kevin Slaten of CDM.

Sometimes protests work. Last December China's legislative authorities changed a controversial law over shareholder liability for bankrupt companies after it sparked 17 protests in 11 cities. The end of China's zero-covid policy in 2022 was also triggered by nationwide protests. More often rabble-rousers are simply suppressed. In early August a protest over school bullying in the Sichuanese city of Jiangyou evolved into violent confrontations between police and thousands of protesters in the streets. Public anger shifted from mean teenage girls to the local authorities as videos of police beating protesters and dragging them by their hair spread online. Those videos were quickly scrubbed from the Chinese internet but preserved on YouTube, a video hub, and x, where they were seen by people like Mr Qi.

Although group organising has been eliminated in China, social-media accounts beyond the firewall preserve videos and other traces of protests. Activists curating this archive from the outside are then seeing it inspire copycats on the inside. “This is our Tiananmen Square now,” says Zhou

Fengsuo, an activist in New York who was a student leader in the 1989 protests. “It exists in the cloud.”

Will the growing dissent in China build into anything more? It depends in part on how the government responds. Xi Jinping, the country’s leader, has been promoting “grassroots governance”, giving orders to keep conflicts contained at a local level, whether by resolving grievances or silencing complainers. The party’s preference is to prevent any bubbling dissent from boiling over in the first place, and then to erase evidence that it ever happened. The digital afterlife of protests, however, is extremely difficult to control. ■

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With barely a whimper

# Our new “wolf warrior” index on Chinese diplomacy

*China’s officials snarl at the West much less than they used to*

Sep 21, 2025 06:54 PM



CHINA’S DIPLOMATS could hardly be more busy. More than 20 global leaders have descended on Beijing in recent weeks amid pomp and ceremony. An even greater show may be needed should President Donald Trump visit China next month. Talks between top Chinese and American officials in Spain in recent days suggest the idea is not an impossibility. Knowing exactly what to say, and in what tone, is critical amid all this excitement. Our new index shows that one diplomatic style, once favoured by Chinese bigwigs, will almost certainly be avoided: the “wolf warrior” posturing so prevalent in recent years.

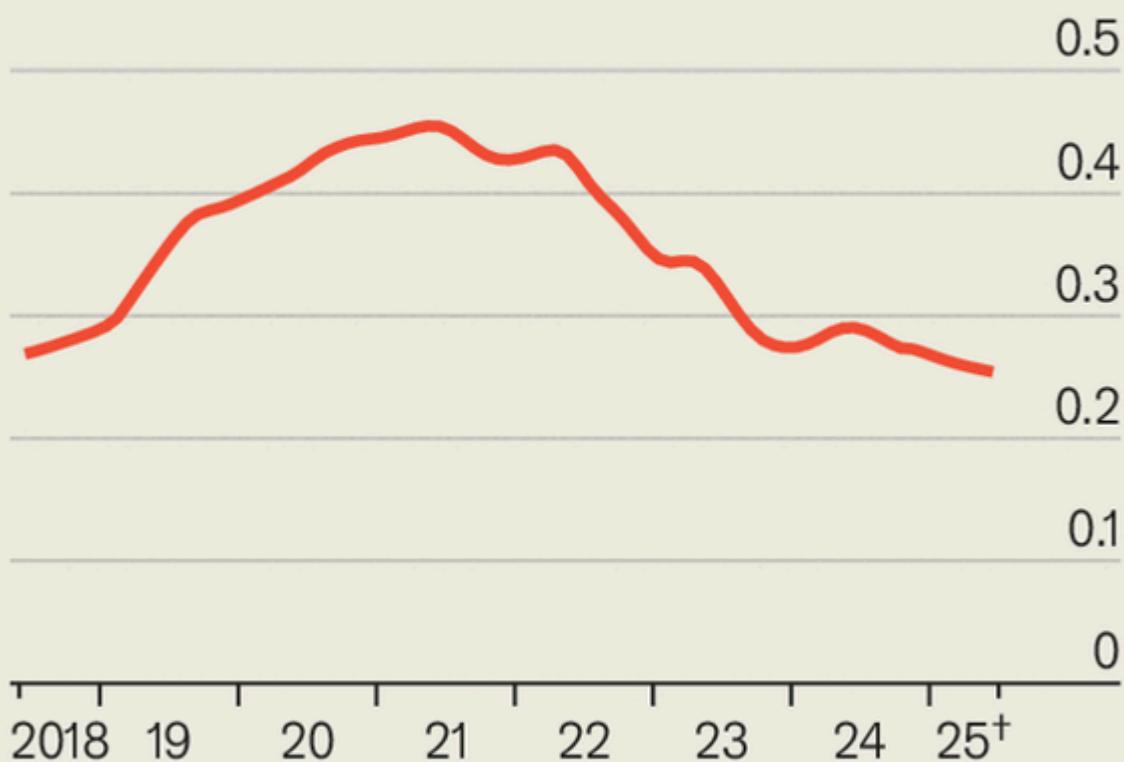
This confrontational diplomacy takes its name from the “Wolf Warrior” series of jingoistic blockbusters, in which Leng Feng, a kind of Chinese Rambo, fights off foreign baddies. One of its greatest practitioners was Zhao Lijian, the foreign ministry’s spokesperson from 2019 to 2023. He once told a Bloomberg journalist that members of the Five Eyes alliance should be careful, “lest their eyes be poked blind”.

Why the shift to wolf-warring in the first place? It’s possible that Xi Jinping, China’s leader, wanted to stamp out any ideological laxity among the foreign ministry’s cadres, suggests Ito Asei of the University of Tokyo. It might also have been a distraction from China’s domestic woes, such as covid-19. Lu Shaye, China’s envoy to France from 2019 to 2025 and a prominent wolf warrior, argued it was simply “self-defence” against aggressive foreigners.

## The “wolf warrior” index

Aggressiveness of Chinese diplomats' responses\*

1=most aggressive



\*As assessed by ChatGPT, based on 16,000 answers given by foreign-ministry spokespersons at press conferences   †To June  
Sources: Ministry of Foreign Affairs; OpenAI; *The Economist*

To assess the current posture of China's diplomacy, we downloaded all 16,000 press conference answers given by foreign-ministry spokespersons since 2018. We then asked ChatGPT to grade the belligerence of each on a scale from zero to one. The results—the “wolf warrior” index—show that China's diplomatic rejoinders became sharply more bellicose starting in 2019 (see chart). Average aggressiveness rose from below 0.3 in 2018 to over 0.45 in May 2021. Since mid-2022, however, it has steadily fallen. By the beginning of this year, the foreign ministry's language had softened to levels of cordiality not seen in the past six years or so.

Much of the vitriol appears to have been hurled at America. We used an algorithm to chop the answers up into individual words, then looked at which ones appeared frequently in the most aggressive answers (those with an aggressiveness score above 0.7). The words “American-side” and “America” appeared in almost half of them. Other high-scorers include “security” (32%), “principles” (25%) and “sovereignty” (23%). Taiwan, which China insists is a matter of domestic politics, appeared in 16% of belligerent responses.

In just a few short years the wolf warriors caused severe damage. Their comments triggered diplomatic blowback and soured relations with Australia and the EU, among others. Globally, public opinion on China tanked. An experiment run by Weifang Xu of Emory University in America found that although exposure to wolfish rhetoric increased Chinese support for the government, it antagonised Americans and made them favour aggressive policies towards China.

All that probably influenced the decision to change tack. In 2021 Mr Xi chaired a study session that mulled building a “credible, lovable and respectable” image of China. “Economic concerns undoubtedly play a significant role,” argues Duan Xiaolin of the Chinese University of Hong Kong. Perhaps the country’s diplomats did not want to scare off commercial partners in uncertain times. China has distanced itself from Mr Lu and other wolves as snarling seems less effective than smiling.■

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Chaguan

# The return of our China column

*China's era of rapid change is over. But deeper transformations are under way*

Sep 18, 2025 03:17 PM



THE PACE of change is so rapid in China, it is often said, that the country can seem almost unrecognisable after a year or two away. Returning visitors find new highways, new trains, new buildings—sometimes entirely new cities. It can be a disorienting experience but also an exhilarating one. Socially, the transformation is just as wrenching, as hundreds of millions have moved from the countryside to urban areas in double time.

Or so it used to be. Your correspondent, returning to China after an absence of four years, has been struck by how familiar it all feels. Partly that reflects its economic maturation. Growth has slowed, and, as a result, China's appearance is more settled. The downtown cores of its cities are largely

built up. Although it continues to add high-speed rail tracks, subway lines and airport terminals, these are, compared with its aggregate, now small additions. The country's main arteries have been in place for years.

Yes, the fleet of cars on China's roads does now look very different as domestic electric vehicles: loaded with fancy display screens and massage seats, muscle out foreign marques. But traffic jams remain a constant. Meanwhile, things that were once revolutionary—the rise of mobile payments, the app-based economy, the myriad delivery men on scooters—have been facts of Chinese life for the better part of a decade. And with inflation so low, many prices are basically unchanged.

China's new constancy extends to its political sphere. Each decade from the 1980s on brought in new leaders, with slightly idiosyncratic styles and different priorities. No more. Xi Jinping took the reins of the Communist Party in 2012 and, most assume, will retain them for years yet. Posters with his favourite slogans, such as “Don't forget our original purpose, hold tightly to our mission”, dot the landscape. Collections of his spoken and written works remain fixtures in bookstores; his “Governance of China” series is now up to its fifth volume. Even the poles laden with surveillance cameras, once a jarring sight, blend into the background.

Yet beneath this superficial stasis, deeper transformations intensify. Most obvious is China's geopolitical position. For years it was a rising power but also a cautious one which tried to avoid ostentatious displays or bellicose actions, especially those that might antagonise America. This approach has been discarded. Vast military installations and spectacular exercises in the seas around China are its new norm, and Mr Xi has repeated his blunt judgment that “The East is rising and the West is declining.”

Some in the West comfort themselves with the illusion that China is part of a team of autocracies, mainly tight with the likes of North Korea, Russia and Iran. In fact China is already a regional power: look at the collection of neighbours who attended the meeting of the Shanghai Co-operation Organisation that it hosted earlier this month. And as President Donald Trump bullies country after country, China's claim to be a stabilising force for the world, offering balance to a domineering America, looks rather less far-fetched.

China's confidence springs from its progress in innovation. Mr Xi has accelerated a long-standing pursuit of technological self-reliance, a strategy that really got going in the 1980s. China is now reaping some of the dividends. From electric vehicles to biotech, Chinese companies have emerged as world leaders. Even if China is still short of its goals in certain critical sectors such as aerospace, the trajectory in almost every advanced part of the economy has been towards stronger indigenous capacity and greater insulation from external pressure.

In Mr Trump's first term in office, the prospect of America blocking exports of high-tech products to China was profoundly threatening. This time around, Chinese officials know that they have good, though not perfect, substitutes for foreign-made semiconductors, and that China's industrial clout gives them plenty of leverage over America.

Elsewhere, [attitudes are shifting as the economy slows](#): In China's go-go years the pace was often manic but the rise in prosperity was palpable. Some of that has now gone into reverse. Parents worry less about what kind of work their children will find than whether they will get steady jobs in the first place. People are cutting back on spending, whether because of stagnating wages or disquiet over falling property prices.

At the same time, it is not all gloomy. Yu Hua, one of the finest writers in China today, once described the country's transformation from Mao to modernity as moving "from an era when politics was paramount to an era when only money counts". The economic downshift may herald a moderation of sorts. People have more time for hobbies, sports and spirituality; many can live in a world governed by things other than money —so long, that is, as they stay clear of almost anything political.

## Affairs of the state

Chaguan, this column written from China, is back for the ride. Its name means "teahouse", because, like Chinese teahouses of yore, it should feature the debates swirling in and around the country. For many it also calls to mind a play written in 1956 by Lao She in which the owner of a beleaguered teahouse hangs up a warning to patrons: "Do not talk of state

affairs.” He wanted to avoid official scrutiny, a sentiment still darkly relevant today.

The core belief of this column, however, is that curious, open and rigorous inquiry about China and its affairs matters more than ever. After a hiatus of more than a year as *The Economist* waited for the relevant visa, it is time for [Chaguan](#) to return to analysing China, from elite politics to popular culture, with a good dose of business and economics, too. China does not make it easy on journalists. But that will not stop us. ■

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# Middle East & Africa

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The mirage of statehood

# Palestine is unrecognisable on the ground

*The UN stands up a state that is disappearing from view*

Sep 22, 2025 02:47 PM | HEBRON AND RAMALLAH



**Editor's note:** On September 21st Australia, Britain and Canada formally recognised Palestinian statehood

THE GULF between the vision and the reality could hardly be wider. Britain, France and other states—but not America—are on the point of formally recognising Palestinian statehood. On the ground that would-be state is sinking from view. Israel’s army has reduced Gaza to an occupied wasteland. Bezalel Smotrich, Israel’s finance minister, is starving the Palestinian administration of the taxes that keep it alive. On September 3rd he presented a map with his vision of annexation. It showed Israel

controlling all but 18% of the West Bank, the territory Israel occupied in 1967 which would form the core of any future Palestinian state, and reduced its cities to six stranded islands.

Binyamin Netanyahu, Israel's prime minister, talks of Greater Israel. His ultra-nationalist government has threatened to annex the West Bank if Western countries recognise a Palestinian state. In reality annexation has already happened. The irony is that the stronger the vision of Palestinian statehood grows on the outside, the more it fades within.

To find what exists of a Palestinian state, head to Ramallah, for three decades the administrative showcase of the Palestinian Authority (PA), the putative government of a future Palestine. While Gaza has endured two years of devastation, Ramallah, high above Jerusalem in the occupied West Bank, still oozes charm. On its quaint cobbled streets, new bars, cafés and government buildings pop up each month. And yet it feels like a Potemkin village.

Most nights Israeli soldiers conduct raids, sometimes driving their jeeps flying Israeli flags around the *muqata*, the presidential palace, mocking its impotency. Even by day, the crack of their gunfire echoes in the city centre.

Meanwhile Israeli officials are waging an economic war. Since its establishment in 1994, the PA has depended on customs revenues that Israel collects on its behalf at its ports. Israel's current government has blocked the transfer of those funds. The PA has cut employee salaries in half or more and is behind in paying them. To save money the PA delayed opening the schools for a week and has told functionaries and security forces to work a two-day week.

#### [Read all our coverage of the war in the Middle East](#)

Worse beckons. The Palestinian banking system is tied to Israel's. But Mr Smotrich has stopped Israeli banks corresponding with Palestinian ones so firms cannot pay for goods coming from Israel. Even during the depths of the second *intifada*, or uprising, containers from Israel entered the West Bank. But that traffic has slowed, too. "Within weeks, we'll run out of basics and petrol," says the head of the monetary authority, Yahya Shunnar.

Palestinians used to be able to fall back on earnings as manual labourers in Israel. But since the attacks of October 7th 2023, Israel has barred them from entry.

Two miles beyond central Ramallah, even the façade of self-rule slips away. Israel's separation barrier severs access to East Jerusalem, Palestine's self-proclaimed capital. To reach the rest of the West Bank requires navigating gridlocked roads that are often subject to military closure. Journeys that should take minutes last hours.

### **Your land is my land**

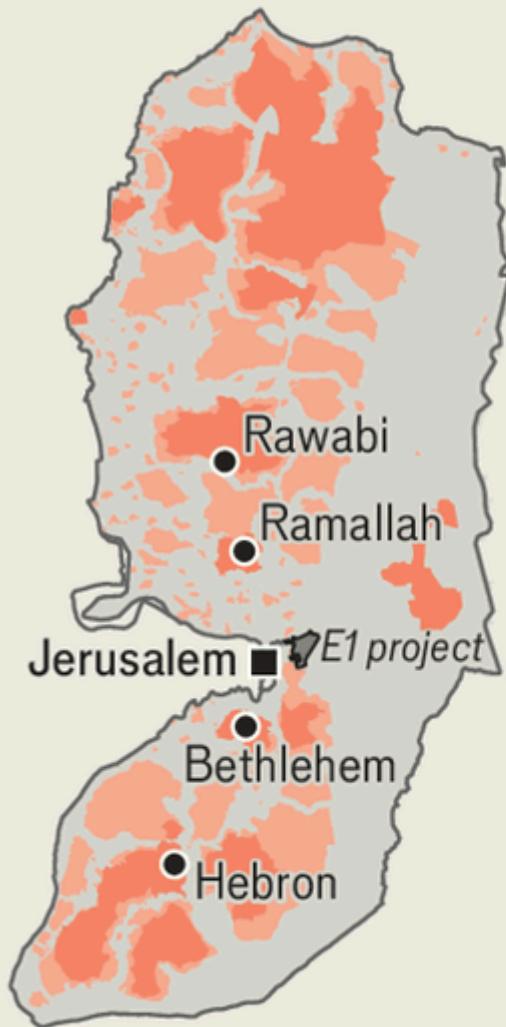
Once through, the landscape changes from Palestinian to Israeli. Steel Stars of David poke from the roadsides, which have Jewish names like Heart of Judah. Road signs point to Jewish settlements, not Palestinian towns. Often the Arabic transliterations of the Hebrew have been blacked out. A billboard in Hebrew salutes the Hilltop Youth, Jewish extremists on a mission to rid the land of Arabs.

These settlers have found ways of accelerating the land grab. Establishing legal settlements involves tedious red tape. Instead, settlers have created dozens of new farming outposts, which have quadrupled in number since 2018. They now cover 14% of the West Bank, according to Kerem Navot, an Israeli monitor. Some of the shepherds are so violent they were previously deemed too dangerous for conscription into Israel's armed forces. Past governments called their raids pogroms, in which Jews were the perpetrators. But this one issues them guns and uniforms. Formally the state considers their farmsteads illegal. In reality it provides them with electricity, water, fences and military protection. And it turns a blind eye when they burn and destroy Palestinian olive groves and wells.

## Disappearing from view

West Bank ■ Palestinian control ■ Joint □ Israeli

Current areas of control, 2025



Bezalel Smotrich's proposed annexation



Sources: Peace Now; Israel's finance minister, Bezalel Smotrich

Military barriers cross the roads leading to Palestinian cities, towns and villages, turning them into an archipelago of sealed communities. Some 12 years ago Rawabi, a satellite of Ramallah built for Palestine's elite at a cost of \$1bn, opened to great fanfare. It boasted giant Palestinian flags, an amphitheatre and views stretching to Tel Aviv's coastal skyscrapers. But settlers regularly come to rip down its flags, say residents. "Go back or I'll shoot," an Israeli soldier on the approach road orders this correspondent.

Palestine's hypothetical capital, East Jerusalem, was annexed 45 years ago and has been purged of Palestinian symbols. Booksellers daring to stock books with Palestinian flags on the cover are arrested on suspicion of aiding terrorism. The road that used to go through East Jerusalem is now blocked, so the journey to Bethlehem and Hebron goes via a windswept checkpoint deep in the Judean wilderness.

On August 20th Israel issued the final approval for E1, a settlement bloc with 3,400 homes initially. It will cut the West Bank through its centre (see map). Bethlehem and Ramallah would be as disconnected as the West Bank and Gaza—once a short taxi ride apart—are today.

The PA might once have looked to Palestinians in Israel, who account for 20% of the population, to argue their case with Israelis. But as Jewish supremacists increase their power, so the influence of Israel's non-Jewish citizens has receded. Each election the calls for Arab citizens to be stripped of their vote grow louder.

Any standing the PA might once have had has been eroded by its reticence over Gaza. "He had no word of sympathy or sorrow for the suffering of ordinary Gazans," said a shocked Western commentator who met Mahmoud Abbas, the Palestinian president, on a recent foreign tour. Israel, Hamas and the Americans have excluded the PA from negotiations. No one relishes the prospect of its return to Gaza. The PA itself sounds nervous. "If we can't rule the West Bank how will we ever rule Gaza?" asks a security official in Ramallah.

The acquiescence of Mr Abbas to the unravelling of Palestine has staggered even his closest supporters. Western recognition of Palestine should have been his moment, but "his team are asleep at the wheel," a diplomat in

Ramallah laments. Mr Abbas's last media interview predates the war. He gave it to Chinese state television, mostly with his eyes closed.

With Israel, he has played his part in dismantling the Palestinian institutions that were intended to be the nucleus of a sovereign state. He dissolved parliament in 2007. The 89-year-old is now in his 21st year at the top. He rules by decree and represses public debate. Protests for Palestine rage the world over, but not in Mr Abbas's realm.

Even as Western governments promise statehood, Palestinians increasingly despair of its realisation. The devastation of Israel's onslaught in Gaza has taught most Palestinians the futility of armed resistance. Despite the relentless pressure in the West Bank, the appetite for confrontation with Israel's army and settlers seems limited. Support for Hamas, which rose in the wake of its October 2023 attacks, has subsided. In recent elections for doctors' and lawyers' unions, Fatah trounced Hamas in most of the West Bank.

Many Palestinians simply want out. Estate agents say the property market in Amman, the capital of Jordan, is awash with new money from West Bankers seeking the safety net of a second home. Others are looking to European countries that fast-track citizenship applications when you buy property. Those that remain are focused on daily survival not long-term solutions. They just want the terror of the bombs, soldiers and settlers to stop.

## **Working with the enemy**

And so a greater threat to their vision of their own state may be the fact that some are looking for further accommodation with Israel. Mr Netanyahu's advisers talk of establishing a Hebron emirate, a self-governing municipality dealing directly with Israel. It would prise the West Bank's most populous city, main economic hub, and key source of taxation away from the PA. It could pave the way for the West Bank's incorporation under the Israeli flag.

The idea has its local supporters. For now, at least, most Hebronites would remain on their land and could benefit from direct ties with Israel. They have little love for the PA. The clans and merchant families who hold sway in Hebron have always paid their taxes to the PA grudgingly. London has more Palestinian flags than Hebron. Direct ties with Israeli banks would lubricate business. Some traders have already opened Israeli bank accounts. Others even dream of applying for citizenship and enjoying the same relative privileges as Israel's Palestinian citizens. "We're on our way to getting Israeli passports," a gold merchant in Bethlehem predicts. "We'll be free of this prison. Tourists will return and we'll be able to travel."

Compared with the sacking of Gaza, subjugation under Israel seems a benign option. Were Palestinians to be asked in a referendum whether Israel should rule them directly, many might assent.

But Israel's Jewish population is less inclined to integration than ever. A survey in May showed over half wanted to exile Palestinians who have Israeli citizenship. Around 80% want to expel Palestinians from Gaza, almost double the rate of two decades ago, at the height of the second *intifada*. Many Palestinians fear that Israel could repeat in the West Bank what it has done in Gaza. The euphoria in New York has not reached Bethlehem. As one grocer there puts it: "We've learnt that the promise of change for the better always ends in change for the worse." ■

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**Re-running old battles**

# Israel goes to the brink in Gaza city

*A futile push in the territory will deepen its isolation*

Sep 18, 2025 03:17 PM | JERUSALEM



ON THE NIGHT of September 15th the Israel Defence Forces (IDF) launched its long-expected attack on Gaza city. “Israel is at a decisive moment,” said Binyamin Netanyahu, its prime minister, the next day. Under the cover of air strikes and artillery fire, two divisions moved towards the city’s central neighbourhoods. Two more are being held in reserve. For now, most of the IDF’s troops remain on the city’s outskirts. They have surrounded it on three sides, leaving open only the western exits, to the Mediterranean coastal road, for civilians fleeing south.

Most of the city’s residents are not leaving, though, risking yet another brutal chapter in a war that has dragged on for nearly two years. Israel has ordered them to move to “humanitarian zones” further south. Between

200,000 and 350,000 have done so; around 600,000 remain. Most have already seen their homes bombed and been displaced multiple times. Few can afford the cost of hiring a minivan to carry them and their belongings to Deir al-Balah, 15km away and still somewhat safer than Gaza city. Tents worth 150 shekels (\$45) are going for 20 times that. “After all that, you don’t know if it will be declared a hostile environment and you’ll have to move again,” says Hisham over the sound of explosions. The former civil servant is staying in Gaza city.

[Read all our coverage of the war in the Middle East](#)

In many ways this looks like a re-run of the first big offensive of the war. Then, as now, Israeli armoured columns wreaked havoc on Gaza city, while Israel’s leaders promised to wipe out Hamas. But since then at least 64,000 Gazans, most of them civilians, have been killed. So have nearly all of Hamas’s chiefs. Most of Gaza’s buildings have been damaged or destroyed. International aid organisations say people in much of the territory are starving.

The mood in Israel has changed, too. When the IDF attacked Gaza city 22 months ago, Israelis were nearly unanimous in their support. Hamas had burst out of Gaza, massacring hundreds and taking 250 hostages. (In all, nearly 1,200 people died.) The public agreed that Hamas needed to be destroyed.

## **The same but different**

Now [there is far less support](#). Hamas is already greatly diminished. Recent polls show that over 70% of Israelis favour a ceasefire over continuing the war. The IDF’s bosses share that view. Its chief of staff, Lieutenant-General Eyal Zamir, has repeatedly told the cabinet that achieving a decisive blow against Hamas could take years, if it is possible at all. The group, now fighting in guerrilla mode, is hiding in hundreds of kilometres of tunnels, only a small fraction of which the IDF has destroyed. General Zamir has said that the Gaza city attack will jeopardise the hostages still held by Hamas, around 20 of whom are thought to be alive. He favours a ceasefire which would set the hostages free.

Hamas, which has little regard for the lives of its own people, has been urging Palestinians to stay in Gaza city while its own fighters have made themselves scarce. Israeli intelligence reckons that around 3,000 Hamas men have remained underground in the city to carry out ambushes. The rest, around 20,000, have escaped southward—undermining the very premise of the Israeli operation.

Israeli intelligence also fears some hostages have been moved to central locations in Gaza city, to serve as human shields. As the attack began, the hostages' relatives gathered in protest outside Mr Netanyahu's home in Jerusalem. Einav Zangauker, whose son Matan has been held in Gaza for over 700 days, accused Mr Netanyahu of "deciding to kill our children".

Disagreements between Israel's generals and their political masters are common. But in the past it has almost always been the IDF urging action and the cabinet preferring restraint. This war is different. Mr Netanyahu, determined to hold on to a tenuous parliamentary majority, is beholden to his far-right allies who want to permanently occupy and eventually resettle Gaza. He is also anxious to avoid a reckoning over his past disregard of the Hamas threat. His political survival depends on the war continuing.

Israel's push into Gaza city coincided with the publication of a report by an expert panel commissioned by the United Nations Human Rights Council accusing Israel of committing genocide in Gaza. Israel has hotly denied the UN's accusations but is concerned about the possible reactions of its Western allies. France, Britain and others are expected imminently to recognise a Palestinian state. The leaders of the European Union, Israel's top trade partner, have warned that they may review the bloc's trade agreements with Israel if it presses on in Gaza.

For now, at least, the Israelis still seem to have the backing of America. President Donald Trump posted threats to Hamas on social media as the operation began. "ALL 'BETS' ARE OFF," he wrote. "RELEASE ALL HOSTAGES NOW!" Hours earlier his secretary of state, Marco Rubio, had left Jerusalem, where he said that a better future for Gaza could not be reached "until Hamas is eliminated".

But even America's support may not last. Israeli diplomats believe Mr Trump's patience is running out. Mr Netanyahu, they say, convinced him that the Gaza city assault would be the final blow to Hamas. If that proves untrue, as it surely will, they expect the president to force Israel to accept a ceasefire. Rather than delivering victory, this latest attack seems destined only to deepen Gaza's suffering and leave Israel even more isolated. ■

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The fallout from Qatar

# Arab states respond to Israel's Doha strikes with angry bombast

*But they want Donald Trump to choose: them or Israel*

Sep 18, 2025 03:24 PM | DUBAI



DIPLOMACY REQUIRES a selective memory. On September 15th leaders of Arab and Muslim countries gathered in Doha to condemn [Israel's recent attack](#) on the Qatari capital. One of the attendees was Masoud Pezeshkian, the Iranian president. "Israel strikes wherever it wants and does whatever it wants," he said. Never mind that, three months earlier, Iran launched its [own barrage of ballistic missiles](#) at Qatar: violations of sovereignty are only bad when someone else commits them.

Moments of hypocrisy notwithstanding, the summit was an unequivocal show of support for Qatar. Everyone agreed that [Israel was wrong](#) to bomb

the emirate in a failed attempt to assassinate leaders of Hamas, the Palestinian militant group. But there was rather less clarity on what to do about it. Iran, for example, urged an “Islamic NATO”, a stillborn idea given how many Arab regimes view Iran as a menace.

Qatar itself cannot do much, at least acting alone. Start with the obvious: there will be no military response. Qatar is too small to challenge Israel, and its goal is to avoid conflict, not escalate one. Nor can it threaten to cancel diplomatic or economic ties with Israel, since it has neither. It has already secured a unanimous UN Security Council resolution condemning the strike. It could also try to haul Israel before the International Court of Justice. But such steps are more symbolic than substantive.

Any serious response must be co-ordinated with other Gulf and Arab states, who often agree on little. To take one example: Qatari officials have urged the United Arab Emirates (UAE) to downgrade its relationship with Israel. The Emiratis have taken some modest steps, summoning Israel’s deputy ambassador for a démarche and barring Israeli firms from the Dubai air show in November. But they are hesitant to go much further (though that may change if Binyamin Netanyahu, the Israeli prime minister, moves ahead with his threat to annex parts of the occupied West Bank).

Diplomats in the Gulf speculated about other possible measures, such as states closing their airspace to Israeli planes. None made it into the final communique from the Doha summit, which was full of boilerplate. The disconnect has led some pro-Israeli analysts to argue that condemnations of the strike are largely for show. Other Arab countries might condemn Israel in public, the argument goes, but in private they resent Qatar’s support for Islamist groups and will not act on its behalf.

That is a misguided view. “It was a wake-up call for all of us,” says one Gulf diplomat who is often critical of Qatar. “We see our joint security as contiguous, and Israel harmed that,” says another. The muted response simply reflects reality: Gulf states do not have much influence over Mr Netanyahu’s government. If they cannot put pressure on Israel, however, they will look to put pressure on Israel’s closest ally instead.

For decades, the relationship between America and the six states of the Gulf Co-operation Council (GCC)—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE—was predicated on a bargain. America would protect Gulf states; in exchange, they would guarantee a reliable supply of oil and gas and use some of their hydrocarbon wealth for America’s benefit.

That bargain had already begun to fray after Iranian-sponsored attacks on Saudi Arabia in 2019 and the UAE in 2022, neither of which elicited a strong American response. Gulf states want a stronger one now: not only a firm commitment that Israel will not be allowed to strike again, but a more formal security guarantee.

If America balks, Gulf states are not without leverage over their protector—but they might struggle to use it. In 2020-24 Qatar was the world’s third-largest arms importer, behind only Ukraine (which is at war) and India (which has a population nearly 500 times larger). Saudi Arabia ranked fourth; Bahrain, Kuwait and the UAE all placed in the top 25. America is the largest supplier to each. Gulf states could look elsewhere, which would diminish America’s influence in the region and hurt its arms industry to boot.

That is easier said than done, though. Buying weapons from America’s rivals would trigger bipartisan fury in Washington. It would also present a practical problem: systems from Russia and China are not interoperable with kit made by NATO members. Gulf states could look to buy less from America and more from American allies; Turkish drones, for example, are already a hot item in the region. They could also invest more heavily in indigenous arms production, which was already a goal for the Saudis and Emiratis. But such steps need time to implement.

Another lever is economic. In May Mr Trump made a four-day swing through [Saudi Arabia](#), Qatar and the UAE. He went home touting \$2trn in trade and investment deals (a figure that was almost certainly exaggerated). The Gulf states could threaten to cancel some of its planned investments. Yet here too they run the risk of upsetting a mercurial president—and of jeopardising their own efforts to grow their non-oil economies. Saudi Arabia and the UAE are not making bets on American AI firms just to appease Mr Trump; they also want to boost their own tech sectors.

After two years of regional war, the Gulf states are furious about the carnage in Gaza, baffled by Israel's unrelenting hostility towards the new Syrian government and nervous about another round of fighting with Iran. They want Mr Trump to make a choice. On one side is a long-standing alliance with a club of rich pro-American monarchies; on the other is his no-limits friendship with Mr Netanyahu, an unpopular prime minister who even many Israelis believe is leading their country to ruin.

Seen from Abu Dhabi, Doha or Riyadh, that is not much of a choice at all. Their problem is that, at least thus far, Mr Trump has acted as if it is.■

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**Western Sahara**

# Morocco is practising a strange sort of colonialism

*It is enriching Western Sahara in an effort to keep it under control*

Sep 18, 2025 03:16 PM



Surf city, here we come

**DAKHLA IS AFRICA'S** strangest boomtown. To the many kite-surfers who visit the place, the combination of peaceful waters and brisk onshore winds makes it simply a great place to surf. But to the United Nations, it is occupied and contested territory.

The city lies in the south of Western Sahara, a region the size of Britain. Morocco, which occupies over two-thirds of its land, claims ownership of the territory. The Polisario Front, a resistance group backed by Algeria,

Morocco's long-standing rival, which represents the territory's indigenous population, accuses Morocco of occupation.



That occupation has taken an odd turn recently. Dakhla is a prime example. In January Morocco started direct flights from Dakhla to Europe. That same month it inaugurated a new 1,000km road, costing \$1bn, which connects the city to Morocco proper. It is offering tax breaks and incentives for new businesses in Dakhla. It is planning a desalination plant as well as a huge new green-hydrogen project, and it is building a \$1.2bn port. It is even

encouraging a local film industry: recently “The Odyssey”, a Hollywood blockbuster, was filmed near the city.

Metropoles usually extract resources from their colonies. Morocco does that too; it exports huge volumes of phosphates from Western Sahara and auctions off lucrative fishing contracts.

The strategy has some logic. It is making some residents richer. And keeping locals busy with well-paying jobs keeps them happy. Asma, a Sahrawi who works in the film industry, is full of praise for the government’s support. But its investments are a signal that that Morocco has no plans to relinquish the Western Sahara and are a way of maintaining control of a territory where many would like independence. Control of the region boosts the country’s image as a regional player. And buying off the Sahrawis may be worth it if it also means they are less likely to rebel against their rulers in Rabat.■

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Father figures

# The crisis of South Africa's missing dads

*Less than one-third of black South African children live with their biological fathers*

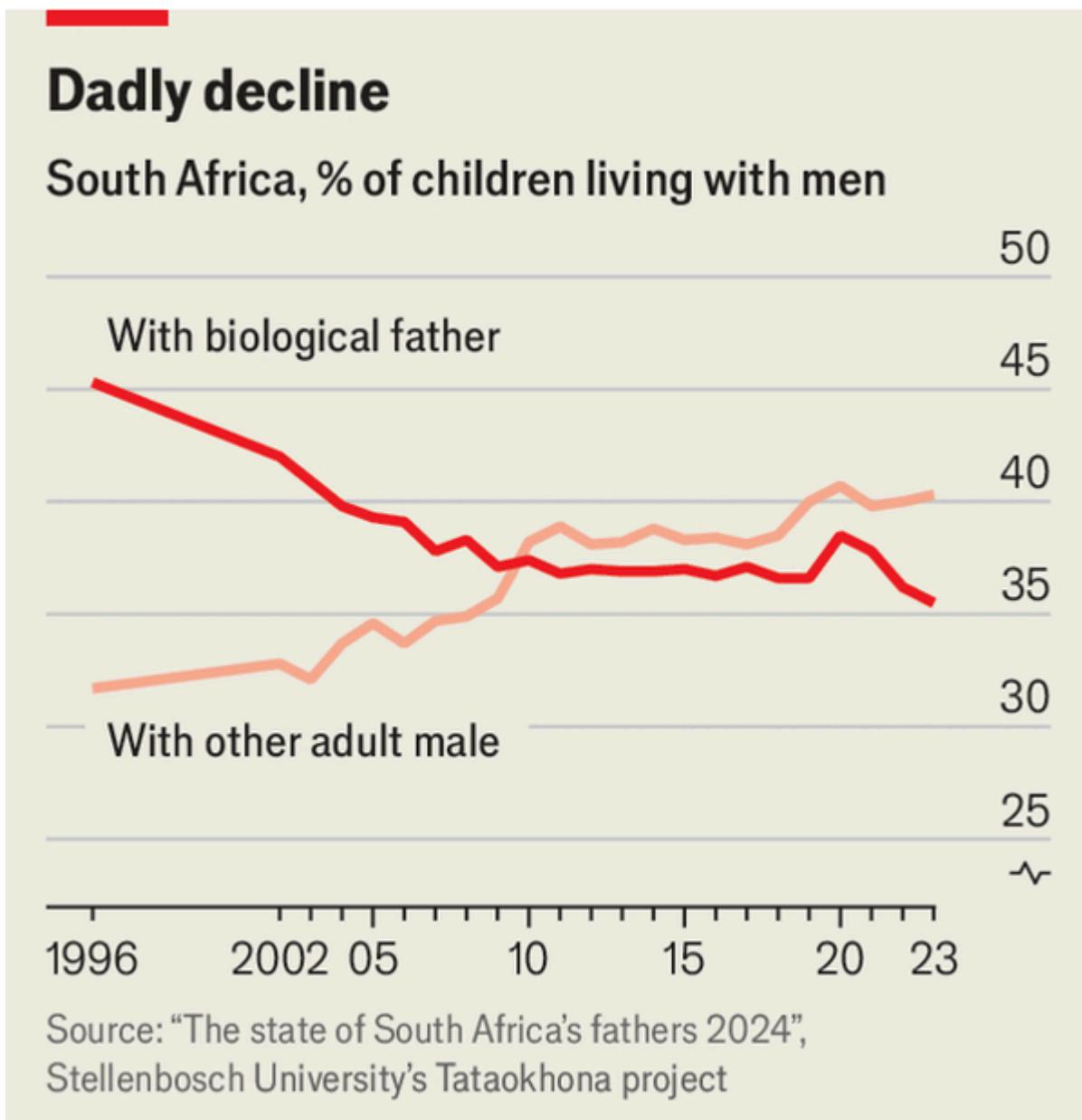
Sep 23, 2025 11:48 AM | CAPE TOWN



Will they play Dad later?

“THE CHILD faces a void without his father,” Victor Pike tells a room full of men in Khayelitsha, a poor part of Cape Town. The audience nods along as the community worker from Father A Nation, an NGO, espouses a “positive masculinity” whereby absent dads take more responsibility. “The reason why our nation is broken is because there are no fathers there; we are fatherless.”

Uniquely so: South Africa is the only one of 43 countries analysed by the Institute for Family Studies, an American think-tank, in which less than half of children live with both parents. Today in South Africa just 36% of children—and 31% of black children—live with their biological dads, a ten-percentage-point decline since the end of white rule in the mid-1990s (see chart).



Growing up without a father is associated with bad outcomes, from poor school results to later joblessness and criminality. The poorest kids are the

most likely to lack dads at home, so it is hard to parse correlation and causation. But common sense—and every social worker your correspondent interviewed—suggests that life chances are better when dads are around.

Yet as well as being a source of South Africa's social ills, absent fathers are also a result of them. Fatherlessness reflects how history and culture interact with a stagnant economy. Under apartheid black men were all but forcibly recruited from rural areas to work in mines and other industries, then housed in all-male hostels. Their families were forced to stay behind. Accepting the Nobel Peace Prize in 1984, Desmond Tutu made a point of calling apartheid “this cancer, eating away at the vitals of black family life”.

In Khayelitsha Mr Pike tells the men that he saw his father, who toiled in a gold mine, only five days a year. Several attendees say that their father never came home. One wells up recalling how friends would tease him at Christmas for receiving no gifts.

Yet why has the fatherless trend worsened since the end of apartheid? In part this is because while politics underwent a revolution in the 1990s, South Africa's economic structure did not. Old patterns die hard.

Another part of the explanation, though, may lie in how women have found it financially easier to live apart from their kids' fathers. The end of apartheid's restrictions on movement led to more women seeking work. Their share in the labour force has risen from 40% to 55%. The gender pay gap narrowed in the 20 years after 1994 and nearly closed among the lowest paid. Child-support grants, a welfare benefit, add a little extra money.

In South Africa men and women typically see the father as a provider, not a carer. One sociological study notes that men call themselves “ATM fathers”. Cultural norms reflect and reinforce this identity. The practice of *lobola*, sometimes translated as “bride price”, requires the man to pay a sum—originally in cattle, now in money—to the woman's family before marriage. Men who have a child out of wedlock must pay *inhlawulo* (“damages”) before they gain parental rights.

For fathers who want to play more active roles in their kids' lives these practices act as barriers to entry—barriers that have in effect become higher

since the 1990s. Most black men are without work or eke out a living in the informal economy. The overall unemployment rate has risen from 20% in 1994 to 33%. “Our community expects us to be super-heroes” by thinking we can earn enough, sighs another participant in Mr Pike’s session.

Fatherlessness does not mean women are bringing up children alone. Among black South Africans, who make up 82% of the population, extended families have become more common. They account for 66% of black households, while just 21% are nuclear. Among whites the shares are reversed, with 71% living in nuclear families and 19% in extended ones. How much this reflects longstanding cultural preferences or economic pressures is hard to say (affluent black families are more likely to be nuclear). Regardless, children are not branches of family trees but of canopies.

Though aunties and grandmothers are crucial to raising kids, other men matter, too. Since 2010, more children have lived with an adult male other than their father than with their biological fathers. This group of mothers’ partners, uncles, grandparents or siblings are known as “social fathers”.

Some studies point to a link between child abuse and growing up in a household with a man who is not your father. Yet many social fathers are benign influences. The State of South Africa’s Fathers (SOSAF), a report released last year, found that nearly a third of social fathers help with homework and read books to kids. Social fathers help financially as well. An earlier SOSAF report gives an example of one man, Yanga, whose monthly income of 15,000 rand (\$655 in today’s money) helps support the two biological children he raises at home with his wife, her other child (who also lives with them), his child from a previous relationship (who does not) and two nephews.

In 2023 Cyril Ramaphosa, South Africa’s president, said that “the challenge of absentee fathers is one of the greatest tragedies of our nation.” But his government has not done much about it. So as is often the case in South Africa, civil society picks up the pieces.

Father A Nation is one of several NGOs trying to change men’s ways. Others run “play workshops” and provide mentors. Heartlines, another NGO, runs a

coaching service for dads via WhatsApp.

It has also produced a short film, “Playing Dad”, in which an aloof old-school father finds himself in charge of his son—one of several examples of efforts to use media to influence views of what it means to be a man and a father. Kwanda Ndoda of DG Murray Trust, a foundation, has made a documentary about black male childcare workers. “If children see males in positions of care they will be less likely to grow up thinking that caring is only done by women.” Sesame Workshop, the non-profit behind Sesame Street, has developed a new puppet, Zikwe, from the South African version of the famous TV show. He is a taxi driver who has to look after his sister’s triplets after she gets a job in another city.

What impact these efforts will have is unclear. A viral TikTok video from two years ago, in which a boy promises to neglect his own child like his father neglected him, hints at the huge challenge. But in Khayelitsha Mr Pike is undeterred and his audience is listening. He ends with a prayer, asking for God’s help so “that we don’t commit or repeat the mistakes of our fathers.” ■

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# Europe

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Ruhring ahead

# The AfD is not sweeping Germany. But it is dividing it

*It is growing most quickly where it is already strong*

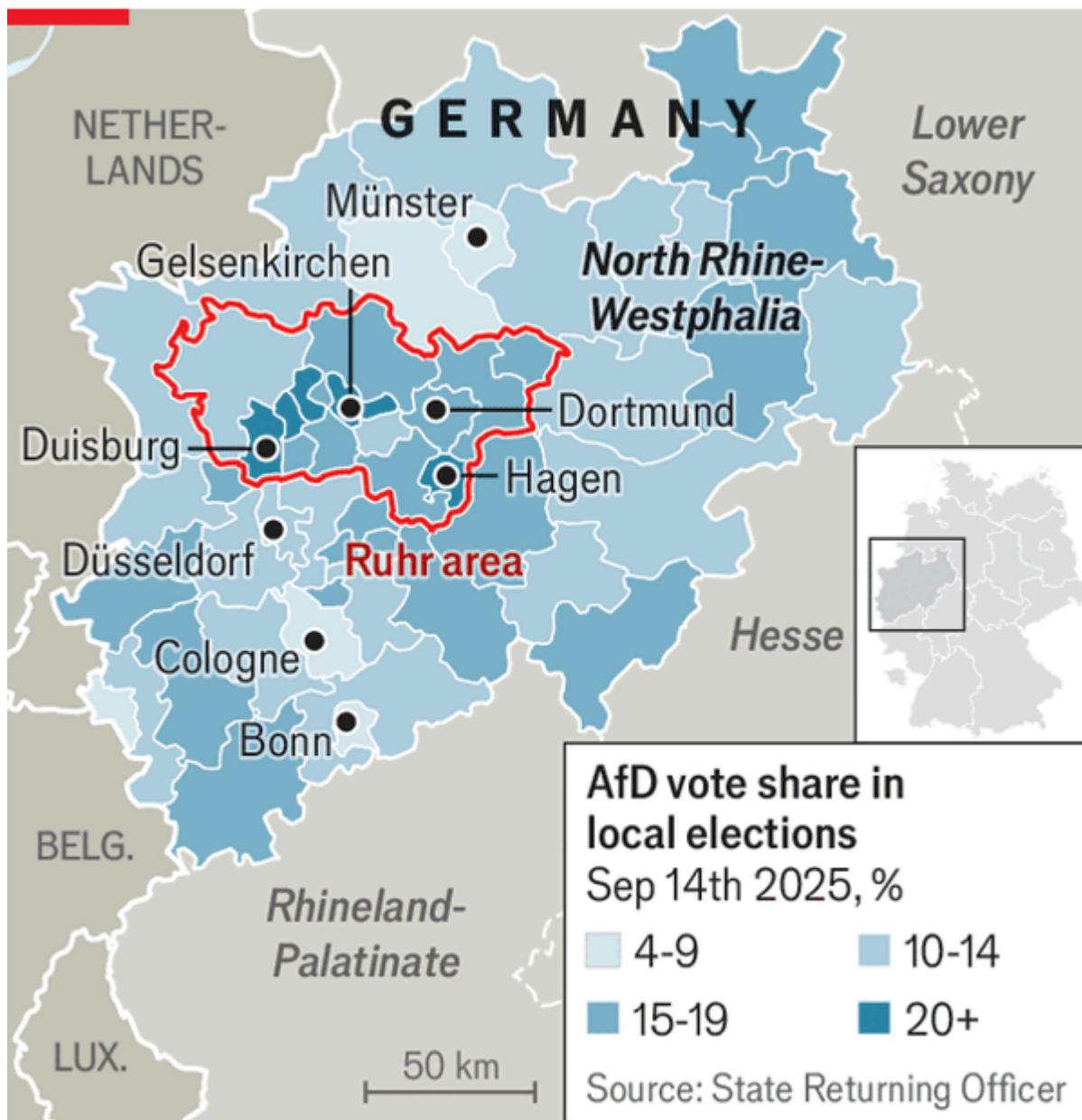
Sep 18, 2025 04:40 PM | GELSENKIRCHEN



SAY THIS for Gelsenkirchen: no one is whitewashing its problems. It was once a mining and steel powerhouse that fuelled Germany's postwar recovery. Now, the best days of this city of 270,000 souls in the post-industrial Ruhr area are long gone. Gelsenkirchen is weighed down by debt and has long had Germany's highest unemployment rate. A walk down the Bahnhofstrasse, its once-thriving heart, reveals emptying shop fronts, an armada of mobility scooters and a babble of foreign languages. Further out are neighbourhoods blighted by *Schrottimmobilien*, the dilapidated housing often occupied by Romanians and Bulgarians who since the end of EU free-movement restrictions in 2014 have swollen the city's welfare rolls. Yet

things were hardly better before then, says a local. “The city was already a shithole.”

Little wonder the hard-right Alternative for Germany (AfD), a party whose radicalism has seen it decreed right-wing extremist by domestic spooks, has found fertile ground here. In local elections on September 14th in the state of North Rhine-Westphalia (NRW), the AfD took 30% of votes for Gelsenkirchen’s council, running the Social Democrats (SPD), whose hegemony in the Ruhr faded long ago, a close second. Across NRW, where over one-fifth of Germans live, the AfD tripled its vote share over the last elections in 2020, to 15%. The result sparked concern that the party is breaking out of its eastern strongholds. “We have arrived in the west,” crows Kay Gottschalk, the AfD’s deputy NRW chair.



Yet as Martin Florack, a political scientist in the Ruhr city of Oberhausen, points out, NRW contains multitudes, from thriving cities like Düsseldorf to rural reservoirs of *Mittelstand* wealth and some troubled cities in the Ruhr. Germans often regard their biggest state as a *Bundesrepublik* in miniature, a bellwether for the country. They might be more correct than they realise. Some were shocked by the AfD's advances in NRW; others noted that it did not meet all its expectations. In fact it is the variation within the state that is most telling. As with Germany writ large, it is a story of a place that is growing apart rather than simply succumbing to an AfD "blue wave".

In February's general election Gelsenkirchen was one of only two cities outside the five states of the former communist East Germany in which the AfD came first (the other was Kaiserslautern, an equally benighted spot in the Palatinate). Whereas the AfD did slightly worse in NRW's local elections than in February, in Gelsenkirchen its score improved by five percentage points. A similar dynamic held elsewhere in the Ruhr, home to all three cities where AfD candidates qualified for mayoral runoffs, to be held on September 28th.

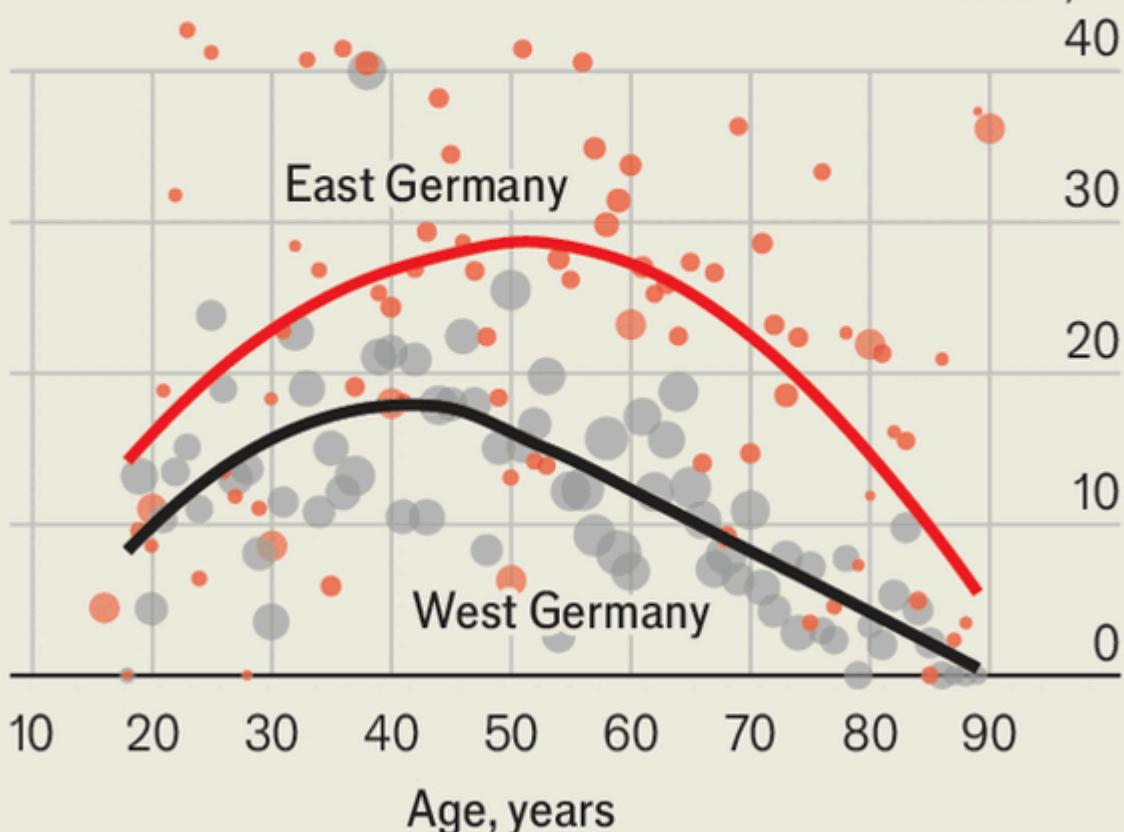
## Not for the young

1

Recalled party-level vote for AfD  
in 2025 federal election

Circle size=weighted number of respondents

AfD vote  
share, %



Sources: GESIS; *The Economist*

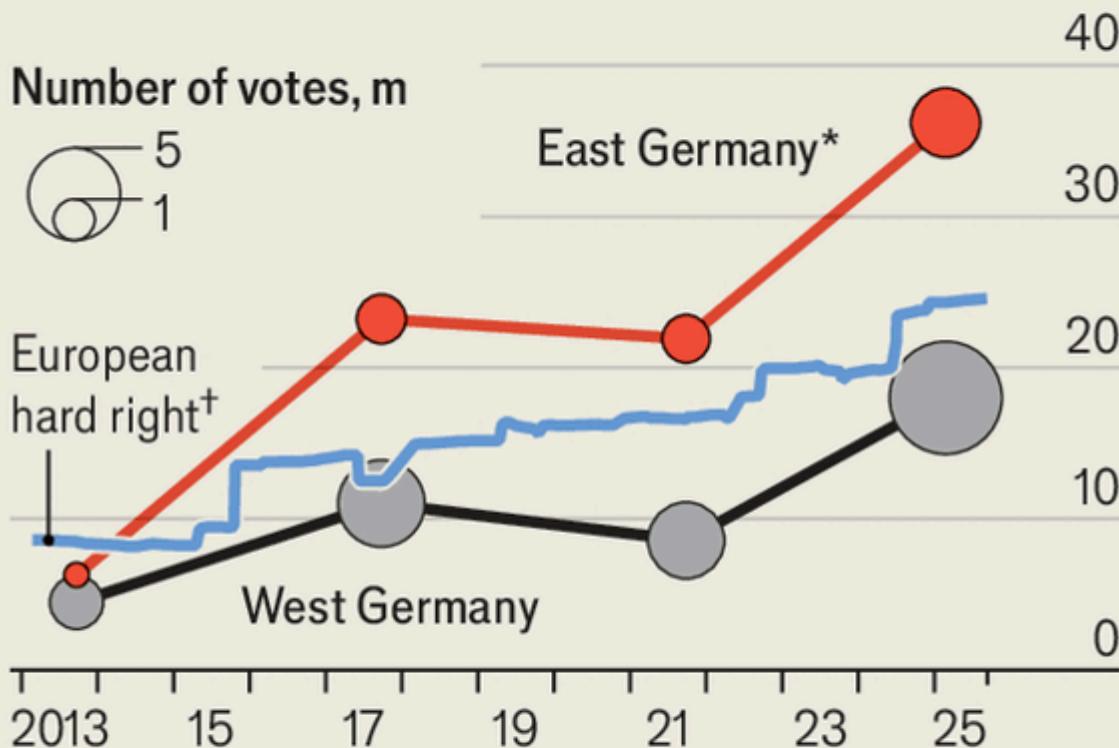
But in richer, graduate-heavy cities like Cologne, Bonn and Münster the AfD underperformed its statewide swing, despite starting from a lower base. Outside the Ruhr it fell back almost everywhere on its February result; in some cities it barely improved on its 2020 score. It flopped among young voters (see chart 1). Conversely, the Greens, who did dismally overall, ran well in bigger cities. Statewide, the conservative Christian Democrats (CDU) remain by a distance the biggest party, even as the decades-long trend of fragmentation continues.

A similar pattern has held for Germany as a whole. The AfD has long enjoyed greater success in the east, where party loyalties have a looser grip (though the west's larger population means it provides over two-thirds of the party's overall votes). But February's national election, in which the AfD scored a record result, saw the party growing faster in the east than in the west (see chart 2). That could continue. A recent poll put the AfD at an extraordinary 39% in Saxony-Anhalt. It now harbours hopes of winning an unusual absolute majority at next year's state election there. Meanwhile, the AfD's strength in western Germany, though growing, looks comparable to equivalent parties elsewhere in Europe.

## Gaining ground

2

AfD vote share in federal elections, %



\*Five states comprising the territory of the former GDR (excluding East Berlin) †Population-weighted average among democracies, excluding Germany

Sources: National elections; Our World in Data; ParlGov; The PopuList; University of Durham; *The Economist*

Since the anti-AfD “firewall” maintained by other parties remains more or less intact, the AfD is unlikely to win any mayoral runoffs in NRW. As in the east, strong AfD performances produce strong counter-reactions. This should not inspire complacency. On the councils in which it has won hundreds of new seats, the AfD is well placed to cause trouble. Officials in Gelsenkirchen, where it will hold nearly one-third of seats, already speak miserably of debates running late into the night on halal food in schools or Germany’s support for Ukraine. Anna-Lena Karl, an SPD councillor, says

she fears the “normalisation” effect of citizens observing a radical party at work in city structures.

Others are troubled by the AfD’s ability to attract support despite not appearing to take the elections especially seriously. The state party is riven by obscure internecine squabbles, and before the election dabbled in absurd conspiracy theories over the deaths of some of its candidates. Its desperate scramble for candidates means, as Professor Florack puts it, that some councils will be left with incompetents “unable to spell their own names”. Many had only vague links to the places in which they ran. If this appeared not to matter it may be because, as Martin Vincentz, the AfD’s leader in NRW, says, “The elections were also a referendum on state and federal politics.” Over 40% of AfD voters said they regarded state or national politics as the most important issue in the local elections, far more than for other parties.

The selective rise of the AfD brings risks for other parties. In eastern Germany CDU politicians, confronting an AfD that appeals to some voters’ pro-Russian sentiments, have adopted positions friendlier to the Kremlin than their party leaders in Berlin might like. In the Ruhr the local SPD is far tougher on immigration than the national party is. “My party doesn’t speak the language of the people on the streets,” sighs Markus Töns, Gelsenkirchen’s SPD MP. Sören Link, the plain-speaking SPD mayor of Duisburg, promised a crackdown on welfare fraud among immigrants and was rewarded with a big win over his AfD rival. Yet this is hardly a recipe for success in other areas, where the threat to the SPD may come from the Greens or hard left.

As for the AfD, it promises further advances elsewhere. “We are in the frontline of a national story,” says Jan-Hendrik Preuss, an outgoing AfD councillor in Gelsenkirchen. Is that true? Similar forces to those that walloped Gelsenkirchen decades ago threaten other parts of Germany, including places that depend on carmaking. In February the AfD outperformed in industrialised parts of the country, appealing to workers who fear for the future of their jobs. Some may be tempted by its message that Germany’s climate goals are ripping out the country’s industrial heart. But other voters will mobilise strongly to stop the AfD. So far, the rise of

Germany's far right looks less like a wave across the country than a wedge inside it. ■

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Le Pen and Bardella

# France's hard right is secretly courting the elite

*A charm offensive in the boardroom*

Sep 18, 2025 03:17 PM | PARIS



Let's talk

THE CENTRE COURT at Roland Garros, home to the French tennis open, is usually the setting for sporting combat. In late August, however, the clay court was transformed into a stage for a different contest: a debate between political leaders, hosted by MEDEF, the employers' federation. Among the six participants laying out their case to the country's *grands patrons* was the rising star of the hard-right National Rally (RN): its party president, Jordan Bardella (pictured).

To the surprise of some in the audience, used to the protectionist language of the party leader, Marine Le Pen, Mr Bardella sounded a distinctly pro-business note. Dressed in a sharp suit and tie, he urged France to learn to love those “who create, who innovate, who take risks”. The country, he said, has “too many norms, too many taxes” that thwart enterprise. “We need more freedom for business bosses.”

Shortly after, in a letter to business chiefs, Mr Bardella sought to calm worries over his party’s decision to vote against François Bayrou’s government in a parliamentary vote of confidence on September 8th. The RN, he wrote, would be the “real guarantor of economic stability”. He pledged €100bn (\$118bn) of budget savings, although did not specify whether these would be spread over five years.

Ms Le Pen’s party, descended from the extremist, antisemitic and xenophobic party co-founded by her father, Jean-Marie, is on a campaign to court the elite. Her father was a social pariah. Not long ago Ms Le Pen and Mr Bardella were rarely glimpsed in polite society. Today their presence has become, if not commonplace, then less remarkable. In 2023 Mr Bardella was invited to speak at HEC, a leading Paris business school. In recent months quiet individual meetings have been arranged between Mr Bardella and certain top business bosses. According to two sources, Mr Bardella met Vincent Bolloré, an industrial magnate, before the summer; his office declined to comment. In July, in a startling sign of mainstreaming, Mr Bardella was received by Nicolas Sarkozy, a centre-right ex-president, at his offices in Paris.

Such outreach, which works in both directions, has taken time, and seldom occurs directly. The RN has a small team that acts as intermediaries. One central figure is Sébastien Chenu, an RN deputy and a party vice-president, who hails originally from the centre-right. His padded contact book, and more palatable political origins, make him a handy go-between.

After the RN came top in the first round of voting in snap parliamentary elections in June 2024, requests gathered pace. A year ago Mr Chenu was invited to a dinner by Philippe Villin, a Paris financier, at which Patrick Martin, the MEDEF boss, was also present. The RN deputy has also met Michel-Edouard Leclerc, head of a big supermarket chain. Invitations come

not only from business but lawyers, bureaucrats, diplomats and others. “We’re submerged,” says Mr Chenu; “it doesn’t stop.”

France has strict campaign-finance rules and caps party donations at a tiny €7,500 per person a year. So these contacts are not about building war chests. For the RN, says Mr Chenu, the point is, rather, to “build bridges to those who do not necessarily share our ideas, but who we think need to get to know us as we are, not how they imagine us.”

To this end, Mr Bardella is the party’s chief asset. He neither carries the Le Pen name nor, at the age of just 30, is he old enough to be tainted directly by the party’s noxious past. With over 2m followers on TikTok, Mr Bardella is at ease with younger voters, and tops popularity polls. The party now wants him to charm the establishment, too. Mr Bardella could be propelled into power sooner than expected. A court has banned Ms Le Pen from running for electoral office with immediate effect, in a trial over European party-financing. She will learn next year whether that ruling is upheld on appeal. They have both agreed that, if it is, he will be the RN’s presidential candidate in 2027—or for prime minister if the party wins a snap election before then.

For French business, such a prospect is focusing minds. The young man is little-known, and for good reason. Elected RN president at the age of 27, having been hand-picked by Ms Le Pen, he has only ever worked in politics. Part of the interest in meeting him, says one business boss, is “to size up the beast”. More importantly, suggests another, it is to see whether he is “malleable”. Might a quiet word of caution in Mr Bardella’s ear now not help to temper his line? The point, as another business chief puts it, is “to try to make sure he is more like [Giorgia] Meloni than Le Pen”.

In some right-wing business circles Mr Bardella’s appeal goes further. Some bosses argue that the *cordon sanitaire*, which has traditionally kept the RN untouchable, is finished, and that only a united right can keep France from the hands of Jean-Luc Mélenchon’s radical left. This month Mr Sarkozy even suggested that the RN now belonged in the “republican arc”—the respectable democratic spectrum. Thierry Breton, an ex-European commissioner and businessman, called for the RN to be asked to form a government. It is striking that Mr Bolloré, whose politics are on the

Catholic right, now controls a host of right-wing media, including CNews, a TV channel dubbed “the French Fox News”.

Mr Bardella’s discourse may have some appeal. But it has not calmed all boardroom worries, and the idea of the RN in power still appals many. The party has provided few details on its promised budget savings. It wants earlier retirement for those who start work young, and a new “financial fortune” tax to replace the current mansion tax. The game of seduction is on. But it has not been won yet. ■

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NATO's splurge

# Dodgy defence maths conquers in Europe

*The weird and wonderful calculations behind the 5% target*

Sep 18, 2025 03:16 PM



ONE PICTURE captured the mood at June's NATO summit in The Hague. At the centre of the leaders' post-summit group photo stood a grinning Mark Rutte, NATO's secretary-general. He had reason to be beaming: allies had just agreed to a new target of spending 3.5% of GDP on defence, along with 1.5% on things like cyber-security and infrastructure. Contrast that with the unhappy-looking Spanish prime minister, Pedro Sánchez, standing awkwardly at the edge of the group. Spain had emerged as the lone holdout against the spending pledge.

As the allies now start getting to grips with keeping their promises, Mr Rutte's smile looks premature. The 5% top-line figure was always intended to placate Donald Trump. The scope of the 1.5% pledge for security-related spending is so woolly it verges on gimmickry; in Italy, Giorgia Meloni has mooted port upgrades in Genoa and La Spezia as relevant infrastructure, though after a valiant effort her government was rebuffed in its attempts to list a €13.5bn (\$16bn) bridge connecting Italy to Sicily as relevant "security" spending. Belgium, the Netherlands and Germany plan to reopen a passenger railway between Antwerp and the Ruhr and count that towards their 1.5%. The reality is that most countries will easily meet that part of the target, because it covers things they were already doing. And besides, it does not have to be met until 2035.

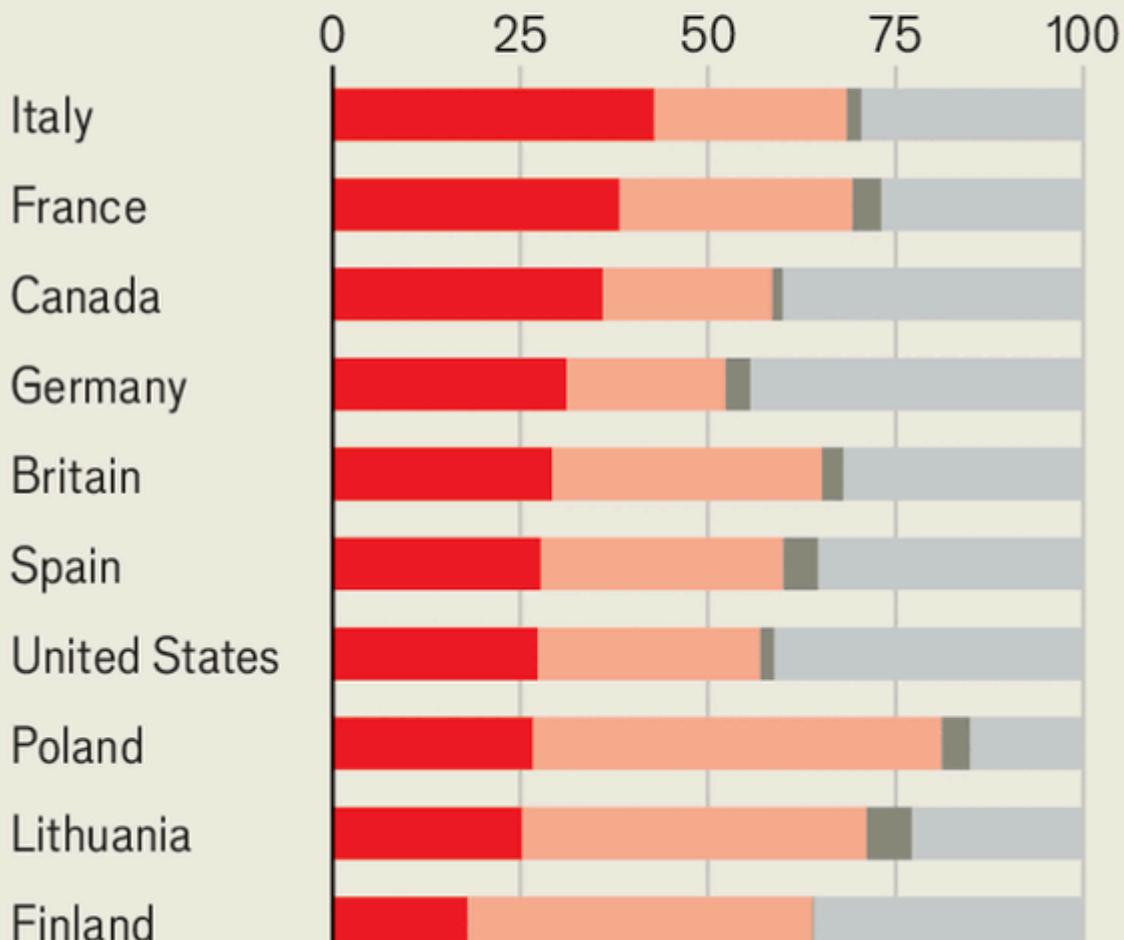
But the 3.5% figure earmarked for hard defence is also worthy of scrutiny. Critics have long argued that such targets are a poor way of measuring fighting readiness, especially given NATO's expansive definition of military expenditure. The alliance counts just about everything a government lavishes on its armed forces as military expenditure; from pensions and the upkeep of barracks to far-flung humanitarian missions and sometimes even help for domestic border agencies. But much of what NATO considers "core" defence does not directly boost deterrence.

## More guns needed

1

Selected NATO members, % of total defence spending, 2025 or latest available

■ Personnel ■ Equipment ■ Infrastructure ■ Other



Source: NATO

For its calculations, NATO splits military expenditure into four categories: personnel, equipment, infrastructure, and “other”, mainly operations and maintenance. For many members spending skews towards personnel, including salaries, contributions to retirement funds and pensions (see chart

1). This is particularly so among the laggards. Italy and Belgium, for example, spend nearly 20% of their annual military budgets on retirement cheques.

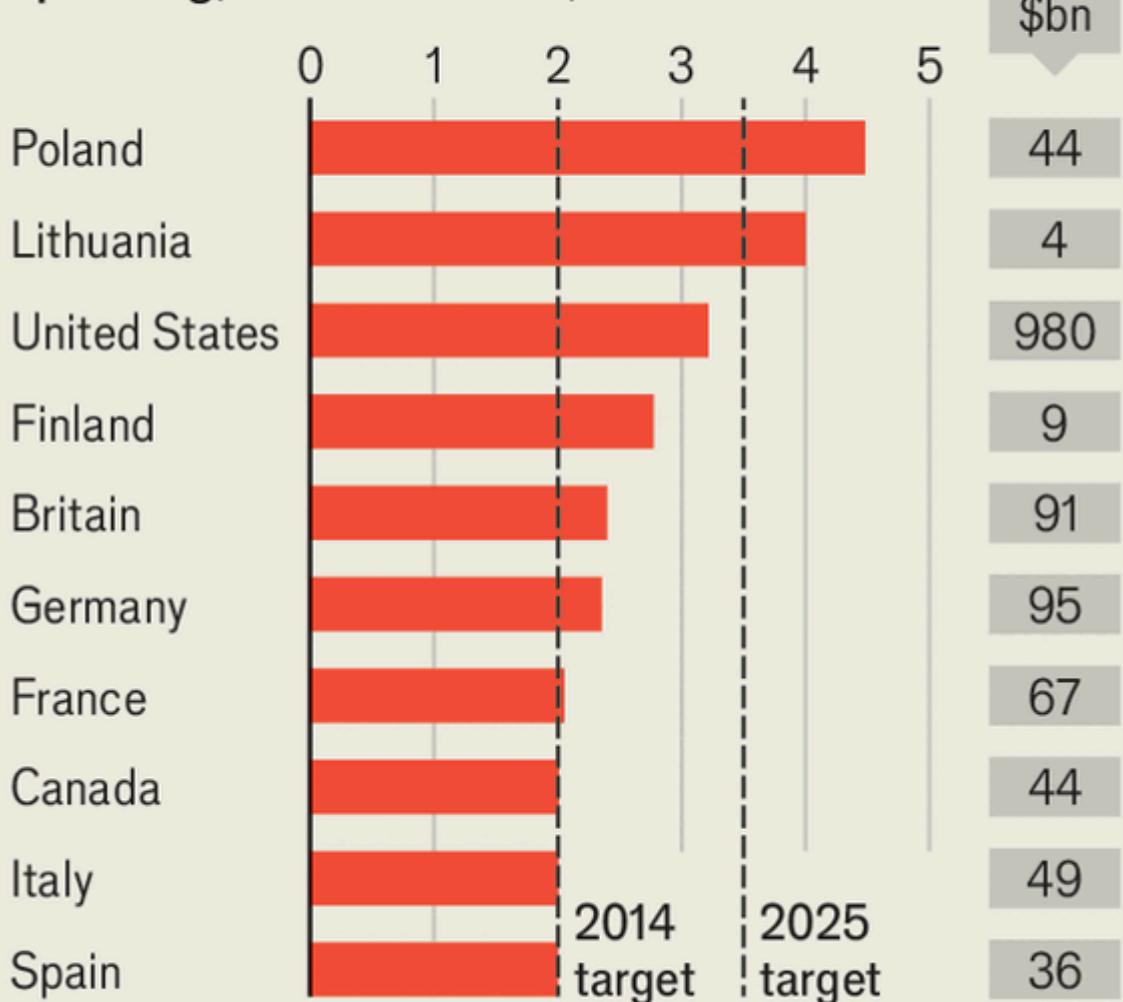
The good news is that personnel costs as a share of total expenditure have fallen dramatically over the past decade. In 2014 salaries and pensions averaged about 60% of a NATO member's total spending. Today it has fallen to 33%. Much of that comes down to a splurge on hardware by European governments since Russia's full-scale invasion of Ukraine in 2022. NATO asks that members spend at least 20% of their budgets on equipment. Virtually all of them now meet that mark. "The composition of what makes up core defence spending has changed drastically over the last ten years," says Nan Tian of SIPRI, a Stockholm-based think-tank.

The shift from pensions to panzers looks set to continue. Allies agreed to a detailed set of new "capability targets" in June, which determine the equipment each must provide based on plans drawn up by the alliance's military headquarters. Although the plans are classified, Mr Rutte has pointed out that this involved a 400% increase in air and missile defence systems. Many European leaders hope that extra cash for military kit will spur more manufacturing jobs at home.

## Moving targets

2

Selected NATO members, defence spending, 2025 estimate, % of GDP



Sources: NATO; German government

But that is also fuelling a debate over where members should get their equipment from. Europeans are divided. France wants the increased military spending to benefit European industry and reduce reliance on America. But members in central and eastern Europe still buy gobs of hardware from Uncle Sam.

Although the uptick in equipment spending is welcome, there is a risk that it will come at the expense of other humdrum, though no less important areas. All that new kit means Europe's armed forces will also have to allocate extra cash for training and maintenance. Military infrastructure, such as hardening airfields or ensuring railways are strong enough to bear the weight of tank transporters, is also important to boost Europe's fighting power. And defence ministries face a recruitment crunch, which better salaries and benefits could do a lot to alleviate.

All this will put immense pressure on finances. Debt levels are high in many NATO countries and their fiscal credibility under strain. Many have only just managed to get to 2% (see chart 2). The worry is that the new higher spending pledge is now encouraging another bout of budget-fudging. "Because we have this higher top-level figure, countries might reassess whether they are including everything that they can under the NATO definition," argues Fenella McGerty of IISS, a think-tank. *Plus ça change.* ■

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Enough!

# Russia's most famous diva tells Vladimir Putin to end the war

*Her interview racked up 19m views in a week*

Sep 18, 2025 06:06 PM



Russia is listening

IT CLOCKED UP nearly 19m views in a week, and 150,000 comments from people in Russia and Ukraine, and from Russian-speakers across the world. It crossed front lines and cut through official narratives. On September 10th Alla Pugacheva, who has been, by far, Russia's biggest pop star for 50 years, whose fame rivals Abba and Madonna and far outstrips that of [Anna Netrebko](#), a Russian classical diva, gave her first big interview since she left Moscow in 2022. Her conscience, “more valuable than fame, luxury or anything else”, had become incompatible with staying on in Russia and keeping silent after the war began.

Her status and her common sense turned the three-hour-long YouTube interview, filmed in her house on the Baltic Sea in Latvia, into a political event. Uniquely among Soviet pop stars, Ms Pugacheva has always projected—across stadiums, concert halls and television screens—the supreme value of inner freedom. Her songs were free from ideology. In the country where the party imposed constraints on sexuality, on privacy, on fashion and music, she embodied the dreams of Soviet women. She never joined the Communist Party and never craved the attention or approval of its leaders, though they craved hers.

She was equally loved by ordinary people, intellectuals, dissidents and those in power. She sang for the crews who moved in after the Chernobyl nuclear disaster and who, in the face of death, asked for oranges and for Ms Pugacheva. Mikhail Gorbachev once asked for her advice on how to conduct interviews and engage with the public. “Be open and honest,” she told him.

In the interview Ms Pugacheva—“the woman who sings”, as one of her hits has it—does not judge or preach. She does something more important: she legitimises and validates common sense and normal values, which Vladimir Putin’s war has assaulted. “What is important is the health of your children, your husband, and the happiness in your family,” she says. To a state that seeks hatred and radicalisation, such talk is more dangerous than political speech. Her interview gives voice to that silent majority who, in opinion polls, occupy the ground between brave vocal opponents of war and its zealots, and who are often counted as supporters.

A country’s greatness is measured by its generosity, not the pride of its leaders, she explains. “Pray for peace and don’t savour war. And don’t think badly about people, particularly if you don’t know them.” Looking straight into the camera, she addressed Mr Putin, for whom she once voted: “Just end it.” ■

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# Britain

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Against the odds

# Britain's relationship with America endures, against the odds

*Fears of a rupture have not materialised, for now*

Sep 18, 2025 05:01 PM



“WE ARE LIKE two notes in one chord,” declared Donald Trump. “Or two verses of the same poem.” A president known for his demotic speech was in an uncharacteristically lyrical mood. He was addressing a banquet, hosted by King Charles III at Windsor Castle, to mark his state visit to Britain on September 17th. The relationship between Britain and America was eternal, irreplaceable and unbreakable, he said. “Seen from American eyes,” the president added, “the word ‘special’ does not begin to do it justice.” A week earlier Peter Mandelson, Britain’s ambassador to Washington, DC, had been fired over his toe-curling links to Jeffrey Epstein, a notorious sex-offender. Even that could not spoil the party.

In that lies a noteworthy achievement by a government short of things to brag about. Preventing a full rupture with Britain's most important ally has been an almost-existential task of the Labour government. The special relationship has proved more resilient than many predicted this time last year, says Max Bergmann of the Centre for Strategic and International Studies in Washington.

Mr Trump's scepticism of NATO, his ambivalence over the defence of Ukraine and his programme of punitive tariffs unsettled many of America's allies. But the challenge was particularly acute for Britain. Its intelligence services and nuclear deterrent are uniquely entwined with America's. The country is, after the EU, Britain's second-largest trading partner. Yet Britain's influence in Washington had been waning for years due to its shrinking armed forces, sluggish economy and diminished clout in Europe.

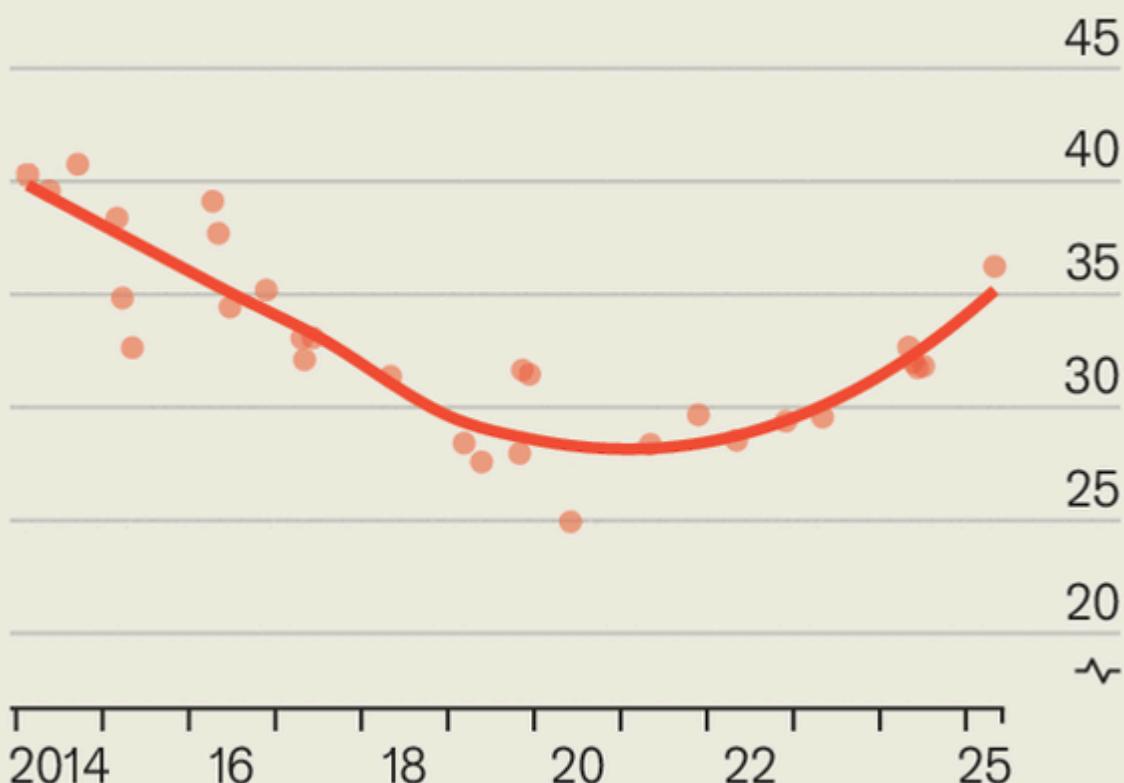
The political climate looked menacing for Sir Keir upon his election in 2024. It still does. In Mr Trump's MAGA movement a dystopian idea of Britain has taken hold, warning that the birthplace of America's founding ideals has been overrun by authoritarian Islamist-sympathisers—a sort of Tehran-on-Thames. Sir Sadiq Khan, the mayor of London, has become Mr Trump's punching bag. "England is on the brink of civil war," declared Steve Bannon, a MAGA ideologue, at a nationalist-conservative gathering in Washington this month.

At home, Sir Keir has been caught in a pincer. For as much as Britons love America, Mr Trump is loathed, particularly within the Labour movement: just 16% of Britons have a favourable view of him, and a plurality thought the visit should be cancelled. Sir Ed Davey, leader of the Liberal Democrats, boycotted Wednesday's dinner. Some Britain-watchers in Washington feared that Sir Keir would be compelled to make a stand, reminiscent of the fictional British leader in "Love Actually", a film.

But Trumpish ideas are gaining salience in Britain, as [The Economist's analysis of survey data](#) shows (see chart). Using a basket of questions on issues like immigration, overseas aid and climate change, the share of Brits who hold "MAGA views" fell from 40% in 2014 to just over a quarter in 2020. Since then, Trumpian views have rebounded, rising to 36% in 2025.

## Getting Trumpier

Britain, % who lean towards MAGA positions\*



\*Respondents who agree with the MAGA position  
on a majority of 34 political questions

Sources: British Election Study; *The Economist*

On September 13th as many as 150,000 protesters marched in London on a rally organised by the far right. On Whitehall they were addressed via video call by Elon Musk, a billionaire and former Trump ally, some wearing MAGA hats or holding images of Charlie Kirk, the recently murdered Trump outrider. Nigel Farage, Reform UK's leader, has long traded on his friendship with Mr Trump, presenting himself as the president's interlocutor with Britain.

The British press had warned that Mr Trump might punish Britain for the sin of electing a left-wing government. That, at least, has been averted. Like the rest of the world, Britain was hit by the president’s “Liberation Day” tariffs in April. But with a baseline rate of 10% Britain did better than most, and it was the first to strike an agreement to partially mitigate their effects. Still, the mercurial nature of the Trump administration was laid bare on the eve of the visit: the promised elimination of tariffs on British steel had been put on ice, the Starmer government admitted.

Mr Trump’s return to power had also led many to worry that Britain would have to choose between Europe and America. Yet Sir Keir has managed to have it both ways, striking an agreement to deepen trade ties with the EU by aligning with its food and environmental regulations, without arousing American objections.

## Safety first

Britain’s most important objective has been to retain American support for NATO in Europe, and to stop Mr Trump from abandoning Ukraine. At dinner, the king made a rare public overture, declaring Britain and America united in Ukraine’s struggle. The promise of Sir Keir, with France, to take on peacekeeping duties in Ukraine in the event of a peace deal has been enough to keep the prospect of American security guarantees alive, at least in principle. Similarly, a commitment to increase defence spending across Europe has been enough to deter Mr Trump from abandoning NATO.

“Rather than bending the knee, he is buying time, and that’s what all America’s allies are trying to do,” says Sir Robin Niblett of Chatham House, a think-tank.

As with most successful courting Britain’s strategy has relied, in part, on egregious flattery. In Windsor, Mr Trump was treated like a fairytale prince on his wedding day, conveyed in a gilded carriage to inspect a parade of red-tunicked guardsmen. (“Extra large,” noted the Ministry of Defence, Trumpishly, about the fanfare.) “It’s like, ‘hey kids, we’ve made it’,” says one former British official of the former property developer.



This wooing has also included paying lip service to Mr Trump's worldview. In a speech shortly before his firing, Lord Mandelson cast the state visit as part of a civilisational struggle to prevent Chinese tech dominance. Yet the deals on nuclear power and artificial intelligence announced during Mr Trump's visit, while meaningful, are hardly epochal. And under Sir Keir, Britain has thawed relations with China.

In any other White House such contradictions might be brought to the president. But Mr Trump's personal relationships are unusually important in driving policy, says Mr Bergmann. "This is an administration that revolves around the president. There is not a coherent policy process."

A final bit of luck for Sir Keir is that the transatlantic radical right has proved less co-ordinated than some had expected. Mr Trump fell out with Mr Musk; Mr Musk fell out with Mr Farage, whose influence in Washington has been weaker than his supporters hoped. "The relationship hasn't been Faraged," notes Sir Robin.

The price of preserving the relationship has been that its terms have changed, perhaps permanently. Whereas Britain once thought of itself as the smaller power in a partnership of champions for the West, this week's pageantry has shown just how dependent it has become on America, and its president. Mr Trump could at some point abandon Ukraine, potentially presenting a crisis for Britain and its European allies. American tech companies are taking an increasingly sceptical view of Britain's internet-censorship laws (a bugbear of the vice-president, J.D. Vance).

The most immediate risk may lie with Sir Keir himself. Mr Trump took a shine to him after his thumping general-election victory, claim Labour figures. But the prime minister's polling is dire; within Labour talk grows of booting him out. The president may yet conclude he does not want to do business with a loser. ■

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The king's speeches

# King Charles III has mellowed over the past 30 years

*Blandness is a feature of the British crown, not a bug*

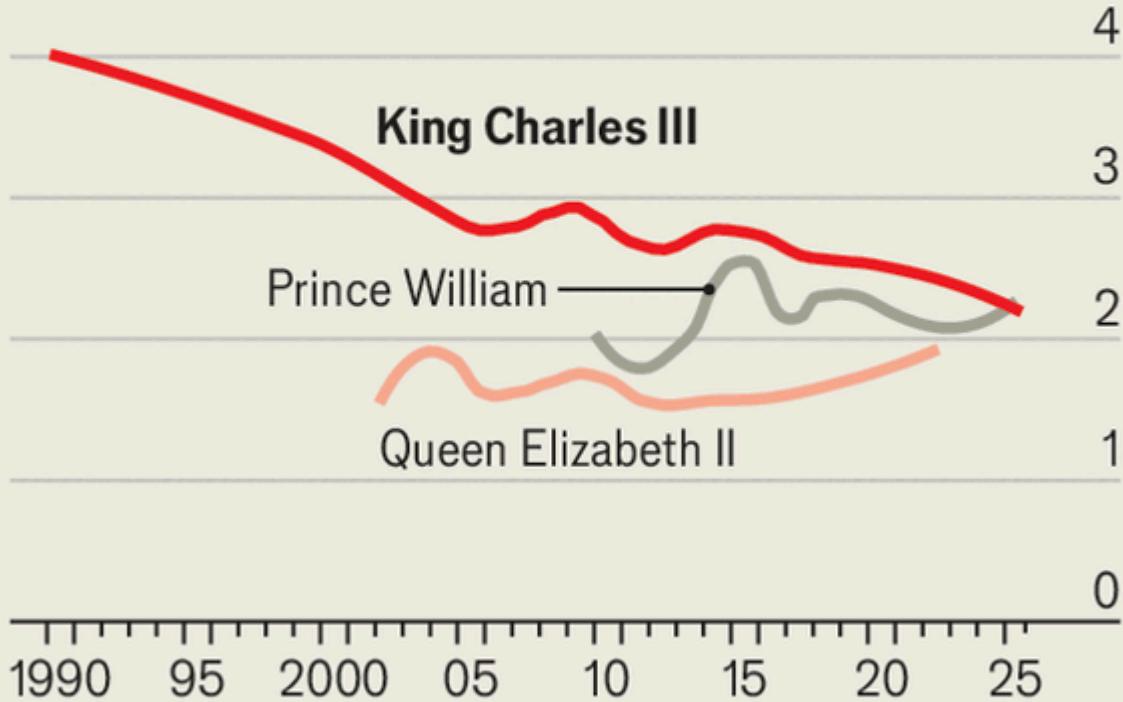
Sep 18, 2025 03:17 PM



KING CHARLES III hosted a banquet at Windsor Castle for [Donald Trump](#) on September 17th. The king played the role of benevolent monarch perfectly: lavishing praise on the American president and the “enduring bond between our two great nations”. But our analysis finds that [the king](#) has not always been so bland.

## Charles the Bland

Britain, transcript analysis of  
the royal family's public speeches  
Controversy score\*, 10=maximum



\*Based on contemporary themes, tone and framing

Sources: Royal Household; OpenAI; *The Economist*

*The Economist* gathered all the public speeches delivered by [Charles](#) over the past three decades and, for comparison, transcripts of speeches given by Elizabeth, his late mother, and William, his son and heir. We analysed each speech using OpenAI's large language model, requesting that it assess how controversial Charles's remarks had been. The resulting "controversy score" estimates how much every speech—based on its themes, tone and framing—challenged mainstream opinion or royal convention at the time (see chart).

This confirms that Charles, while not exactly a former firebrand, has mellowed over the past 30 years. With each speech rated on a scale from zero to ten for its degree of controversy when delivered, his average score was 3.7 points in the late 1990s compared with 2.1 since he ascended the throne. By contrast, speeches by Queen Elizabeth II between 2000 and 2022 scored just 1.7 out of ten for controversy.



Blandness goes with the job. Asked seven years ago whether he would be an activist king, the then Prince Charles said: “I’m not that stupid.”■

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Losing the aisles

# Britain's rising food prices are a political headache

*Voters hate inflation. They notice it most at the supermarket*

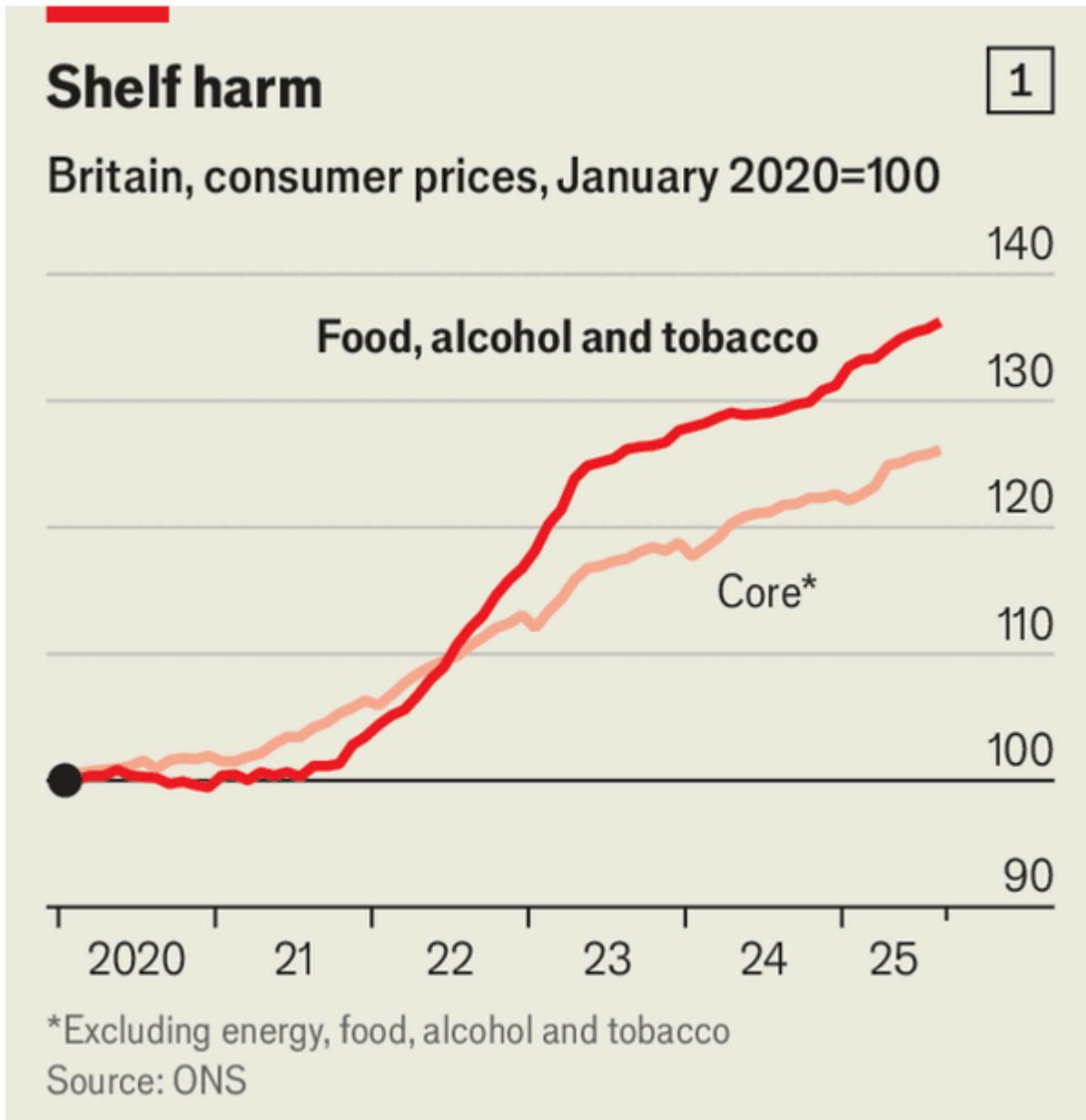
Sep 18, 2025 03:17 PM



“PRICES ARE always going up since covid,” says Amy Aron on her way out of Lidl in Hoxton, nodding to a half-filled granny cart. The budget German grocer opened this store in east London in November, and the lunchtime crowd seems glad. Rezaul Karim, a delivery driver shopping with his wife, faults the new shop only for lacking in frozen goods compared with the Iceland it replaced. Still, he says, in the past few years the cost of their bulk shop has gone from £190 (\$260) to £275.

Food-and-drink prices have risen by 37% in Britain in the past five years, outstripping most other goods (see chart 1). After sharp increases in 2022-

23, fuelled by expensive energy and commodities, prices seemed to stabilise. Then they started climbing again. In the past year food inflation has run at 5.3%, more than in France (1.8%), Germany (2.7%) and Spain (2.8%). There is little sign of a let-up: the Food and Drink Federation, an industry body, reckons it will hit 5.7% in time for Christmas.



This is all bad news for the government. Grocery prices have an uncanny ability to anger voters, who tend to use their weekly shop as an economic barometer. Dread at the checkouts often accompanies a government

languishing in the polls. “This is a very big headache in Number 10,” says a Labour adviser. Food also helps explain why overall inflation is stickier in Britain than elsewhere, says James Smith of the Resolution Foundation, a think-tank. That, in turn, is likely to keep interest rates higher for longer, denting the government’s hopes for getting the economy moving.

The topic is notably absent in today’s political debate, which is dominated by immigration. But many voters still say their top concern is the cost of living. Energy bills, which spiked in 2023, have fallen. Food, on which households tend to spend around twice as much, has become the biggest financial concern. “I can’t do a focus group without someone talking about having to put stuff back at the end of a shop,” says Luke Tryl, a pollster. “People just want to know when it’s going to get cheaper.”

The problem is partly relative. Britons got used to their food being cheap. Before 2020, years of low inflation and “supermarket price wars”, as domestic retailers fought fierce competition from Lidl and Aldi, another German discounter, made stability the norm. Throughout the 2010s a pint of milk cost around 44p (a figure politicians still had trouble remembering). Since then it has jumped by 50%—and stayed there. A big pack of Lurpak, a brand of butter, is now £8.25. It is hardly surprising that shoppers think something has gone badly wrong.

## Food for thought

2

Britain, Sep 15th-18th 2025, % responding

"In the past few months, I have..."



Source: More In Common

Nor is it entirely rational, though. Wages, after all, have risen too. In the past year they have gone up roughly in line with food prices. They have grown fastest for the worst off, thanks to increases in the minimum wage.

Food has become more expensive in recent years, but it has become much less affordable only for households at the bottom, which rely on social security. Yet this logic overlooks how most people experience inflation. Almost a fifth of well-off Brits say they are putting back items they deem unreasonably expensive (see chart 2). Studies have found strong links between prices, perceptions of government performance and voting intention.

This may be why politicians like attacking supermarkets. Sir Ed Davey, leader of the Liberal Democrats, has accused them of “profiteering”. Some in Labour want the government to ape the populist stance of Anthony Albanese, the Australian prime minister, who before winning re-election in May accused supermarkets of “taking the piss” by price-gouging customers. In Britain this would make little sense. Its supermarkets are highly competitive. The big chains all have operating margins of 2-4%. Lidl and Aldi have spent years making even lower margins to build market share.

In reality, says Clive Black of Shore Capital, a broker, the government is the main source of the latest burst of inflation. Supermarkets and suppliers are labour-intensive businesses. They are tied into long-term contracts, but an increase in taxes on workers, which came into effect in May, is now being passed on to customers. New product regulations have not helped. Further tax and minimum-wage rises could come in the budget in November.

As consumers remain gloomy, many are cutting back on eating out. That helps explain why, perhaps counter-intuitively, supermarkets’ premium ranges are doing best. Those in Tesco and Sainsbury’s have grown by 15-20% a year for the past two years. “Families who can’t afford that £100 at a pizza restaurant are having something nice at home instead,” says Mr Black. Others are trading down. Mr Karim says his children initially protested against the replacement of their treasured Rice Krispies with an “own brand” cereal, but now that they are older they seem to have forgotten. Voters might not be so kind. ■

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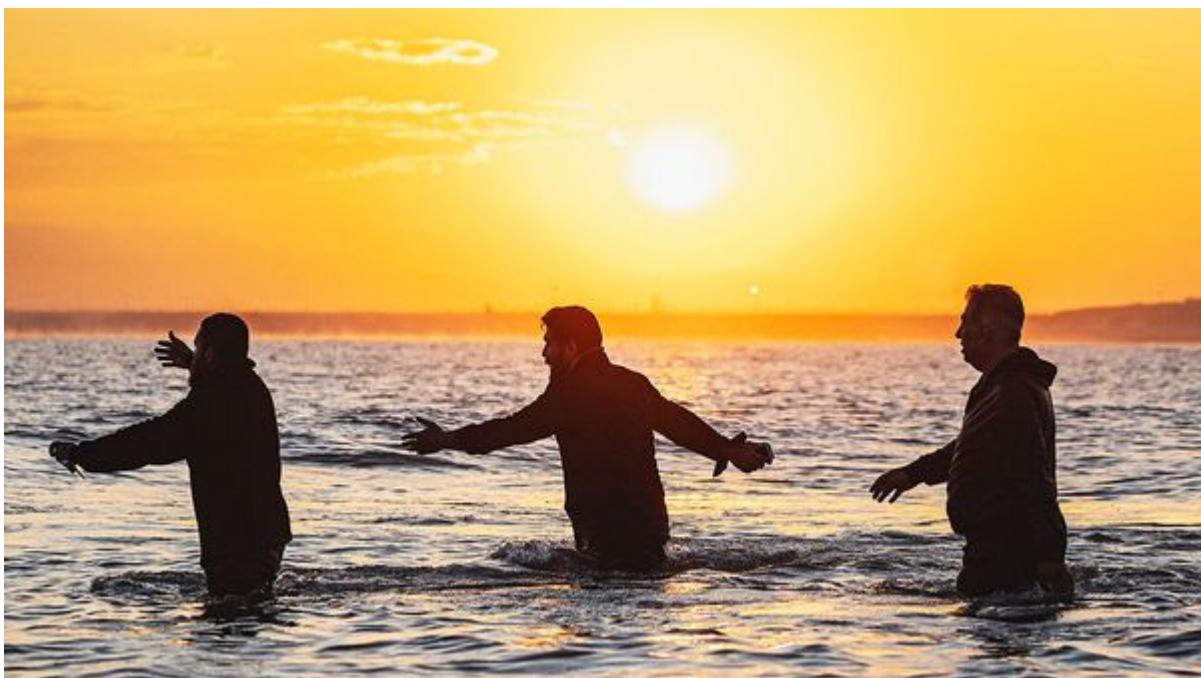
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**Refugee policy**

# Britain's attempts to stop asylum-seekers have failed so far

*A new scheme might change that*

Sep 21, 2025 06:48 PM | GRANDE-SYNTHE



Paradise found

IN A RUBBISH-STREWN migrant camp west of Dunkirk, the appearance of a reporter who has voluntarily crossed the English Channel in a southerly direction, from Britain to France, causes surprise and hilarity. The migrants, who are desperate to travel the other way, launch into encomiums to Britain. “It has the best language,” says a young Yemeni man. “It has the best security,” says an Iraqi. It is “perfect”, adds his friend.

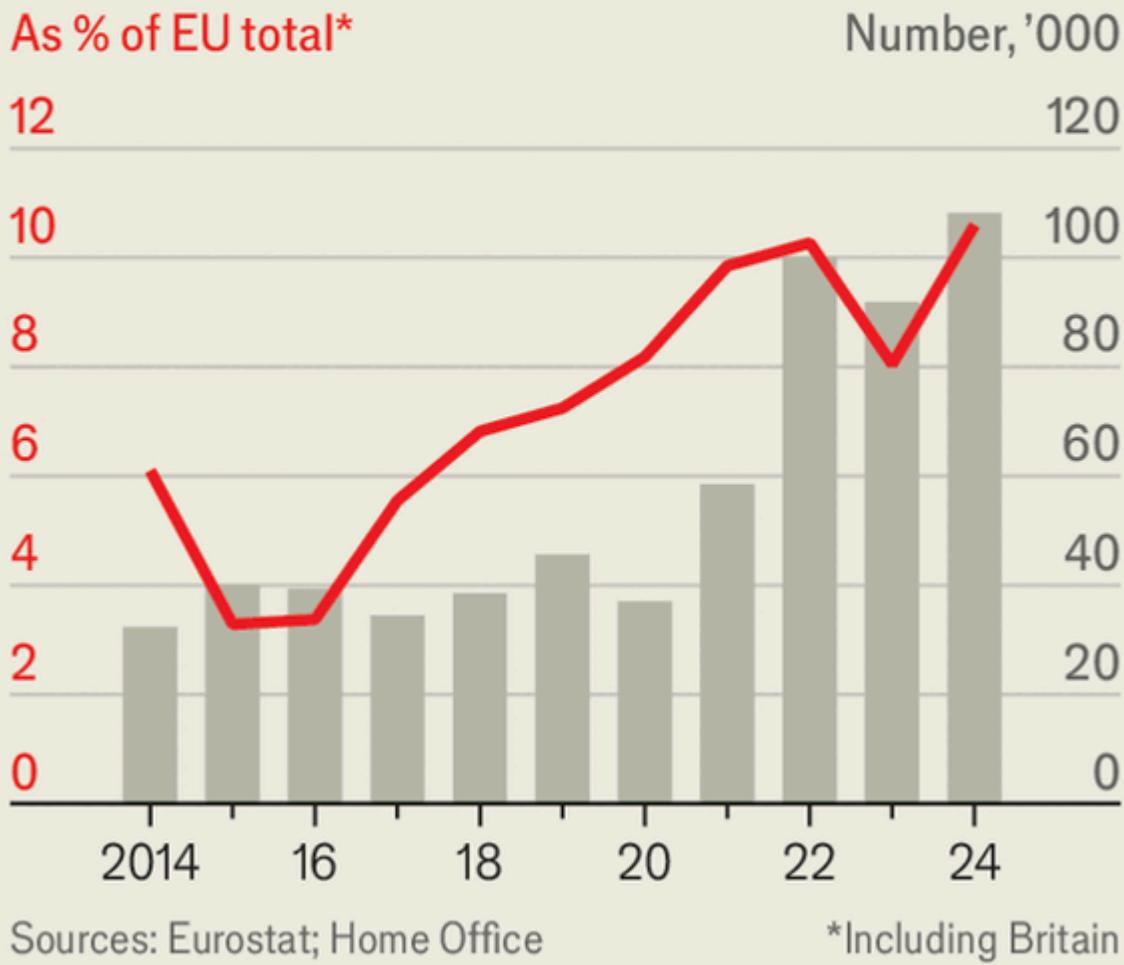
And what do migrants in northern France, who mostly plan to cross the channel in inflatable boats in the middle of the night, know about Britain’s

asylum system? With a single exception, of whom more later, they have heard little. “Not much, to be honest with you,” says an Iraqi man with a degree in English literature. “I only think about how to fill my belly and where to sleep.” “Nothing”, says a man who is waiting for a bus.

Migrants like these men have raised Britain’s collective blood temperature to alarming levels. Opinion polls show that people now see immigration as the most important issue facing the country. By “immigration” Britons tend to mean asylum-seekers, and in particular those who cross the channel illicitly. Flags with the words “stop the boats” fluttered over a rally organised by the far right in London on September 13th. Spooked, the government promises crackdown after crackdown. Yet the unwelcoming message has not got through to the people in northern France.

## Channel hopping

### Asylum applications in Britain



Britain was hardly touched by the European migrant crisis of the mid-2010s, when huge numbers of refugees from Afghanistan, Syria and other benighted countries crossed the Mediterranean. With 13% of the EU's population—Britain was then a member—it received just 3% of asylum claims in 2015 (see chart). But the pattern has changed. In the year to June Britain received 111,000 asylum applications, a record since at least 2001. In effect, it is experiencing the European migrant crisis with a time delay.

Asylum-seekers are a small fraction of all migrants: Britain handed out more than 720,000 work and study visas in the year to June. And only two-fifths of asylum-seekers cross the channel in inflatable boats. About as many apply after entering Britain on work, student or tourist visas; a few hide in lorries. But the boat migrants show like nobody else the porosity of Britain's borders. And many asylum-seekers are placed in hotels, where local protests can easily be whipped up by far-right agitators.

The government is desperately trying to suppress channel migration. On September 5th it appointed a new home secretary, Shabana Mahmood, replacing Yvette Cooper. Ms Cooper had adopted a low-key approach, focusing on building coalitions with continental countries and joint police work against smugglers. Ms Mahmood, who describes securing the borders as her "one job", promises to weaken human-rights laws and deport more migrants.

Britain is already tough on asylum-seekers. Since 2002 they have been all-but-banned from working: while their cases are considered. Between 2000 and 2024 their support payments were cut by 37% in real terms, and now stand at just £49.18 (\$67) a week. Asylum-seekers who are put up and fed in hotels get £9.95 a week. The Home Office accepts fewer than half of claims for protection, although many asylum-seekers prevail on appeal. A scheme that allowed accepted refugees to bring family members to Britain has been suspended. Removals of failed applicants have risen.

These tough measures have (to put it politely) not obviously reduced the number of asylum claims in Britain, which is hardly surprising. Academic research has shown that asylum-seekers are drawn to countries that are close to their homes, or countries with many of their fellow-countrymen. Asylum policies matter, but not as much as those things. Greece and Italy receive huge numbers of asylum claims despite their toughness; Portugal receives few despite its comparative liberalism.

Asylum-seekers are diverse, not just in nationality but in knowledge and motivation. Many of the migrants in northern France are clueless about Britain, or vaguely cite linguistic and historical ties (one Yemeni man points out that part of his homeland was once British). Others are trying to join

family members in Britain. But there is another group, better-informed than most, that has a specific reason for trying to reach the country.

“You speak German?” asks a middle-aged migrant who is sheltering from a storm in the Grande-Synthe camp. He does. The man, from the Middle East, says he spent a decade in Germany, where he tried and failed to gain asylum. Project Play, a charity that organises play sessions with migrant children in northern France, says that German is now among the most common languages spoken by the young. Alarm Phone, a group that warns migrants about the dangers of the channel crossing, prints a leaflet in German.

Migrants try to move from Germany and other European countries to Britain partly because of Brexit. After Britain left the EU in 2020, it lost access to the Eurodac fingerprint database that shows whether an asylum-seeker has previously applied in another country. Britain also left the Dublin Protocol, which enables European countries to push migrants back.

The Dublin process works poorly for EU countries and migrants alike, says Wiebke Judith of PRO ASYL, a German group. Governments often refuse to take back migrants who have moved on to another European country, with Italy especially intransigent. Asylum-seekers can spend many months in legal limbo as governments tussle over responsibility for them. If they can reach Britain, though, the slate is wiped clean. Asylum-seekers can make a fresh start.

## **Track and trace**

Nobody knows how many of the asylum-seekers trying to reach Britain are so-called “Dubliners” who have already been fingerprinted in another European country. The people in the camps may not reflect the migrant population well. Some migrants stay in hotels, while others, who lack the money to pay smugglers, linger in tents or abandoned warehouses for months. But a study of 57 migrants on the northern French coast in 2021 found that two-fifths had previously tried to settle in another European country. Such people are certainly easy to find.

Britain has not seriously tried to rejoin the Dublin system. But it has concocted something vaguely like it. Before she left the Home Office, Ms Cooper negotiated a “one in, one out” arrangement with France, under which some channel crossers will be sent back in exchange for Britain letting in the same number to apply for asylum. The first swap is expected imminently. If the scheme works (it was being stymied by legal appeals as *The Economist* went to press) it could make a difference. Britain draws some asylum-seekers because it is not particularly European. It is beginning to look a little more so.

Amid the migrants in northern France who profess ignorance of Britain’s asylum system, one has heard something. At a drop-in centre run by Secours Catholique, a humanitarian organisation, a young Ethiopian man has picked up a rumour that Britain is going to send asylum-seekers back to France. He is not sure whether to believe it. The fate of Britain’s government could rest on whether he and other migrants start to do so. ■

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**Wasted talent**

# Britain's work restrictions set up asylum-seekers to fail

*The economic benefits of relaxing the rules are clear—as are the political obstacles to doing so*

Sep 18, 2025 03:17 PM



Permanent onlookers

“I DON’T WANT to take anything from the government,” says an Egyptian doctor living in Britain. “I want to give the country my taxes.” A welcome offer, you might think: Britain is in great need of both cash and physicians. Yet the government has repeatedly refused his request to work. For the doctor is an asylum-seeker.

British laws forbid asylum-seekers from working for the first 12 months. Other countries impose shorter waiting periods (six months in France and

America) or none at all (Canada). Even after a year, asylum-seekers can work only in jobs on the “immigration salary list”. This slim catalogue of 25 professions is bizarre. It includes archaeologists, stud grooms and (in Scotland only) fishing-boat masters. But it omits most jobs, including teachers and—sadly for the Egyptian doctor—physicians.

Politicians of all stripes have defended restrictions. On September 1st the former home secretary, Yvette Cooper, claimed that criminal gangs exploited the “promise of being able to work easily” to entice people onto small boats. Yet the [evidence that work rights are a strong pull factor is weak](#); and the policy’s costs are high.

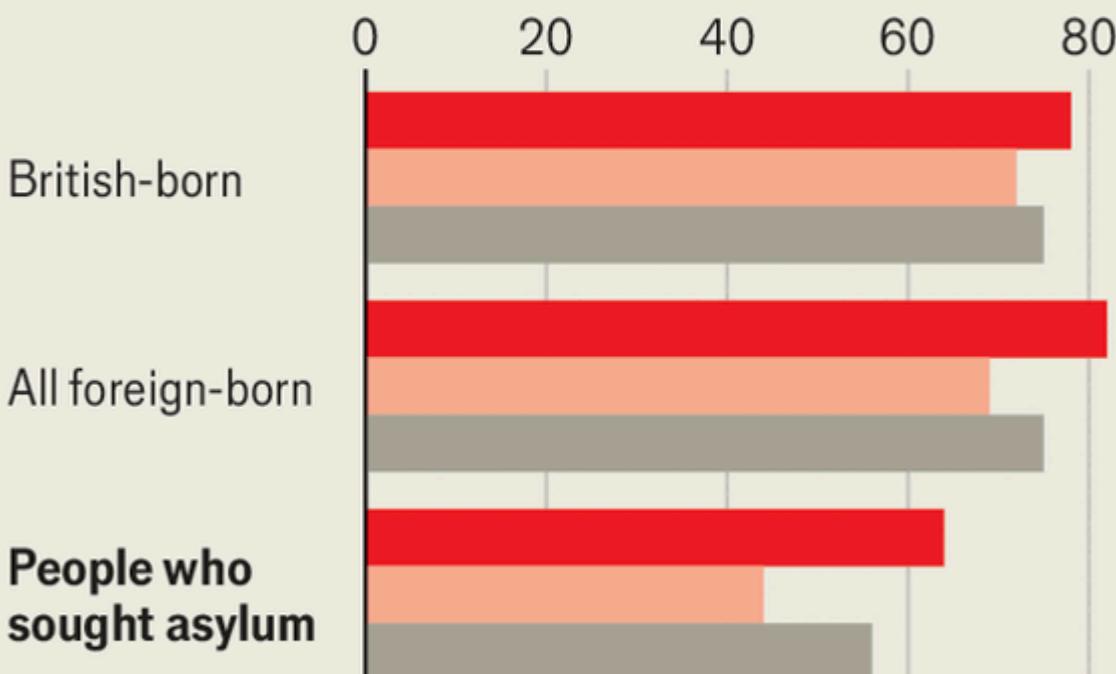
Why an asylum-seeker is drawn to Britain over, say, France is not obvious. A 2016 report from Warwick University, based on findings from 29 separate studies into asylum-seeker motives, concluded that social networks and shared languages were crucial. The report could not find a single study showing a significant correlation between work rights and destination choice. If asylum-seekers in Calais were motivated by working rights those who had yet to apply would stay in France, where they could work sooner.

If the benefits of work restrictions are hazy, the costs are clear. One Iraqi says he has been waiting eight years for an asylum decision. He volunteers and tries to keep his mind active, but the lack of routine has damaged his mental and physical health. He is desperate to work. He argues it would not only reduce his reliance on government support, but also improve his English and strengthen ties with locals.

## Held back

Britain, employment rate\*, 2020-22, %

■ Male ■ Female ■ All



\*Includes employees, self-employed, workers in government training programmes and unpaid family workers

Source: Migration Observatory

The economy suffers too. Employment rates for asylum-seekers and refugees are 19 percentage points lower than for the UK-born population (56% v 75%) finds the Migration Observatory, a think-tank (see chart). With long periods of enforced idleness skills atrophy. A pan-European study from 2020 found that banning asylum-seekers from working upon arrival reduces the probability that they will work in the future by 15%.

The exchequer is the final loser. An unemployed asylum-seeker is expensive: they need to be housed and fed. If they worked they could cover

rent and pay taxes. Analysis by NIESR, another think-tank, suggests that each asylum-seeker in work saves the government £20,000 (\$27,000) a year.

True, letting asylum-seekers work earlier would be no panacea. Many would still struggle to find a job. Some lack English, others come from societies where women rarely work. Many bear the scars of trauma.

Politics also complicates matters. Relaxing work restrictions would sit awkwardly with the government's crackdown on small boats. It divides the public too. A poll by More in Common for *The Economist* found that 39% of Brits favoured giving asylum-seekers a right to work after six months or less. But 46% thought the ban should be at least 12 months, with most of those wanting no end date. People arriving on small boats can count on even less sympathy: 59% of all Brits want them to be banned for at least a year.

Still, the economic case for reform is compelling. Letting people work after six months would align Britain with the rest of Europe. It would be unlikely to lure more small boats, but it would cut costs and lift growth—a rare win-win. ■

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Bagehot

# How Westminster became obsessed with paedophiles

*Nonce politics is not confined to the fringes*

Sep 18, 2025 03:17 PM



“STARMER IS A paedo,” chanted a group of bald men outside Waterloo station, on their way to the “Unite the Kingdom” march organised by the far right in Westminster. On Whitehall, amid a sea of union flags and Stone Island, a fashion label beloved by a certain type of football fan, a sign appeared: “Boycott groomers & PAEDO’S businesses, be loyal to our kids”. Outside Downing Street, a banner read “KEEP OUR GIRLS SAFE” above a picture of a man in a *keffiyeh*, riding off with a teen on a moped.

It may seem an aberration. Yet people wandering around Westminster calling their enemies paedophiles is nothing new: Britain’s politicians do it

all the time. The sacking of Peter Mandelson as ambassador to America on September 11th sparked another outbreak. He was removed after emails laid out excruciating details of his relationship with Jeffrey Epstein, a financier jailed for soliciting a child as a prostitute, in a scandal that now threatens [Sir Keir Starmer's premiership](#). Richard Tice, a Reform UK MP, asked why Labour gave a “paedo lover” the job. Zarah Sultana, co-founder of the left-wing upstart [Your Party](#), gave Labour a snappy title using the common slang for paedophile: “The Nonce Party”.

Westminster has turned paedophilia into a dividing line, with politicians of all colours trying to shove their opponents across it. Peter Kyle, the recently promoted business secretary, suggested that without the Online Safety Act paedophiles such as Jimmy Savile, once a national treasure who turned out to be a child abuser, would have free rein. If anyone missed the subtext, Mr Kyle made it text: “Nigel Farage is saying that he’s on their side.”

It has become a depressingly common tactic. In 2022 Boris Johnson, a former prime minister, accused Sir Keir Starmer of “prosecuting journalists and failing to prosecute Jimmy Savile” while Sir Keir was director of public prosecutions. After the departure of Mr Johnson, and the ejection of Liz Truss, British politics entered one of its self-congratulatory periods.

Commentators sighed that the grown-ups were, once again, in charge. That lasted until spring 2023, when the Labour Party launched an ad accusing Rishi Sunak, the Tory prime minister, of sympathising with nonces: “Do you think adults convicted of sexually assaulting children should go to jail? RISHI SUNAK DOESN’T”.

Perhaps British politicians obsess because voters obsess. “Why can we no longer think of the British Isles without using the word “paedoph” in front of them?” asked Chris Morris in a satire on Britain’s paedophile obsession. It came out in 2001, in the wake of a tabloid campaign following the murder of Sarah Payne, an eight-year-old. The *News of the World*, a tabloid, pushed for “Sarah’s Law” to allow parents to check if a sex offender lived nearby. Tragedy evolved into farce when, at one point, a paediatrician had “paedo” daubed on her door by vigilantes.

It is not just tabloid readers who turn into confused vigilantes when paedophiles are involved. A parliamentary equivalent existed in the 2010s,

as Britain digested a steady stream of entertainers such as Savile turning out to be abusers. Tom Watson, then an influential backbencher, accused ageing politicos of being in a paedophile ring and was dubbed the “nonce finder general” by the *Daily Mail*. It was nonsense. No matter. He later became deputy leader of the Labour Party and now sits in the House of Lords, where he made an apology of sorts. Paedo-hunters thrive at all levels of British society, whether they wear Stone Island or ermine.

Overcompensation by Britain’s politicians is understandable. For years, the problem was the opposite. Britain now looks back with horror at how institutions failed to deal with the predators in their midst, sometimes obviously. It is a form of inverse nostalgia. When the Savile scandal first emerged, in the 2010s, people threw up their hands and asked how it could happen. How could it not? “It would be like asking Victorian factory owners to explain why they sent children up chimneys,” pointed out Dame Joan Bakewell, a broadcaster from the era, when asked why it was not stopped. Belated, futile rage is the result.

### **I’m talking Nonce Sense**

What began as a justified reckoning for decades of failure has morphed into something uglier, permeating every level of society from football terraces to the top of politics. Elon Musk, the owner of X, a platform to which Westminster’s inhabitants are addicted, was able to trigger weeks of rows by highlighting the horror of “grooming gangs”, referring to the abuse of tens of thousands of young girls, often by Asian men, in mostly northern towns in the 1990s and 2000s. British politics exploded into a bout of inquiry-commissioning. Any case of a brown man attacking a young white girl is now leapt on by the far right. And so on September 13th Mr Musk appeared on a jumbotron in Whitehall, calling for the six-figure-strong crowd to overthrow the government to protect “children who are getting gang-raped”.

Faced with such a threat, politicians who once tacked to the centre now look to the fringe. An idea that to stave off populism one must embrace its tactics has taken root in Westminster. The result? Mainstream politicians, from prime ministers down, now label their opponents as evil rather than

just wrong. In such an environment, it does not take long before abhorrent accusations become the norm. Since the likes of Mr Musk and friends can go further, it is a game moderate politicians can never win.

Britain's attitude to paedophilia—obsessive, yet careless—is dragging Westminster to a dark place. It is one of the most extreme examples of a broken politics, where opponents are not merely mistaken but malign. The result is a world where inside the Palace of Westminster MPs accuse opponents of moral delinquency, while outside far-right protesters cross the Thames singing “Never trust a leftie with your kids.” ■

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# International

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The United Nations at 80 :: Going rogue, decay or Trumpification

- **Cold war deterrence doesn't work any more**

The Telegram :: Why the West is finding it so hard to deter China and Russia

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The United Nations at 80

# The UN's grim future

*Going rogue, decay or Trumpification*

Sep 18, 2025 05:01 PM | NEW YORK



THE UNITED NATIONS has known many crises since its founding in 1945, from the mysterious death in Congo of its secretary-general, Dag Hammarskjöld, in 1961, to Nikita Khrushchev's alleged shoe-banging in the cold war, the massacres of civilians under its protection in the 1990s, and America's invasion of Iraq in 2003. As leaders prepare to gather in New York next week for the UN's 80th birthday, veterans say none of those disasters feels as calamitous as this one. With President Donald Trump's return to the White House, there are many traumatic scenarios for the UN, but three stand out: going rogue, decay and turning Trumpian.

Nobody at UN headquarters in Turtle Bay, New York, quite knows what Mr Trump's "America First" ideas will bring, in part because there is no one to

tell them. The Senate has yet to confirm Mike Waltz, Mr Trump's nominee as ambassador. All will be looking for clues in duelling speeches on September 23rd, when Brazil's president, Luiz Inácio Lula da Silva, a Trump bête noire, will open the debate at the UN General Assembly, followed by Mr Trump himself.

The immediate shock is budgetary. The Trump administration is starving the UN of funds even before it has unveiled its promised review of multilateral institutions. A habitually delinquent member, America has not paid its obligatory UN dues for 2025. The president's budget request for the 2026 fiscal year, currently with Congress, "pauses" almost all payments to the UN. Meanwhile, America's foreign aid, much of it routed through voluntary contributions to UN humanitarian organisations, has been slashed. UN agency budgets have shrunk on average by about a third. Food, medicines, help for refugees and other assistance to hundreds of millions of people is being eliminated. Battered by America's tariffs, global economic development could go into reverse.

Even as the money dries up the Security Council is mostly deadlocked and UN peacekeeping is out of fashion. Big members are mocking the UN charter's ban on seizing another state's territory by force: Russia, by brazenly doing it, and America, by its airy talk of annexing Greenland and absorbing Canada as its "51st state".

What happens next? America has long been the essential ingredient in attempts at global governance. The world's first effort was crippled at birth by the American Senate's refusal to ratify the League of Nations at the end of the first world war. It in effect died with the outbreak of the second world war. Its heir, the UN, endured in large part because generations of American leaders reckoned that, despite its flaws, it promoted a liberal order and American power.

Polls show a majority of Americans still support the UN but views are polarised. Republican administrations have long been suspicious of the institution. John Bolton, America's former ambassador to the UN, once shocked many by declaring: "The Secretariat building in New York has 38 storeys. If it lost ten storeys, it wouldn't make a bit of difference." The level of Republican hostility today is higher than ever and could create the

conditions for the first scenario: that the UN becomes America's adversary, going "rogue" in response to America First radicalism.

An outright rupture with America could come in 2027 if its budget arrears reach two years' worth of contributions, the level at which a country stands to lose its vote in the General Assembly. This deliberative body makes mostly non-binding pronouncements, and America could veto any attempt to force it off the Security Council. But the humiliation might provoke retaliation, if not America's exit.

Palestine is the another potential catalyst. Many UN members regard it as the last great colonial cause, and Israel's war as genocide. In turn, Israel and the Trump administration think the UN is steeped in antisemitism. The latest movement to recognise Palestinian statehood, led by France and Saudi Arabia, could escalate. The Trump administration has denied visas for the Palestinian delegation to attend next week's meeting.

Already, the Trump administration is declining to participate in global decision-making. America has stopped funding UNRWA, the UN agency for Palestinian refugees. It is leaving the Paris climate accords, the World Health Organisation, UNESCO (the UN's educational and cultural organisation) and the Human Rights Council. It has withdrawn from discussions on the response to future pandemics, reforming development finance and protecting parts of the high seas. The administration now objects to the Sustainable Development Goals (SDGs), a set of 17 objectives—from eliminating extreme poverty to promoting health—that are both utopian and sprawling. America regards these as creeping world government, reeking of woke gender and climate ideology, and an endorsement of Chinese ideas.

Other countries could seek to fill the vacuum with money and diplomatic efforts, altering the balance of funding and staffing within the UN system. Europe might try to uphold liberal values, but other countries would not. Middle powers like Turkey and the Gulf states are already said to be influencing the delivery of aid in conflict zones on the basis of their political objectives as well as genuine need.

The UN, especially the General Assembly, could become radically anti-American, as it threatened to do in the 1970s, when many of the newly decolonised countries used it to push for a “new economic order” to undo Western capitalism and free trade. It could for instance, start to adopt demands that rich countries pay climate reparations, or share taxes more equitably. Even if America retained its Security Council veto, the UN would become a body for galvanising resistance towards it.

That would make it easier for Russia and especially China to claim leadership at the UN and elsewhere. They are already promoting other bodies in parallel, notably the BRICS economic club and the Shanghai Co-operation Organisation (SCO), a Eurasian security forum. At an SCO summit earlier this month, attended by India, China’s leader, Xi Jinping, spoke of the need “to take a clear stand against hegemonism and power politics, and practise true multilateralism”. Many countries are wary of China, but they may find Mr Xi’s offer more attractive than Mr Trump’s.

Minh-Thu Pham of Project Starling, a group that supports multilateral co-operation, says the danger is less that the UN goes rogue, but that America does. “The UN is moving forward without the US, and not in spite of the US or to spite the US,” she says; abandonment by America means the UN will become more “independent”.

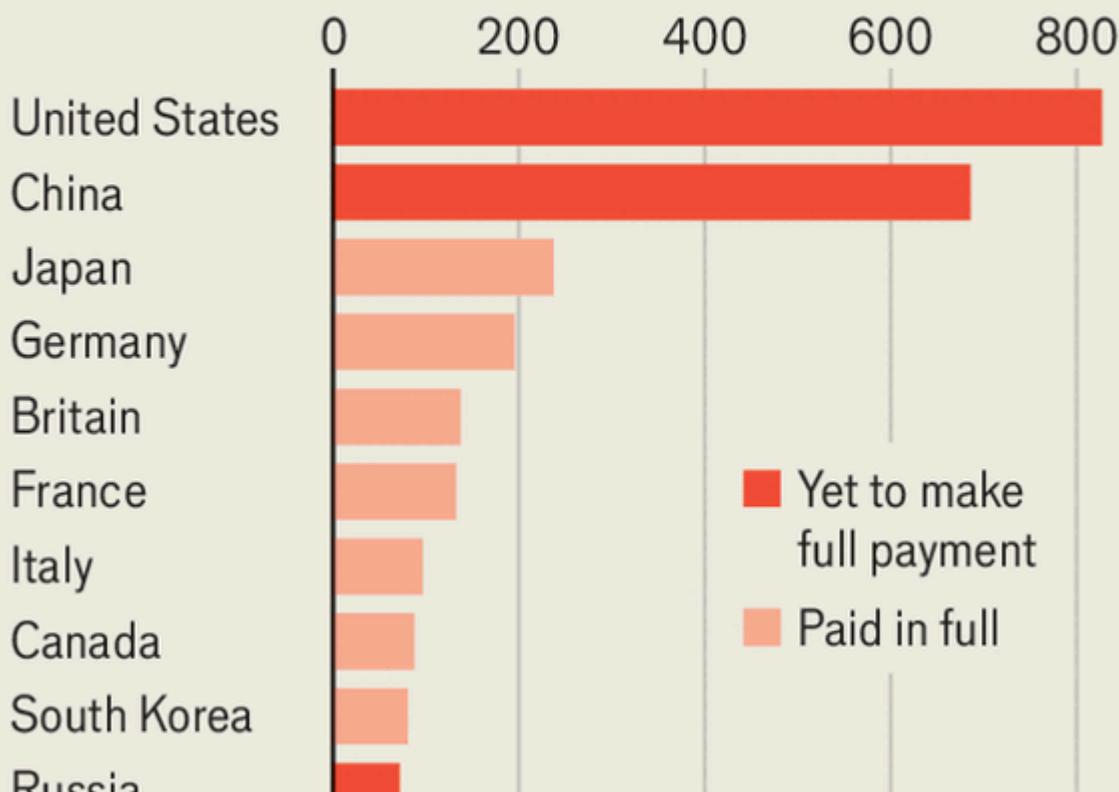
## UNdead

A second scenario is that the UN survives—America stays in and countries avoid antagonising Mr Trump—but the system becomes fragmented and enters decay. China has adopted America’s late-paying habit (see chart). Other big contributors, notably European countries, are cutting back foreign aid to redirect funds to defence. The OECD, a club of mostly rich countries, projects that its members will cut aid by 9-17% this year, on top of a 9% cut last year. Bureaucratic resistance, and the conflicting interests of members, may leave the tangle of 140-odd UN bodies broadly untouched, though underfunded. Tom Fletcher, the UN’s humanitarian-affairs chief, says the UN has received just 19% of the aid funds it has pleaded for in 2025.

## Dragging their feet

United Nations annual dues, \$m

Top ten contributors, at Sep 15th 2025



The UN could also become a pick-and-mix outfit. It would not be guaranteed American funds, but some of its agencies could benefit if, say, America decided that its refugee agency was useful to stem the flow of migrants. Richard Gowan of the International Crisis Group, a think-tank, argues that the Security Council, in particular, could become half-dead, with just the odd reflexive spasm, for example, to renew the mandate of UN peacekeepers in Cyprus. The assembly might try to claim a greater role on matters of peace and security. Some of the UN's specialised agencies—the International Atomic Energy Agency (IAEA), say, or the International Civil

Aviation Organisation—will probably live on. “You could see a fragmented form of multilateralism emerging, with no real political heart to it but lots of single-purpose agencies,” says Mr Gowan. “It would be mainly run out of Geneva or Nairobi, not Manhattan.”

The final scenario is a Trumpian reinvention. Mr Waltz says he intends to “make the UN great again”. America is pushing to restrict asylum rights under the 1951 UN refugee convention; it also wants the UN to help strengthen the mission, led by Kenya, in gang-ravaged Haiti; and it has pushed Europe to “snap back” UN sanctions on Iran. Some countries may welcome a greater focus on peace and less time spent on social matters.

Mr Trump likes pomp, and might look for showy agreements. UN insiders hope to find reforms, such as a narrower set of priorities, that would both be good for the UN and appeal to Mr Trump. Some diplomats suggest the UN should move away from peacekeeping to busy itself with peace diplomacy. Or perhaps something more practical can replace the SDGs, which are largely unachieved. Duplicative or marginal bodies could be abolished.

## MAGAfied

America’s Security Council vote in February with Russia and China urging “a lasting peace” between Ukraine and Russia dismayed Europe. But it could lead to more big-power co-operation. Having backed different sides of the civil war in Syria, America and Russia are supporting the government of the former jihadist, Ahmed al-Sharaa. The “deal of the century” for Mr Trump, notes Ms Pham, would be to reform the membership and voting rights in the Security Council and reset the global power balance.

Much hangs on the whims of Mr Trump, and the skill of the next UN secretary-general. Hustings to replace António Guterres in 2027 begin at the end of this year. Some candidates, such as Rafael Grossi, director-general of the IAEA, are jockeying for position. Until recently, there was talk of having a Latin American woman. Trumpists may find that too woke. Only half in jest, one insider proposes a woman dear to Mr Trump’s heart: his daughter, Ivanka. If that is what it takes to keep Mr Trump engaged, so be it. Desperate times, desperate measures. ■

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The Telegram

# Cold war deterrence doesn't work any more

*Why the West is finding it so hard to deter China and Russia*

Sep 19, 2025 10:49 AM



WHEN RUSSIA flew [nearly two dozen drones](#) into Polish airspace on the night of September 9th-10th, the NATO alliance proved good at shooting bad things down. Forces from Germany, Italy, the Netherlands and Poland jointly deployed fighter jets, helicopters, missile batteries and an advanced surveillance plane. Several lumbering, unmanned intruders were destroyed, with no casualties. It was one of the gravest incursions into NATO territory in the history of the alliance, and Europeans can be relieved that their defences worked. They should worry more, though, that Russia dared to test them in the first place.

Western countries are struggling to deter their adversaries, and the provocations are piling up. Unmoved by the vocal outrage of many European leaders, President Donald Trump speculated that Russia's drones might have wandered into Poland by mistake. A few days later a Russian drone entered Romania's airspace, and was shadowed by Romanian fighter jets until crossing into Ukraine. Half a world away, China has in recent weeks tightened its grip over a bitterly disputed reef in the South China Sea. Officials in Beijing this month announced a national marine reserve at the Scarborough Shoal, an uninhabited islet of such strategic importance that in 2016 President Barack Obama told his counterpart, Xi Jinping, that a Chinese land-grab there would risk an American military response. On September 16th Chinese patrol ships swarmed around the shoal, blasting water cannon and injuring a coastguard sailor from the Philippines, America's treaty ally.

To grasp the challenges facing the West, consider how cold-war commanders would have greeted a similar incursion by the Soviet Union, suggests Chris Kremidas-Courtney, a retired lieutenant colonel now at the European Policy Centre, a think-tank, who served in a US Army unit watching the skies of Germany for Soviet intruders. If 19 Soviet aircraft had entered NATO airspace, they would have met "a huge response", with intruders being shot down and massive shows of force on the Western side. Today, Russia's bet is that the West has "a sharp sword but a shaky hand", says the expert. NATO's recent defence of Poland was successful but unsustainably expensive, with million-dollar missiles used to destroy drones costing \$20,000. To deter Vladimir Putin, Europe may have to take risks, for instance seizing oil-smuggling Russian ships, or making bolder commitments to help Ukraine. Put another way, political courage will be as necessary as fancy missiles (though cheaper anti-drone weapons would help, too).

Alas, NATO's political unity has been undermined by Mr Trump's bullying of allies, and by his open questioning of America's commitment to collective defence. Meanwhile, the West's ability to agree on a strong response is hobbled by Russia's talent for staging ambiguous, deniable attacks. Those may involve drones, cyber-attacks or "grey-zone" operations ranging from acts of sabotage to assassinations and the apparently

malicious severing of submarine internet cables. In the cold war, “We had a chessboard we played on, and we knew where the pieces were. Now there is no board, and no rules,” says Lt-Col Kremidas-Courtney.

America and its allies spent decades perfecting their ability to deter the Soviets. Political and military leaders were guided by the principle that it is easier to prevent an act of aggression ahead of time than to reverse its effects later. “Deterrence by punishment” involved credible threats to impose unbearable costs on a challenger. In the cold war, that included mutually assured nuclear destruction. “Deterrence by denial” aimed to thwart aggressors with physical force. American firepower made an attack on the continental United States unimaginable. At the same time, allies were covered by “extended deterrence”. That might involve hosting American nuclear weapons, or being under America’s nuclear umbrella. Some leaders were hard to convince. Explaining France’s need for its own nuclear deterrent, President Charles de Gaulle asked whether America would trade “New York for Paris”: ie, unleash a nuclear war to avenge Soviet strikes on France. Other leaders hoped that American forces on their soil would act as human tripwires. Should an enemy attack spill Americans’ blood, they hoped, the superpower would soon ride to the rescue.

In the cold war America and the Soviet Union made remarkable efforts to control risks, says Oriana Skylar Mastro of Stanford University. She has found details in archives of secret contacts between the two powers, intended to avoid American air raids killing Soviet advisers in Vietnam. Today bipolar competition has been replaced by something far messier and harder to manage, says Ms Skylar Mastro, a China specialist. Evidence abounds of China seeking to undermine American national security in space, or with cyber-attacks. But such aggression is often hard to deter because it is “deniable and reversible”, she says.

### **America First risks being America alone**

Meanwhile, allies doubt America’s reliability. That predates Mr Trump. It is salutary to revisit “The Unquiet Frontier: Rising Rivals, Vulnerable Allies, and the Crisis of American Power” by Jakub Grygiel and A. Wess Mitchell. Published in 2017, it records how Mr Obama was sceptical of global

interventions. The Democratic president declined to intervene when Russia invaded Ukraine and seized Crimea in 2014, casting that as a regional fight that did not engage America's vital interests. Back in the Obama years, longtime partners as far afield as Poland, the Gulf states and Japan began rearming, as their confidence in America waned.

In Mr Obama's defence, though he was an unsentimental realist in office, he saw alliances as a source of American strength. Mr Trump's America First philosophy is a more nihilistic creed. The American homeland is still dauntingly strong. But adversaries see a chance to divide the West. They will not be easily deterred. ■

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# 1843

- **The education of Steve Witkoff**

Diplomacy :: Trump's envoy was determined to get the Gaza hostages out. Instead he got schooled in Middle East politics

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Diplomacy

# The education of Steve Witkoff

*Trump's envoy was determined to get the Gaza hostages out. Instead he got schooled in Middle East politics*

Sep 18, 2025 03:16 PM



At the end of January 2025 Steve Witkoff, a 67-year-old property tycoon recently appointed as [Donald Trump's](#) envoy to the Middle East, flew to Tel Aviv on his Gulfstream jet to bask in a remarkable diplomatic achievement: a ceasefire and prisoner exchange between Israel and Hamas. Negotiations were already at an advanced stage under the Biden administration. But

Witkoff produced a deal that his predecessors had been unable to close: the first pause in the [Gaza war](#) in more than a year. As a result, dozens of [Israeli hostages](#) seized in the attacks of October 7th 2023 would be coming home after more than 470 days in captivity.

The deal made Witkoff, who was barely known in America, an overnight sensation in Israel. On January 30th he visited a plaza in Tel Aviv where relatives of Hamas's captives rallied to urge Binyamin Netanyahu, Israel's prime minister, to bring them back. The crowd, many of them sporting yellow ribbons to show solidarity with the cause, greeted Witkoff "like a rock star", recalled Gil Dickmann, a 33-year-old campaigner who was there.

Witkoff gave an informal briefing to the families. "The president is my dear friend and he's so concerned," he said.

"Please! Please!" someone called out. "Bring all of them! Don't stop!"

"No one's stopping," Witkoff said.

He talked movingly about the importance of repatriating the remains of those who had died in captivity. "I'm a member of that club that's buried a child," he said, referring to his son, Andrew, who had died of an opioid overdose in 2011 at the age of 22. Witkoff offered his personal number to the Israeli families, and pledged to stay in touch.

Dickmann was moved. His cousin Carmel Gat, a 40-year-old occupational therapist, had been kidnapped on October 7th and was later murdered. Like many of the hostages' relatives, he regarded Netanyahu's determination to prolong the war against Hamas as an unjustifiable risk to the lives of those still being held. Witkoff's appointment had excited him. Here was a dealmaker, someone who had thrived in a New York milieu filled with liars and cheats. He seemed to feel the hostage families' urgency. The new envoy, Dickmann thought, could be just the person to knock some sense into the self-interested politicians of Israel and the obdurate fanatics of Hamas.

Caught up in the moment, Dickmann approached Witkoff and handed him a small yellow ribbon. The envoy beamed and pinned it on his jacket.

The optimism Witkoff inspired that afternoon has long faded. Only one further hostage—Edan Alexander, an Israeli-American—has been released, in a side deal Witkoff negotiated without Israeli involvement. In March Israel abandoned talks on extending the ceasefire and renewed its offensive, at the cost of thousands of Palestinian lives. Israel’s recent bombing of Hamas leaders in Qatar, the Gulf state which had been mediating talks between the two sides, underscored the hopelessness of the negotiations process.

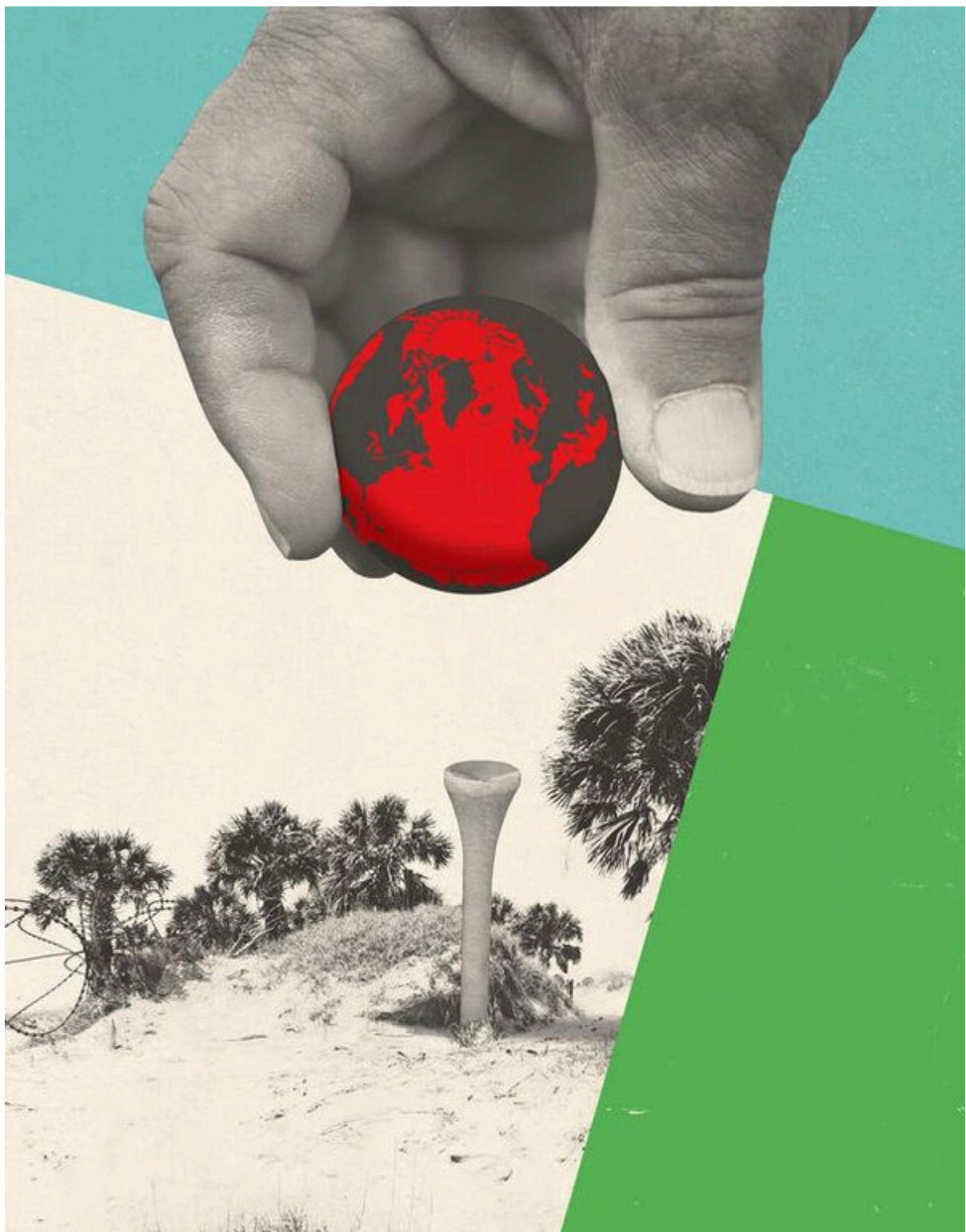
The optimism Witkoff inspired has long faded. Only one further hostage has been released

Arab commentators have portrayed Witkoff as a mere servant of Netanyahu’s policies, which have all but destroyed any prospect of a peaceful end to the conflict. The envoy undoubtedly follows the lead of Trump, who has historically backed the Israeli right.

Yet the hostages complicated the Trump administration’s alliance with Netanyahu. Both the president and Witkoff invested a great deal in trying to get them out, an effort that aligned them politically with Netanyahu’s opponents in Israel. They pressed Netanyahu, cut independent deals with Israel’s adversaries and pursued a grand bargain with Iran (which Netanyahu opposed). It was a predictable, but not foregone, conclusion that Trump and Witkoff would fail. The reasons why they did illuminate both Trump’s real priorities and the limits of American influence in Israel.

When I visited Witkoff in his suite at the White House in the summer, his standing with the president seemed undiminished. My 50-minute interview ended when an aide came in to announce that Trump wanted Witkoff in the Oval Office, pronto, to help deal with a different Middle East crisis (Israeli planes had just bombed Damascus). During a subsequent phone call, Witkoff had to go because the president was on the other line. When Trump meets foreign leaders from the Middle East or Russia, Witkoff is often in the room. “Steve Witkoff’s been amazing, he’s done a great job,” Trump told reporters in late August.

Other presidents have relied on trusted envoys in foreign affairs, with the most famous duo being Richard Nixon and Henry Kissinger. But that relationship was grounded in a shared concern with strategy and statecraft; Witkoff's role is rooted in his personal ties to Trump. Together, they have attempted an improvisation unique in the annals of American diplomacy, with Trump making bombastic demands of enemies and allies alike on social media, and Witkoff following up with secret negotiations.



In person, Witkoff comes across as pleasant, even sunny. He is reflexively positive about his interlocutors, a trait which might be an asset in business but can come across as facile in diplomacy. Hamas is “not ideologically

intractable”, he has opined; Netanyahu is “well motivated”, Vladimir Putin is both “straight up” and a “super smart guy”; Volodymyr Zelensky is “trying his best”.

That’s not to say Witkoff is bland. He jokes and drops F-bombs in meetings with foreign officials, according to those in attendance. French officials were appalled when he once said that the Elysée Palace’s gilded decor “looks like Mar-a-Lago”.

Though a diplomatic neophyte, Witkoff’s indefatigable bouncing from Tel Aviv to Moscow to Doha to Muscat appears to have yielded workable relationships with Putin and his inner circle, Abbas Araghchi, the foreign minister of Iran, and mediators in Qatar and Oman.

Yet the envoy’s naivety about the conflicts he was sent to mediate has been painfully evident. State Department officials and veteran negotiators in the Middle East mock him for regularly turning up without experts or even his own aides nearby. At an early meeting with Putin, Witkoff mistook one of the Russian president’s translators for an American embassy employee. “He just negotiates blind—without a position,” said a close observer of the Hamas talks. “He goes in and hopes for the best and sees if it works.”

Witkoff makes no apologies, arguing that traditional diplomacy is often moribund and self-defeating. The peace processes he inherited remind him of negotiating with “amateurs” on construction projects. “It was so incremental and bureaucratic,” he said. “And then there were guys like me and the president. We were like a SWAT team.”

In peace negotiations, as in cutting property deals, it helps to be good at getting people to the table. But Witkoff wasn’t prepared for how intractable warring parties would be once they were there, he told me. “I didn’t know how difficult it was going to be to get people to be sensible.”

The partnership between Witkoff and Trump took shape soon after the president’s re-election in 2024. “He said to me, ‘What do you want to do?’” Witkoff recalled. “‘What secretary position do you want?’ And I said to him, ‘I want to be the peace guy.’”

“Everybody thought when I said that...that was a ruse to get the Gazans out. Utter horseshit”

He was referring to the backchannel diplomacy in the Middle East handled during the first Trump administration by Jared Kushner. Kushner had helped forge the Abraham accords, which normalised relations between Israel and the United Arab Emirates, Bahrain and Morocco. “The more the president talked to me about it the more meaningful it felt,” Witkoff said. “It’s not like I’m so religious. I identify Jewish—that’s for sure—but more in a spiritual way, as opposed to a deeply religious way.”

Witkoff and Trump have much in common, not least the fact that they are both billionaires. Witkoff has a personal net worth of about \$2bn, according to *Forbes*. He owns lavish homes in Miami Beach and the Hamptons, and flies on his own plane with a tiny entourage that sometimes includes his partner, Lauren Olaya, a clothing entrepreneur in her 30s (he has separated from his wife). Witkoff takes no salary and pays his own expenses, he said: “Jet fuel, pilots, everything.” He describes himself as Trump’s student and instrument: “I work for President Trump. I carry out what he asks me to do.”

Witkoff met Trump during the 1980s when he was a junior property lawyer and Trump, who was already famous, a client of his firm. The older man was a frequent visitor to the company’s offices on Park Avenue, and Witkoff admired his “swashbuckling style”. “I want to be him,” he told himself. This oft-repeated account is a mainstay of Witkoff’s public flattery of Trump—a necessary survival strategy for anyone in the president’s orbit—but rings true. Shortly afterwards Witkoff left law for real-estate investing. As he grew more successful, he did a bit of swashbuckling of his own.

The friendship between Witkoff and Trump solidified on the golf course. Witkoff was a near-scratch player. “He would come out to Long Island with me. He wants to play with people he’s comfortable with...We both play fast.”

Trump and Witkoff came “within an inch” of partnering to buy the Chrysler building in Manhattan at one point but lost out to another bidder. Otherwise, they did not work together on significant deals—which may explain how

their friendship endured for so long. They had different strategies. Trump traded on his celebrity, chased trophy buildings and dabbled in a dizzying array of ventures from casinos to airlines to for-profit universities.

Witkoff took a less glamorous path. He invested in rental blocks in sketchy areas of north Manhattan and the Bronx and eventually bought older office buildings downtown. When the market took a plunge in the early 1990s Witkoff reduced costs by managing properties himself, even learning how to solder his own pipes.



As Witkoff made his fortune, none of his companies went bankrupt—a claim Trump cannot make—and by the mid-1990s he was rich. He turned up as a bold-faced name in the tabloids, sometimes alongside Trump. The

papers labelled Witkoff a “boomer baron”, though he was not in Trump’s league as either a maestro of high-profile transactions or a source of scandal. The men grew closer after Witkoff lost his son—he later said that Trump had embraced him at a time when it seemed as if “all was lost”.

Witkoff was a workaholic, putting in seven days a week, according to former employees. “He was very good at knowing the questions to ask and tearing through BS,” recalled one. His optimism attracted investors: “He was good at spinning and finding an angle to spin. Whether it made sense or not, it was convincing.” In downtime he liked to hang out at Sparks Steak House and Rao’s, restaurants with a certain cachet for having been the scenes of past Mafia hits.

At Rao’s, Witkoff met Bo Dietl, a retired New York police detective and media personality. Their friendship became a big part of Witkoff’s expansive middle-age. Dietl had become a private eye with an improbable-sounding entourage—Mike the Russian, Joey Pots and Pans. Witkoff became known as “Smokin’ Steve”. Witkoff said that Dietl had exaggerated his place in their rat pack: “I’m the guy that goes to sleep at 8.30 at night.” Yet the two men were close enough for Witkoff to give Dietl equity in Manhattan buildings he acquired, and they dabbled in film-making together.

Dietl used to have a gambling addiction; he said Witkoff once generously covered a \$250,000 debt he had incurred at a Las Vegas casino. The two men conducted target practice together at local gun ranges. Witkoff has said that he started carrying a pistol when collecting rents in rough neighbourhoods, and he seems to have kept up the habit. Dietl remembers Witkoff calling him last year after being appointed Trump’s envoy to report excitedly that he had been authorised to pack heat: “I got permission of the president—I can carry a gun!”

For many years Witkoff gave no sign of having firm political convictions of his own. He is registered to vote in New York as a “no party” independent and in Florida as a Republican. In the 1990s and the early 2000s Witkoff made campaign donations to New York politicians in both major parties—including to several progressive Democrats, according to campaign-finance records. He also made contributions to national Democrats, giving \$25,000 to the Democratic Senate Campaign Committee in 2008.

For many years Witkoff gave no sign of having firm political convictions of his own

Witkoff said he was mostly following the recommendations of the Real Estate Board of New York, the industry's main trade association. "I never really had such an interest in politics until my dear friend decided to run," he said. Since 2016, Witkoff and his sons have contributed millions of dollars to Trump campaign vehicles and the Republican Party.

Witkoff became a visible fixture in Trump's inner circle after Trump's election defeat in 2020 and his impeachment over the subsequent assault on the Capitol on January 6th. Witkoff stood by Trump as Democrats and prosecutors investigated his conduct, in that case and others.

In 2024 Trump was prosecuted over claims that he paid hush money to a pornstar. Witkoff often turned up at the courthouse to lend Trump moral support, and was there when a Manhattan jury convicted him on all counts. Months later, Witkoff was playing golf with Trump in Florida when Secret Service agents fired shots at a would-be assassin they spotted hiding in bushes along a fence line.

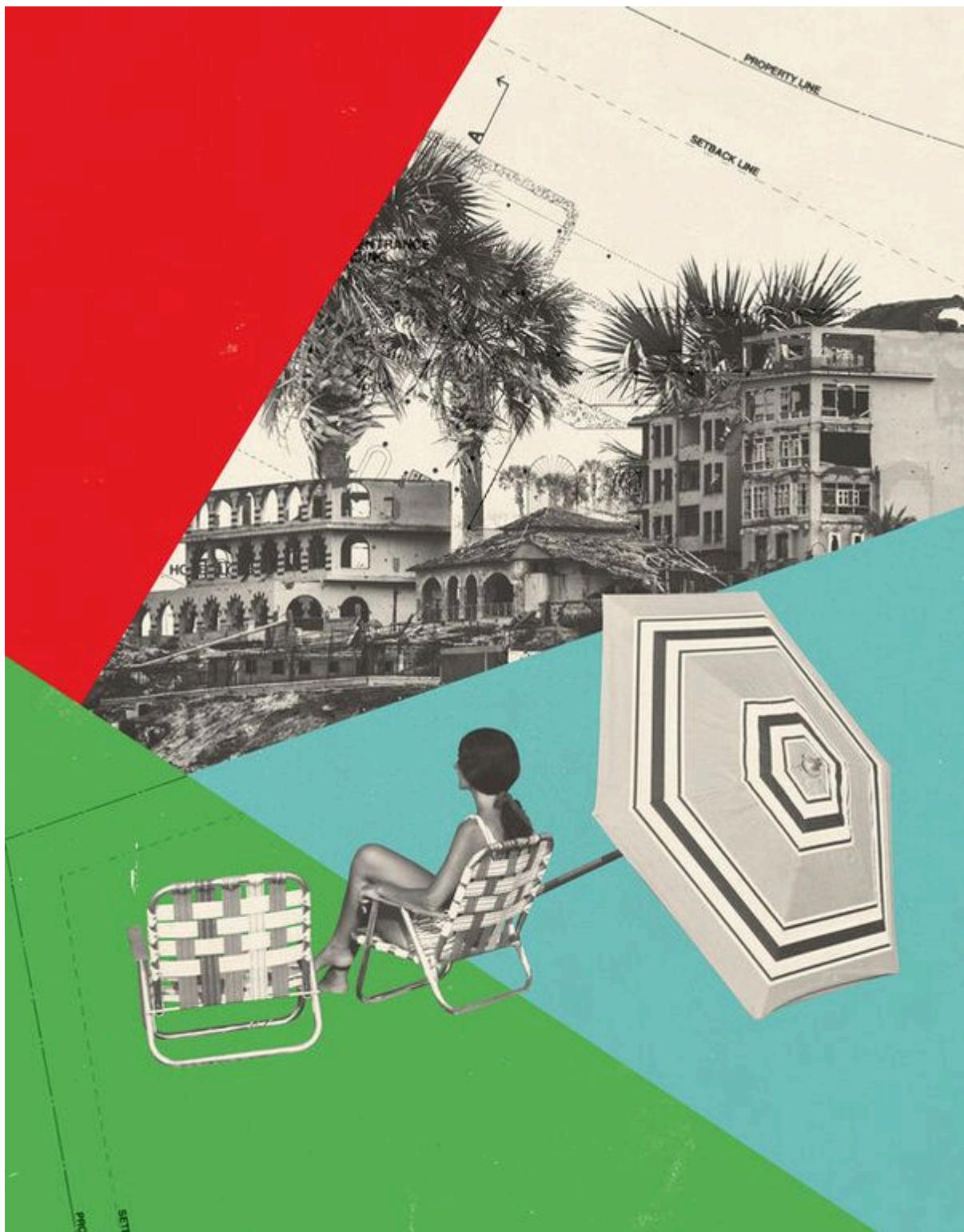
Throughout the 2024 campaign, Witkoff held sensitive talks with Trump's rivals for the Republican presidential nomination. He hosted a private reconciliation session between Trump and Ron DeSantis, the governor of Florida, after the latter's unsuccessful bid for the nomination, and flew to South Carolina to negotiate with Nikki Haley. Shortly afterwards Haley, the last Republican to drop out, endorsed Trump for the presidential nomination.

As Trump's envoy, Witkoff has operated under the assumption that guided him through previous negotiations in politics and business: that a deal is always possible among rational people calculating their interests. The obvious problem is that the likes of Putin, Hamas and Netanyahu are often moved by ideology, historical grievance and ego— incentives which are not easily tabulated.

When Witkoff got started, the war in Gaza had been raging for over a year. Domestic and international pressure on the Israeli government to stop the

fighting and get the hostages out was mounting. The deal diplomats were working towards involved an exchange of captives for Palestinian prisoners, followed by negotiations to get Gaza back on its feet. Netanyahu had resisted Biden's efforts to bring about such an agreement but Trump's re-election shook things up.

"There was a strong sensibility that, in the Middle East, Trump's name and brand was going to matter," Witkoff recalled. An initial ceasefire and hostage deal would be just a first step towards the grand prize of normalised ties between Israel and Saudi Arabia, Witkoff and Trump hoped.



This was always an ambitious aspiration—by that point in the bombardment of Gaza, the Saudis would probably have demanded a firm

path towards Palestinian statehood as a pre-condition for recognising Israel. The new envoy nonetheless plunged in avidly.

Negotiating in Qatar on the eve of Trump's inauguration, Witkoff grew frustrated by the intransigence of Israel's top negotiators—David Barnea, the director of Mossad, and Ronen Bar, then the head of Shin Bet, Israel's domestic spy agency. Witkoff threatened to use Trump's clout to have the pair fired, according to sources familiar with the talks.

Anyone entering the negotiations as Trump's emissary would probably have made progress, given Netanyahu's need to appease the Trump White House. Yet Witkoff worked hard and effectively, co-ordinating with Biden administration officials before the inauguration to ensure continuity on the American side, and channelling Trump's wishes and bluster when talking to the Israelis ("they did not know how to get deals done," he later complained about some of his interlocutors).

Eventually he got the agreement over the line, resulting in the release of 33 hostages, and a promise of "phase-two" discussions about permanently ending the war.

As the hostages came home in January, Witkoff tried to launch the phase-two negotiations. In the short term, he was looking to extend the ceasefire and do another prisoner exchange, but talks were ultimately supposed to encompass Gaza's future—and perhaps a revived path to Palestinian statehood.

Hamas, having provoked the Israelis with a hostage-release ceremony designed to look like a military parade, insisted on moving to the next stage of the January truce which involved, among other things, further withdrawals of Israeli troops. Netanyahu for his part was simply not prepared to stop fighting Hamas for long, or entertain the idea of handing over Gaza to the Palestinian Authority (PA), the internationally recognised governing body for Palestinians in the West Bank (which is dominated by Hamas's rival, Fatah).

Netanyahu's reluctance to allow the main Palestinian governing entity to run Gaza flew in the face of decades of official American policy, which had

been to work towards a Palestinian-run state in the West Bank and Gaza as part of an agreement which guaranteed Israel's security. In reality Israeli settlement expansion in the West Bank had made the prospect of a Palestinian state increasingly unrealistic.

Witkoff once mistook one of Putin's translators for an American embassy employee

Trump and Witkoff were largely indifferent to the so-called two-state solution, and tried to ignore the subject. Witkoff told me he preferred not to talk about a Palestinian state publicly because he didn't want the far-right members of Netanyahu's cabinet to torpedo his negotiations.

Other problems were brewing however. In a disconcerting stream of public remarks starting from January, the president sketched out a vision for Gaza's future which went beyond indifference to Palestinians' aspirations of statehood to actively precluding them.

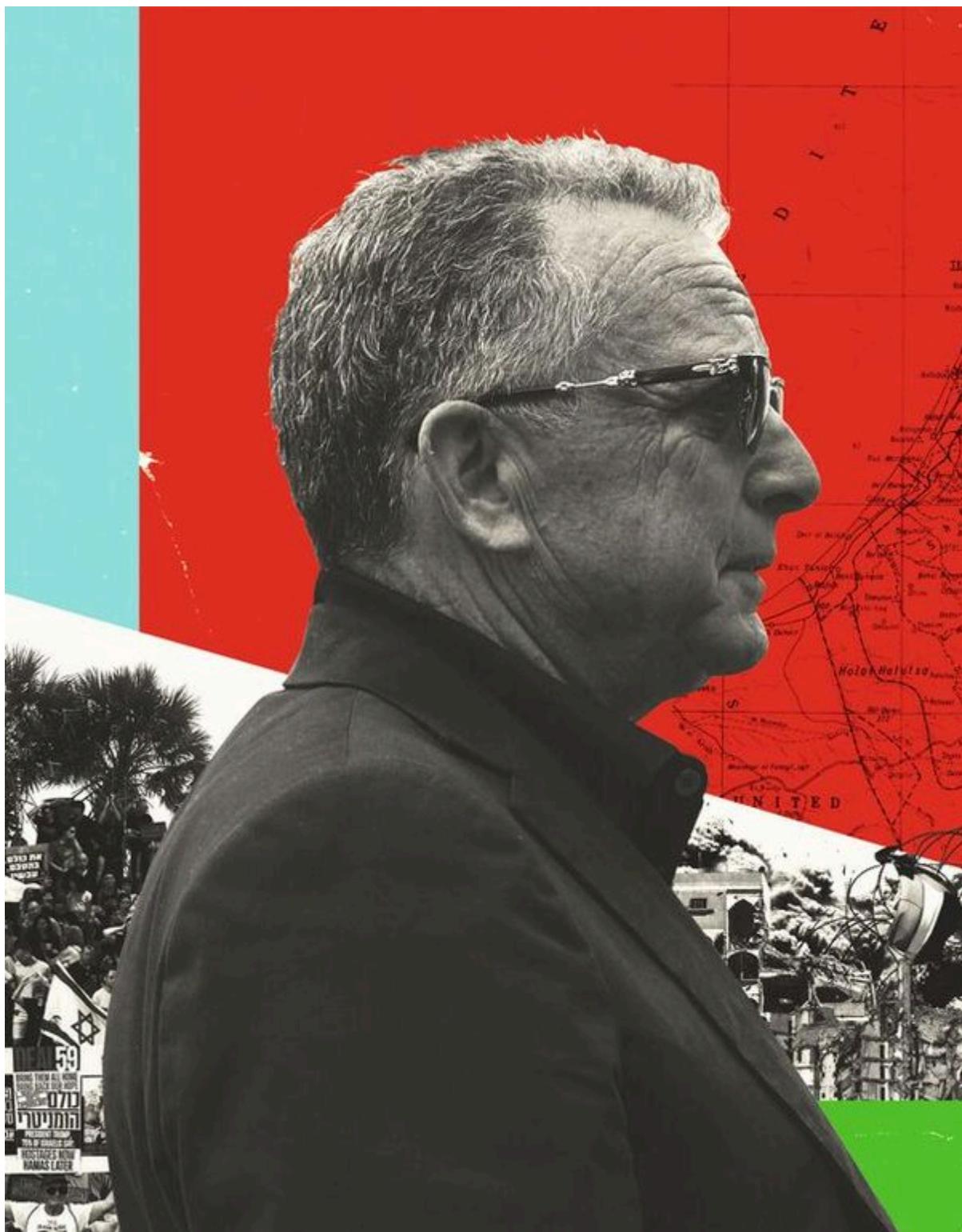
Trump suggested that Gazans might be evacuated during reconstruction, and that many might not return—a plan that echoed the views of hard-right Jewish supremacists who have long dreamed of removing Palestinians from Gaza and the West Bank. Oblivious or indifferent to the offence his half-baked plan provoked across the Arab world, Trump pressed Egypt and other Arab states to absorb Gazans. Unsurprisingly, they refused.

Trump remained fixated on his Gaza plan nonetheless, declaring at a press conference in February that America would “take over” Gaza and “own it”. Witkoff loyally promoted the plan and offered modish ideas about how the enclave might be rejuvenated. “Maybe it’s about AI coming there. Maybe it’s about hyperscale data centres being seeded into that area... Maybe it’s about blockchain and robotics,” he mused in March on Tucker Carlson’s podcast.

This diplomatic albatross was partly of Witkoff’s own making. In January he visited Gaza with the IDF and found himself looking at it through a builder’s lens, he told me. He concluded that the five-year timetable for reconstruction proposed by the Biden administration was wildly unrealistic: “And I came back to the president—and this is when it all began—and I

said to him, ‘Mr President, we’re not going to excavate...get rid of all those shells and survey from a geotechnical standpoint inside of ten years. And then it’s going to be another ten to build it. So the first thing is, let’s level-set the facts to everybody and not bullshit everybody about how big and enormous this job is.’”

Witkoff admitted that he had considered providing incentives to encourage Gazans to leave, but insisted it was never the administration’s intention to expel them. He maintained that the point was to be realistic about how long it would take to rebuild, and offer decent living conditions in the interim. “Everybody thought when I said that...that was a ruse to get the Gazans out. Utter horseshit,” he told me.



At a minimum, Witkoff failed to recognise how any talk of the Palestinians leaving would be received. The events of 1948, in which Israeli forces

drove hundreds of thousands of Palestinians from their homes, still resonate in the Arab world as a historic injustice.

Trump's apparent support for Palestinian evacuations from Gaza gave Israel extraordinary latitude. Why get stuck in discussions on a negotiated settlement with the Palestinians when this American solution, however implausible, enjoyed Trump's backing? The vision for Gaza's reconstruction promoted by Trump and Witkoff "gave Netanyahu and the far right a reason not to go to phase two", said Dan Shapiro, a former American ambassador to Israel.

On March 2nd, in a televised address, Netanyahu announced a new blockade of Gaza and made clear that Israel would return to war. He thanked Trump for "his visionary plan for Gaza...which Israel fully supports", and blamed Hamas for the failure of talks. Israel had accepted "Steve Witkoff's plan" for renewing the ceasefire but Hamas had made demands that were "totally unacceptable". This was Netanyahu's signature approach, both flattering and defying America. Witkoff put a positive spin on it. Israel's renewed offensive in Gaza, he told Carlson on his podcast, was "in some respects unfortunate, and in some respects falls into the had-to-be bucket...Hamas was not responding."

This was a blow to the hostage families. It was much harder to get a deal during active fighting, not least because Hamas's negotiators, based in Doha, would find it more difficult to communicate with leaders inside Gaza.

Witkoff was still trying however, and remained personally motivated by the mission, chatting with many of the hostage families on WhatsApp and inviting them to the White House, where some spent hours with Trump.

Yet those same families watched with frustration as Witkoff kept being pulled away. Trump had other deals he wanted to close.

Buoyed by his initial success with the Gaza ceasefire, Trump had dispatched Witkoff to Moscow, where he met Putin for several hours at the Kremlin. It marked the start of Trump's effort to honour a campaign promise to end Ukraine's war "in one day". The effort became a months-

long fiasco of diplomatic confusion and zig-zagging on policy that strengthened Putin, weakened Ukraine and left Witkoff's credibility in Europe in tatters.

**"In the Middle East, Trump's name and brand was going to matter"**

Witkoff said he was glad to follow the president's order to start seeing Putin. "First of all, I enjoyed the meetings," he said, not because he enjoyed the company but because "I had to get information about him." Otherwise, "How in the world could we negotiate?"

Even more ruthlessly than Netanyahu, however, Putin exploited Witkoff's inexperience. He peppered the envoy with Kremlin talking points: Ukrainians living in Russian-occupied areas in the east of the country want Russian rule; fundamental disputes must be settled before any ceasefire can be achieved. Witkoff, sniffing a breakthrough that might win Trump accolades, exaggerated Putin's reasonableness. "There are many under the illusion that he wants all of Ukraine," Witkoff told me. "And it's completely preposterous."

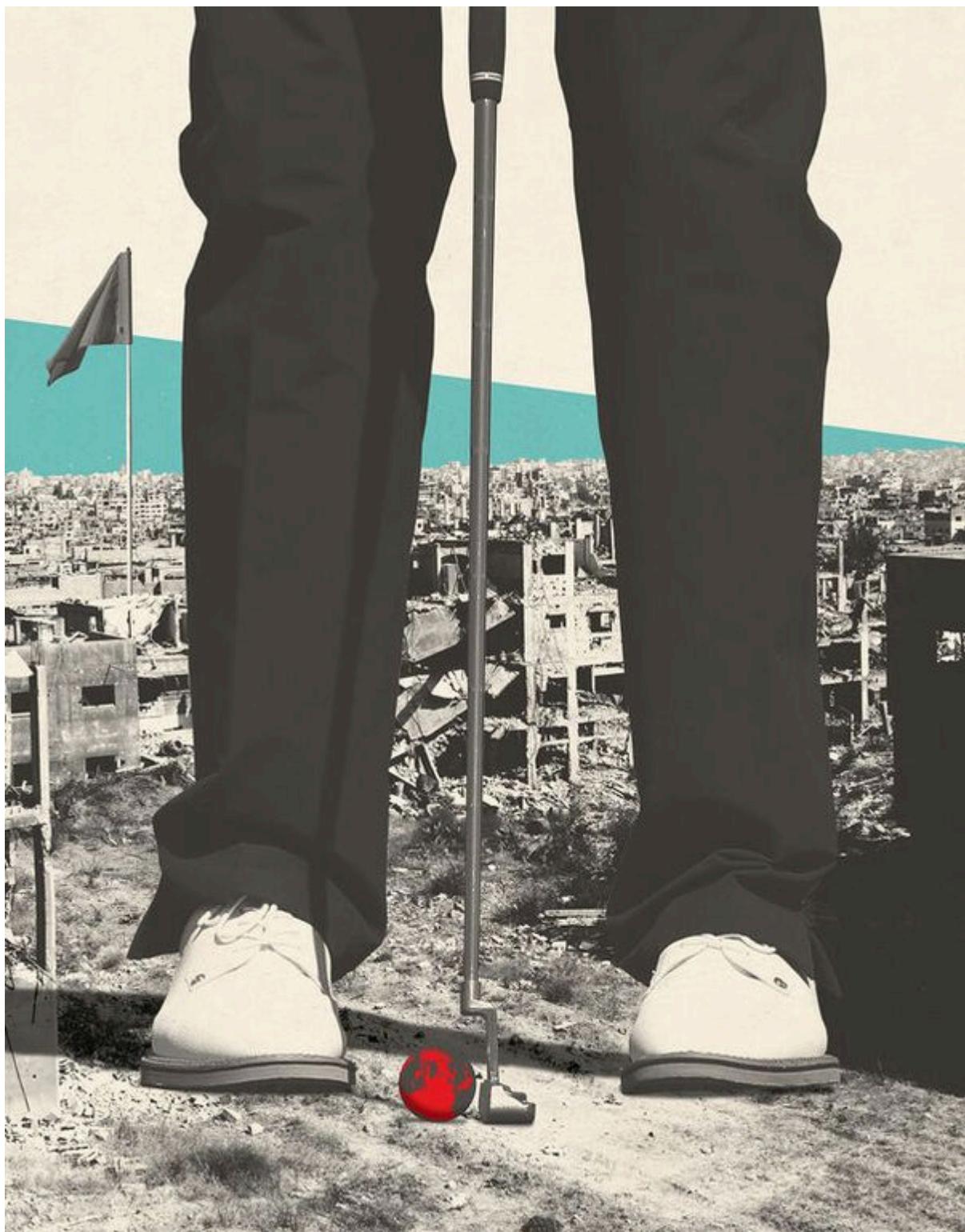
Trump also assigned Witkoff to negotiate with Iran's theocratic regime, to seek a peaceful resolution of the international stalemate over its nuclear programme. This proved to be another distraction from the Gaza negotiations. Starting in April, Witkoff held five rounds of formal talks with the Iranian foreign minister, jetting back and forth to Muscat and Rome, only to have the effort collapse on June 13th when Israel launched a surprise attack on Iran's nuclear facilities and scientists.

Throughout the spring and summer, Witkoff repeatedly expressed optimism about his mediation with Israel and Hamas. He told reporters at the White House on May 29th that he had "some very good feelings" about the prospects for a Gaza deal. On July 8th he said he was down to a single unresolved issue with Hamas. Around that time, Trump authorised Witkoff to press Netanyahu in private to enact a ceasefire and bring more hostages home, but Witkoff was still unable to get an agreement.

By the third week of July, Trump and Witkoff seem to have accepted a line the Israelis were pushing at the time, which was that Hamas would fold

only once it was truly afraid that America was going to walk away from the hostage negotiations. On July 24th, without warning, Witkoff announced that America was pulling its negotiating team from Qatar and would now “consider alternative options for bringing the hostages home”. The pressure tactic didn’t work—Hamas clung to its hostages.

Within days, “alternative options” had evolved into a new American negotiating posture: Witkoff no longer sought a 60-day ceasefire and prisoner exchange, as he had pursued for months, but now wanted an “all or nothing” deal that would see all the hostages released in one fell swoop, as well as Hamas’s acceptance of disarmament and Gaza’s demilitarisation—essentially, surrender terms.



The purpose of the pivot may have been to make demands that Hamas would never meet, thereby freeing Netanyahu to act as he pleased in Gaza. Or Witkoff may have been persuaded by his Israeli counterparts that

switching to “all or nothing” might rattle Hamas and lead to more hostage releases, in which case he was played. Whatever the origins and premise of the idea, the effect was to liberate Netanyahu from the necessity of compromise. The prime minister soon announced plans to occupy Gaza and called up 60,000 Israeli reservists in anticipation of a new assault.

In early August Witkoff returned to Tel Aviv. At an emotional meeting with dozens of hostage relatives at a public library, he answered anguished questions for three hours, trying to put an upbeat gloss on what America’s change of position meant for the fate of the surviving Israeli captives. Witkoff all but openly aligned American policy with Netanyahu’s plan to defeat Hamas by force—the same policy the prime minister had been pursuing when the envoy had burst onto the scene the year before.

The goal now, Witkoff said, was “no more Hamas in Gaza”, according to partial recordings of the meeting made by attendees. “We’re going to get the demilitarisation of Hamas.” This was “50%” of the solution required, alongside “the reconstruction of Gaza, which we’re already working on.... We have a very very good plan that we’re working on collectively with the Israeli government, with Prime Minister Netanyahu, and that effectively means the end of the war...So we are very very close to a solution to end this war.”

As ever, Witkoff shamelessly promoted his boss as the singular personality whose toughness would change the equation: “Hamas is afraid of us. I’m telling you, Hamas is afraid of Donald J. Trump.”

The atmosphere at the library was glummer than the giddy reception Witkoff had enjoyed in January. “He was trying to sound optimistic but it sounded to me like he had no plan for how to bring this possible deal,” an Israeli who was there recalled. “When he said ‘all or nothing’ we were very disturbed by it.I’m afraid that it looks like Netanyahu tricked Witkoff in order to keep the war going and, more important, to keep his government intact.”

As the possibility of another ceasefire receded, France, Britain and other American allies advanced a plan to recognise a Palestinian state at the UN General Assembly meeting in September.

Witkoff continued to work in secret on the administration's own plans for post-war Gaza. Tony Blair, the former British prime minister, Arab governments and consultancy groups such as BCG have all pitched their ideas to the White House. When I met Witkoff in mid-July he shared some of his thinking. A post-war governance apparatus in Gaza would not empower the Palestinian Authority but might include PA officials, he said. "Let's get people like me who love their country so much that they want to get involved in it," he said. "But they don't know how to govern...So let's put them into a sort of receivership, teach them how to govern, and then every five years we'll make an evaluation." Israeli officials said that Blair is a candidate to manage the receivership (representatives at his non-profit organisation, the Tony Blair Institute for Global Change, declined to comment).

The pressure tactic didn't work—Hamas clung to its hostages

It seems unlikely these plans will ever be realised. Netanyahu appears set on a full-scale Israeli reoccupation of Gaza. Israel's bombing of Hamas leaders in Doha on September 9th effectively ended Witkoff's peace process.

It is too simplistic to dismiss Witkoff, as some have, as merely a tool of Netanyahu. Between January and July, Trump and his envoy had an agenda that was distinct from the Israeli leader's, albeit mainly on the subject of hostage release. But on critical decisions—whether to challenge Israel's famine-inducing policies in Gaza or to bomb Iran's nuclear facilities during Israel's 12-day war—Trump and his envoy took the path that empowered Netanyahu.

The failure to free the remaining hostages must be difficult for Witkoff. When we met, he spoke with emotion about sitting in a hospital in January with female IDF soldiers who had been released from Hamas captivity, singing "Am Yisrael Chai" ("The people of Israel live", a Hebrew anthem of solidarity). His willingness to spend hours addressing questions from agitated relatives of hostages is one of the more admirable examples of his lack of formality. Their WhatsApp messages remind him daily of those still in captivity, people whose names he knows and whose injuries he can describe in vivid detail. "Now we're down to the last 20," he said.

During his rise in New York, Witkoff was relentlessly “goal-oriented”, he said, asking himself, “How do I get to that, because that’s the finish line. Not the one-yard line. How do I get to that?” Diplomatic breakthroughs, he has learned, can’t always be achieved through force of will.

“There are agendas, and you have to know the agendas. And if you don’t know the agendas, you tell me, then how do you figure it out?” ■

**Steve Coll** is a senior editor at *The Economist*.

Additional reporting by Sophie Pedder, Nicolas Pelham and Anshel Pfeffer.

ILLUSTRATIONS BY CRISTIANA COUCEIRO

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The theory of permanent involution

# The brutal fight to dominate Chinese carmaking

*Pity Ford, VW and other Western manufacturers*

Sep 18, 2025 04:40 PM | MUNICH



DURING GERMANY'S big motor show in Munich, which ended on September 14th, the city's historic centre belonged to the country's own champions. In front of the neoclassical opera house, BMW showed off the new ix3, an electric SUV, atop a glittering plinth; at the Residenz, a renaissance palace, Mercedes-Benz built a vast design studio resembling a car grille to display a revamped GLC, another SUV. But at the main exhibition halls in the suburbs, history was forgotten. There, [young Chinese car firms](#) outnumbered and outdid the local old guard.

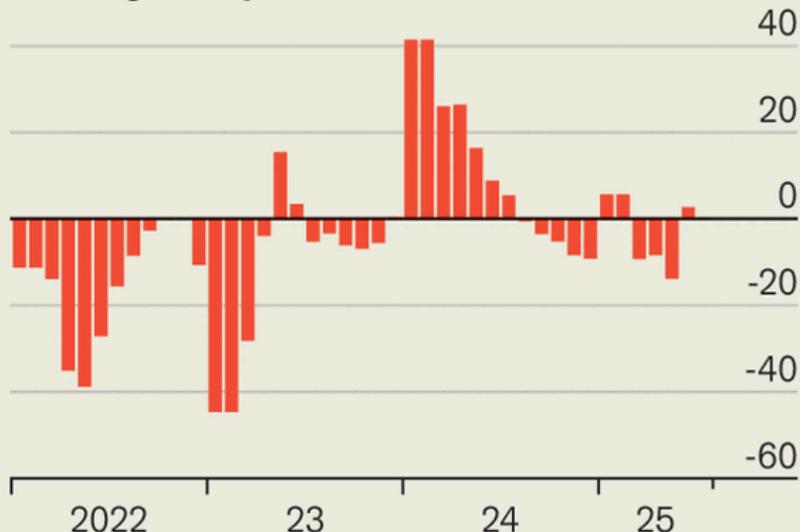
BYD, Xpeng, Changan and Dongfeng showed electric vehicles (EVs) with advanced technology and prices that undercut Western models, or announced expansions making it clear that Europe is the main target in their worldwide export blitz. Yet Chinese carmakers' ebullience in Europe contrasts sharply with troubles at home, where a price war, caused by chronic overcapacity, has been raging for more than two years.

Its origins lie in the Chinese government's success in first nurturing its carmakers and then propelling them to the fore of the global industry. The government realised 15 years ago that its companies could not compete with foreign petrol power, but that an EV industry might thrive in a fast-growing home market if primed with enough subsidies and other support. The result was a surge of investment, dozens of new firms and a market where EVs are likely to make up 60% of sales this year.

## Undercutting, overtaken

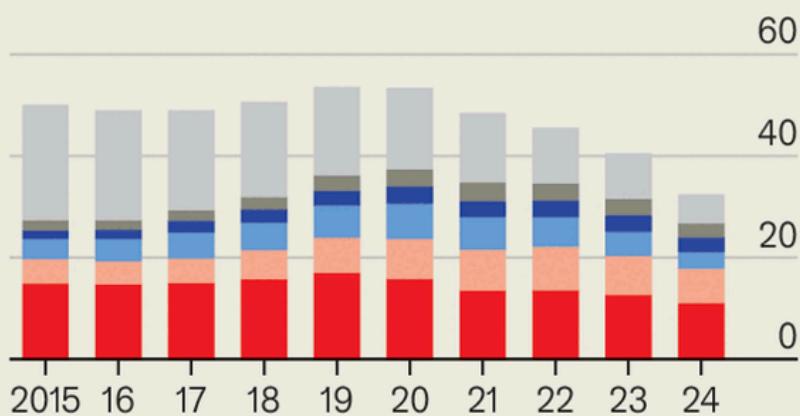
China

Car industry, operating profit,  
% change on a year earlier



Unit sales by manufacturer\*, % of total  
Selected foreign carmaking groups

Volkswagen Toyota Honda  
Mercedes-Benz BMW Other<sup>†</sup>



\*Passenger vehicles

<sup>†</sup>Includes Ford, General Motors, Hyundai-Kia and Nissan

Sources: Oxford Economics; UBS

Around 130 domestic firms now battle for sales, though few make cars in significant numbers. If their factories ran at full tilt for a year they could churn out twice as many cars as there are buyers. The consequence of overcapacity has been a savage price war. The average car price has fallen by 19% over the past two years, to around 165,000 yuan (\$23,000), calculates Nomura, a Japanese bank. Some models have seen one-off cuts of around 35%. Although sales are still growing—at a forecast 7% this year, to around 24m vehicles—firms’ profits have dwindled or losses mounted (see chart 1).

In the first five months of 2025 total industry net profits (including those of foreign carmakers) fell by 12%, year on year, to 178bn yuan, according to the National Bureau of Statistics. Even successful domestic firms are feeling the pinch. In the first half of the year, net profits fell by 14% at Geely, a private firm with about a tenth of the market. More surprisingly, on September 1st BYD, China’s biggest carmaker, reported a 30% drop in net profits in the second quarter, even as revenues grew by 14%. Suppliers are suffering too. Some are said to have shut down, as carmakers delay payments for up to six months.

Foreign firms, already struggling to keep up with Chinese firms’ speed of innovation, are also being squeezed. They once dominated the market, but domestic brands’ share has climbed from 34% in 2020 to 69% in the first four months of 2025, according to the China Association of Automobile Manufacturers. The price war has hastened the foreigners’ slide (see chart 2). As Patrick Hummel of UBS, a bank, points out, they “can’t compete in a price war with locals”.

The carnage in a showcase industry is worrying the Chinese government. In May price cuts by BYD sparked another round of heavy discounts, prompting complaints, via state media and industry bodies, about “involution”, a term for destructive hyper-competition. In June officials summoned carmakers to Beijing and told them to end price cuts and speed up payments to suppliers. Several big firms have pledged to pay within 60 days.

Yet no end is in sight. An executive at a Western carmaker in China thinks that low prices are here to stay. Even since the pleas to rein in discounts,

price-cutting has continued, though in a less obvious way: Stephen Dyer of AlixPartners, a consultancy, notes incentives such as free insurance, zero-interest financing and free charging. Stella Li, a senior executive at BYD, says there are “too many” carmakers, close to 100 need to be “pushed out” and even if 20 remain that may be too many.

No such clear-out is imminent. The government has long tried to engineer mergers of big state-owned firms. In 2018 rumours circulated about a tie-up between Changan, FAW and Dongfeng. Earlier this year a plan to combine Changan and Dongfeng fell apart. Neither firm’s home province was prepared to play second fiddle, bearing the brunt of job losses and forgoing the economic activity and tax revenue that big car firms generate. The central government does not relish fights with local leaders to force through mergers.

A long tail of small, lossmaking local car firms, attracted to the industry by bumper growth in the 2010s, the availability of cheap credit and lavish incentives, may also sputter on, even though a handful of startups have gone bust. Such firms also provide employment and bring kudos for local party bosses, who will do anything to maintain their pet projects.

Buyers are unlikely to step forward—no other carmaker would want to acquire brands that are unknown beyond their region or take on additional capacity. Central authorities may be pressing local governments to stop funding these firms, and some may not be able to keep cutting prices. But as Tu Le of China Auto Insight, another consultancy, notes, “bad companies aren’t going out of business fast enough.”

The price war may, however, make the strongest stronger still. Leading firms such as BYD, Chery and Geely, and startups such as Xpeng and Li Auto, are profitable or close to it. And tech firms such as Huawei and Xiaomi have successfully turned to making cars. As an experienced observer points out, the best companies can adjust their cost structures to accommodate permanently lower prices. Many have also turned to exports to seek fatter margins. Between 2021 and 2024, the number of cars shipped abroad quadrupled, taking China past Japan to become the world’s largest exporter, according to Rhodium Group, a research firm. In the first six months of 2025 exports hit nearly 3.5m, 18% more than a year earlier.

Europe remains the main destination for Chinese EVs despite the EU's imposition of hefty tariffs in 2024 to counter what it regards as unfair competition. In the first half of the year Chinese brands accounted for 5.2% of sales in western Europe, up from 3.1% the year before, says Schmidt Automotive Research. Sharpened by ruthless competition at home, the Chinese can withstand the EU's levies.

By contrast, foreign carmakers that have relied on China as a source of profits are in a bind. America's Ford and General Motors, protected by 100% tariffs at home, face the prospect of a dwindling presence in China. Japan's Toyota has fared better than most, but is also ceding ground in China. Nissan is in free fall. European manufacturers are losing out in China and the Chinese are making inroads on their home soil. A continuing price war will force the best to become even leaner, more efficient and more innovative. And that means China's most powerful firms should thrive, both at home and abroad. ■

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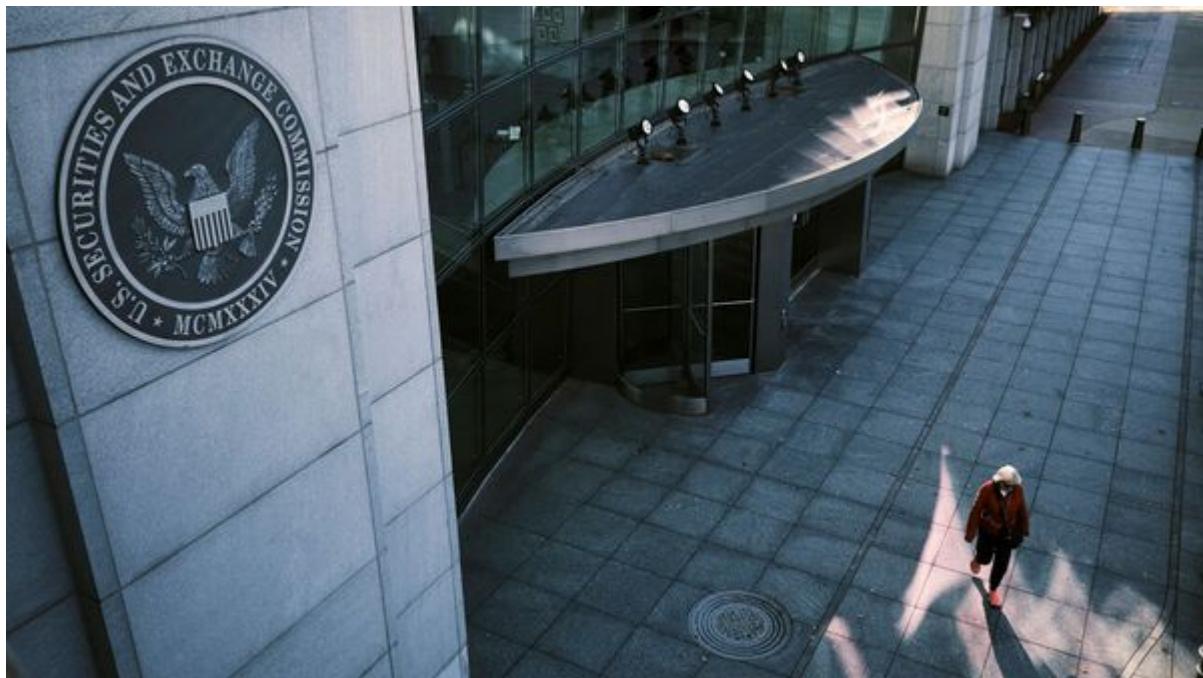
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**One quarter or two?**

# If quarterly-earnings rules were scrapped, would anyone notice?

*Donald Trump's criticism misses the point*

Sep 19, 2025 12:32 PM



IMAGINE TWO firms. Maximal Trust & Guarantee Co never reports its earnings. Shareholders trust that the dividends they receive reflect the best use of the firm's profits. Its inner workings are a mystery. Low Trust Society Supermarkets, by contrast, is perfectly transparent. Every shelf, every sale and every meeting is visible in real time. Managers would, of course, rather work at Maximal Trust. Investors would gravitate towards Low Trust: it would be less susceptible to executive fraud and its shares more liquid. But they would also ultimately bear the costs of its obsessive disclosure. The ideal degree of transparency lies between these poles, but where?

Since 1970 the Securities and Exchange Commission has required listed American firms to bare all every three months. They do so by filing a lengthy document called Form 10-Q. On September 15th President Donald Trump suggested requiring them to report only twice a year. The idea, which Mr Trump also floated in his first term, is unusual in that it appeals to both his deregulatory instincts and his admiration for state capitalism: whereas American bosses focus on quarterly earnings, Chinese firms are run with a horizon of a century, he wrote on Truth Social.

Mr Trump's critique of quarterly capitalism is a familiar one. Corporate "short-termism" has been blamed for everything from Boeing planes falling out of the sky to the chaos at Intel, America's recently part-nationalised chipmaker. One study found that the shift from six-monthly to quarterly reporting (over the 20 years until the latter was made compulsory) decreased firms' capital expenditure by up to 2%.

But it is also flimsy. Big tech has recently found that making long-term investments is not merely possible while listed on America's stockmarket, but handsomely, even excessively, rewarded by investors. Last week shares in Oracle, a computing firm, soared after it told investors about a cloud-computing contract which kicks in only in 2027. Besides, frequent disclosure hardly precludes long-term strategy. Costco, a top-performing retailer, reports its sales every month.

To the extent that executives' hands are tied, they are tied by the market rather than by regulators. Issuing profit guidance is optional, but bosses still do it. Investors' attention and traders' activity are focused on earnings press releases and bosses' calls with bank analysts rather than on 10-Qs, which often appear days later. Ending the requirement might therefore have little effect even in earnings season. Around half of European firms report quarterly despite no general obligation to do so.

A stronger argument for slimming reporting rules might be the burden on smaller firms. Since the Sarbanes-Oxley Act of 2002, which was introduced after a series of accounting scandals, the costs of being listed have become dauntingly high, as companies have been required to add compliance functions and shell out on auditors. Yet it is not clear that quarterly reporting adds much to these costs. A study by Nasdaq, a stock exchange,

put the quarterly cost of compliance at 853 hours and \$330,000 in legal and other fees, or about 0.2% of the median revenue of small listed firms. It will take more than that to make a listing attractive again. ■

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Bartleby

# How many reports should a manager have?

*The span of control*

Sep 18, 2025 03:17 PM



“IT DEPENDS” IS a weaselly phrase but it is often the only response that makes sense. Is Brad Pitt a good actor? It depends on the kind of film. Is it OK to lie? It depends on the context: the intelligence services should probably get a pass. Is it acceptable to clap when the plane lands? It depends if the pilot has ever flown before.

People have long tried to give a definitive answer to the question of how many reports a boss should have (the span of control, in the jargon). Henri Fayol, a 19th-century mining engineer and a father of management thinking, asserted that someone at the top of an organisation should have

fewer than six direct reports. Some people will still tell you that the magic number is seven, plus or minus two, a figure that seems to stem from entirely unrelated research into how many chunks of information the brain can hold in its short-term memory. Others assert a higher number. But the truth is that there is no optimal number. It really does depend.

That ought to be obvious from a quick look around. The number of underlings that bosses have varies widely, including within organisations. Phanish Puranam, who teaches strategy at INSEAD, routinely asks executives on his courses how many reports they have. The lowest he has encountered thus far is two, the highest 22.

It is also obvious once you think about it. As Ranjay Gulati of Harvard Business School notes, the span of control depends partly on the type of work. Fayol himself recognised as much. He reckoned that supervisors lower down the organisation could oversee 20-30 people if the task was simple. A routine job with few variations is likely to throw up fewer questions than a complex one. It also depends on how modular the work is. A big part of a manager's job is to resolve conflicts, says Mr Puranam. If work is atomised, disputes happen less often.

It depends on what kind of culture a company has. The more people you have on your team, the less time you can spend with any one of them. If your firm is a big believer in autonomy and collaboration, that is less of a problem. A wider span of control is a feature, not a bug. A company that is more hierarchical will want something narrower.

It depends on what kind of employees you have: the very talented kind are better able to manage themselves. It depends on what kind of manager you are. Bosses who are organised and energetic can handle more people than someone who is shambolic and tends to oversleep. But bosses who invest time in coaching their teams will probably want a narrower span than those who don't.

Over time, the span of control also depends on new technologies. Fayol, poor man, didn't have Slack. Artificial intelligence may yet change the ratio of managers to workers in dramatic ways.

But even if there is no single optimal figure, there are some natural limits on the number of direct reports that a manager should have. Too few, and the machinery of a firm quickly gets gummed up. Narrow spans of control go hand in hand with more layers of management. As a result, information tends to travel less efficiently and decision-making slows. When Niels Christiansen took over as chief executive of Lego in 2017, he wanted to speed up the toymaker's metabolism. One early move was to flatten the organisation to get rid of managers with very few reports.

Too many, and most managers start to get overwhelmed. Jensen Huang shows what is possible if you are exceptionally gifted, never stop working and don't have one-to-one meetings: the boss of Nvidia has more than 50 direct reports. But Mr Huang is about as helpful a benchmark for the average manager as Usain Bolt is for the average runner. So long as there are conflicts to manage, resources to allocate and feedback to give, most managers will hit their limit well before then.

“It depends” is the right answer to the span-of-control question, then. But it is still a pretty unsatisfying one. That’s why Mr Gulati of Harvard Business School gives a baseline range, and a challenge, when he is asked about it. “My default is 12 to 15. If you’re going to deviate from that, I need to understand why.” ■

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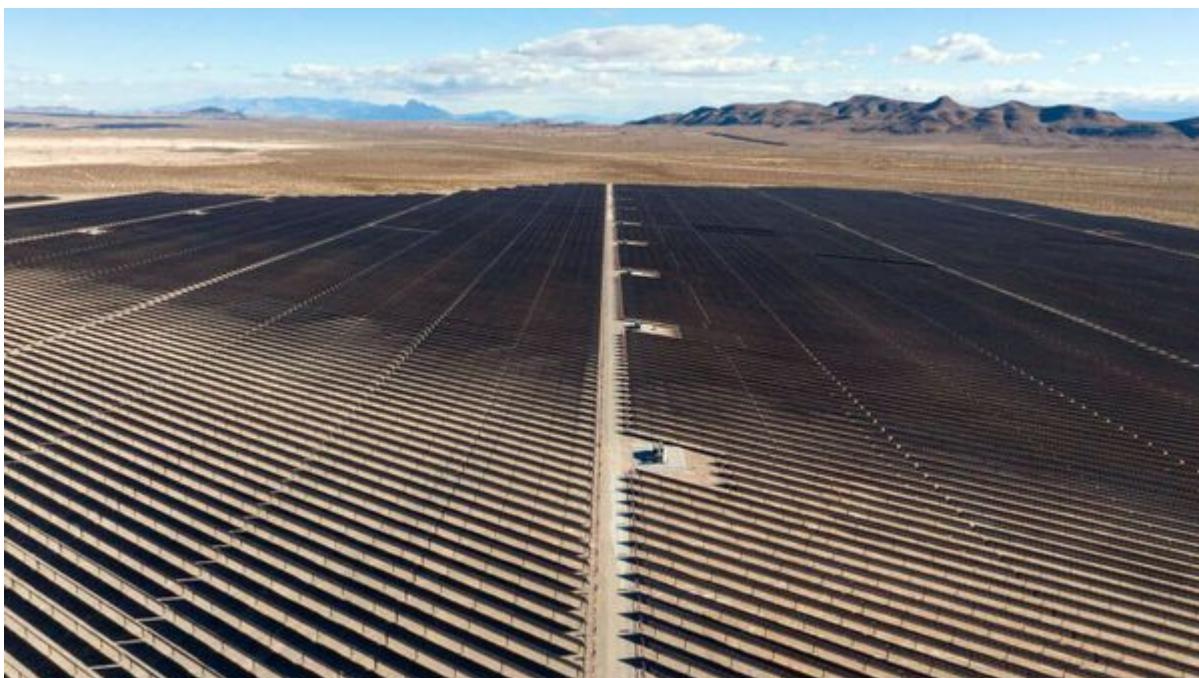
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A Trump bump

# Despite presidential animus, America's solar industry is buzzing

*And investment is on the rise*

Sep 18, 2025 03:16 PM | LAS VEGAS



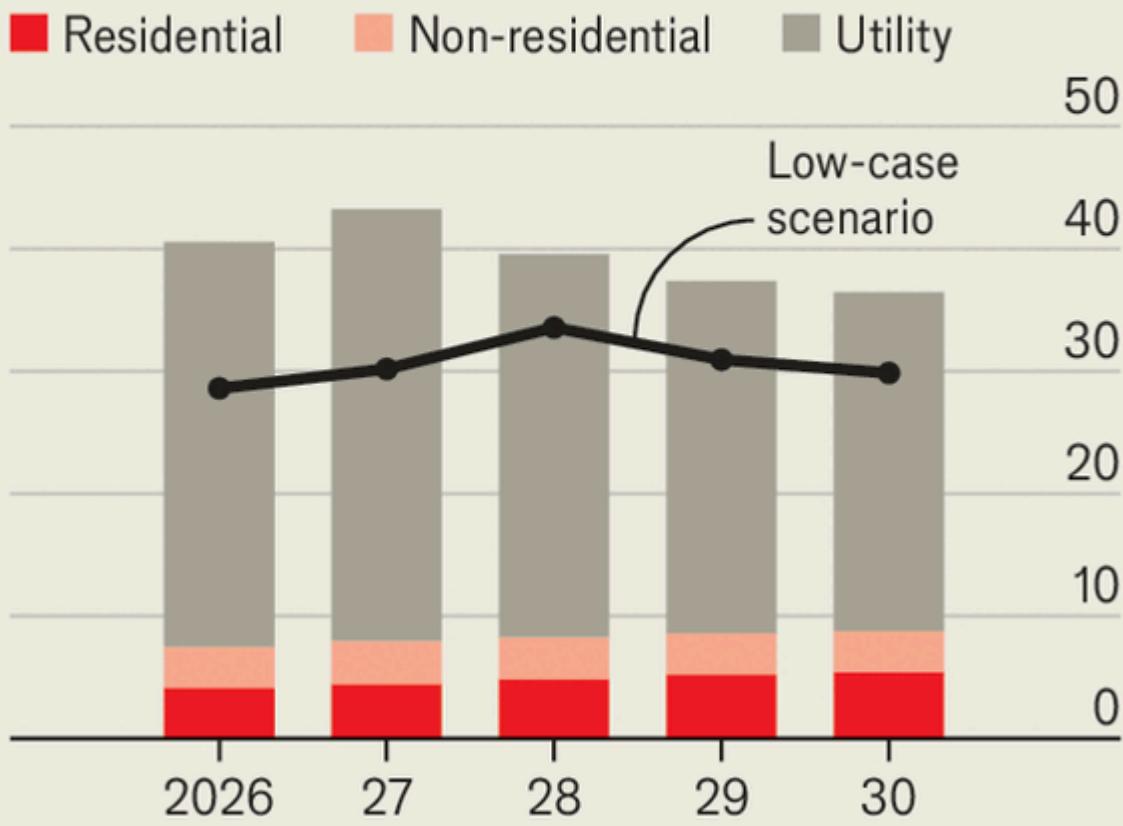
THE SPHERE is a glittering example of American innovation and excess. It also uses, at peak times, as much electricity as 21,000 homes. The frontman for the Eagles, a veteran rock band that recently performed in the enormous Las Vegas arena, praised its 1,600 speakers as “better than any stadium”. Inside, [the light display](#) is mind-bending. Outside, the Strip is treated to huge images lit by 50m LEDs. An energy executive staying at the neighbouring Venetian hotel complained: “I had my blackout curtain shut but that damn glowing eyeball still kept me up all night.”

The sleep-deprived boss was attending RE+, America's largest annual clean-energy conference. You might also attribute his sour mood to the troubles facing his industry. Donald Trump's administration has unleashed a wave of measures, from the One Big Beautiful Bill Act (BBB) to regulatory harassment, designed to undermine tax and policy support for wind and solar power. Mr Trump's caprice has already halted [big offshore wind projects](#). Many have worried solar could be next.

Yet the 37,000 people at RE+ were buzzing. In a fiery opening speech Abigail Hopper of the Solar Energy Industries Association, the trade group that organised the conference, acknowledged that "the people in power right now are openly hostile to our industry." She argued that the forces of the market and policymaking "are at odds", but vowed: "Our industry will not retreat."

## Still shining

United States, solar photovoltaic capacity forecast, Q3 2025, GW



Source: Wood Mackenzie

Which will win, policy or market? In the long term, solar energy's remarkable gains in efficiency and fast-tumbling prices make its future bright. But the short-term picture is also sunnier than you may suppose. Analysts now think solar investment will rebound in America. Wood Mackenzie, a consultancy, spots signs of a coming Trump bump (see chart). Brian Nelson of ABB, a European energy-equipment supplier investing \$120m in expanding two American factories, declares that "we anticipate continued growth in solar."

The Energy Information Administration (EIA), an official body, calculated in August that developers added 12 gigawatts (GW) of utility-scale solar generating capacity in the first half of 2025. From its surveys of developers, it expects a further 21GW in the second half. The latest EIA outlook, published on September 9th, predicted that the American power sector will grow by 2.3% this year and 3% next, and says that “solar power will supply the largest share of the increase in both years.”

There are two explanations for this investment boomlet. The first is a race to put steel in the ground to qualify for tax credits before deadlines imposed by the BBB. Stronger solar operators able to secure necessary components from stretched supply chains are forging ahead. A shakeout of weaker players is widely expected, as is a drive to cut costs and improve efficiency to make up for lost subsidies and tax breaks.

The second is that demand for solar energy remains strong. Chris Seiple of Wood Mackenzie calculates that American utilities have 17GW of large loads under construction connecting to their systems and are committed to adding another 99GW, roughly equal to 16% of today’s peak demand, as a result of the rise of artificial intelligence and data centres. He reckons that despite the current headwinds, much of this will come from solar power, accompanied by big batteries for storage. Nuclear power is a distant dream, coal is costly and a combined-cycle gas turbine takes years to acquire. In contrast, points out Ms Hopper, “we deliver power faster and cheaper.” In sun-soaked Nevada, the Sphere’s operators expect to get around 70% of its power from solar energy by 2027.

The industry is innovating as eagerly as it is investing. At RE+, AES, a big power company, showed off Maximo, a super-strong AI-enabled robot that works alongside crews, helping them to install utility-scale solar panels at lightning speed. On September 3rd the firm sent a fleet of Maximos to expand a colossal solar project in California that is expected to supply more than 1GW of clean energy to Amazon. It now plans to make Maximo available to other solar installers.

Given the solar industry’s resilient mood and fair prospects, Mr Trump’s anti-solar crusade may end up calling to mind the Eagles’ best-known hit,

“Hotel California”. He can check out any time he likes, but he can never leave. ■

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**AI things to all people**

# Can the UAE gain a foothold in AI by being friends with everyone?

*The Emiratis' carefully calibrated large language model*

Sep 18, 2025 03:16 PM



THERE ARE only so many ways to pair a letter and a digit: 260, in fact. So, under the naming convention for artificial-intelligence (AI) models created by OpenAI, one of the industry's leading lights, a clash was inevitable. And this month the United Arab Emirates (UAE) became the second country to launch a large language model called K2, following China's Kimi K2.

K2 Think, as the newer model is called, is an efficient AI system. As a reasoning model, like OpenAI's GPT-4 and DeepSeek's R1, it works its way through problems step by step, and is particularly effective at mathematical and coding tasks. According to its creators at Mohamed bin Zayed

University of Artificial Intelligence (MBZUAI; pictured), Abu Dhabi's flagship research institute, it beats most open-source models at tests in those domains, though it trails the best-performing systems made by Google and OpenAI.

But that is to be expected. Smaller than many of its predecessors, with 32bn parameters (ie, mathematical connections between nodes of a neural network), K2 Think can run quickly with little computing power. That speed advantage is boosted further by a data centre filled with chips from Cerebras, an American AI-silicon startup. Those chips, the largest in the world at about the size of a dinner plate, are made from a single silicon wafer and are optimised for the task of inference—actually running AI systems—rather than training. The result is a chatbot that spits out thousands of words a second. Eric Xing, MBZUAI's president, says this ushers in “a new era of cost-effective, reproducible and accountable AI”.

Despite its name, the Emirati system is no relation to Kimi K2, created by Moonshot AI, a Chinese startup founded by an engineer formerly at Google and Meta. But it does have Chinese roots: the UAE's model is built on top of Qwen 2.5, an LLM from Alibaba, a Chinese e-commerce giant. That let MBZUAI skip the onerous and expensive task of training a foundation model from scratch, and focus on the “post-training” stage instead. The resulting model is fully open-source: the university is sharing not just the model itself but also the code and training data used to mould Qwen 2.5 into shape.

The choice to build on a Chinese model, rather than an American open-source alternative like Meta's Llama, is part of a careful calibration by the UAE over its positioning amid the geopolitical push and pull of AI. In May the country was the first, after America, to join OpenAI's Stargate project. It has since been followed by others, including Britain and Norway. It plans to open a 200-megawatt data centre in 2026, before expanding it to a substantial 1-gigawatt cluster.

But the UAE is also trying to create a specifically Emirati AI sector. Peng Xiao, the boss of G42, a state-backed AI lab, and a board member of MBZUAI, praised K2 Think for “proving that smaller, more resourceful models can rival the largest reasoning systems”. The parallels with the

country's own AI goals, as well as regional rivals like Saudi Arabia, are clear.

The university's other releases include Jais, an Arabic LLM, and NANDA, which speaks Hindi. It is these models, which are not in direct competition with offerings from the American and Chinese giants, that represent the UAE's best hope of establishing a market around its AI products. And it can only help that they also have more original names. ■

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From retail to therapy

# Are you addicted to shopping?

*On social media, it can be hard to resist the urge to splurge*

Sep 18, 2025 03:16 PM



HAVE YOU scrolled through social media late at night, clicked on a brightly coloured button and bought something you regretted? Are you hiding parcels from your spouse? Have you heard of oniomania, or shopping addiction?

Retail is changing. Social-media platforms such as TikTok are launching e-commerce features that blur the lines between shopping and entertainment. A whole industry is emerging around livestream shopping, where jovial hosts turn buying things into a game, by means of quizzes and interactive demonstrations.

Regulators and researchers are worried that such innovations are making it harder to resist the urge to spend. A few years ago the European Union introduced rules to outlaw any platform that “manipulates” users through its design and operation. Now the European Commission, the EU’s executive arm, is investigating Temu, a Chinese online emporium, in part for “the potentially addictive design of the service”. Lately reams of academic papers have been published on shopping addiction.

The problem is not to be taken lightly. Unlike gambling, say, shopping is something everyone must do, which can make addiction trickier to identify and measure. But academic research covering several countries has suggested that around 5% of people suffer from oniomania. It is more than just the odd impulse buy; it can ruin people’s relationships and leave them in debt. Avis Cardella, a former shopaholic, describes the way she would make purchases as “trance-like” and “out of control”.

## Shop, don't stop

### United States, social commerce revenue



Source: eMarketer

People have been shopping online for a while. What has changed is how they do it. In America, \$86bn, equivalent to 6.6% of all e-commerce, will be spent via social media this year, forecasts eMarketer, a research group (see chart). Over a fifth of those who shop online will make a purchase from a livestream.

The features that make shopping easy and fun may also make it more addictive. Shopping has a detectable effect on the brain; it can lead to a surge then a decline in dopamine, a chemical associated with pleasure. “It’s

not about the goods,” says Pamela Roberts, a psychotherapist. “It’s the excitement of the spend, the dopamine hit and afterwards the hangover of shame.”

Research suggests the sense of community on social platforms, where users share reviews and recommendations, can add pressure to spend. A paper published this year in the *Journal of Business Research* linked compulsive shopping online with a “fear of missing out”, which brands can exploit by showcasing idealised customer experiences or offering time-limited discounts. A paper by researchers in China points to “atmospheric cues” in livestreams, such as a host’s entertaining explanations or live chats, that can encourage people to buy.

Much of the research on shopping addiction comes from China for a reason. Online retailers there began innovating before those elsewhere. Social-commerce sales will exceed \$1trn this year, according to eMarketer, dwarfing the American figure. By December 2024 three-quarters of internet users were watching livestreams, according to the China Internet Network Information Center, a public body. In a survey published in 2023 by *China Youth Daily*, a Communist Party mouthpiece, almost 80% of respondents said they struggled with compulsive online shopping.

Chinese firms are now taking their innovations abroad. Western shoppers increasingly find themselves doomscrolling on Temu and Shein, another site that floods users’ screens with time-limited promotions and reward programmes. In the first four months of this year TikTok, which is owned by Beijing-based ByteDance, reported year-on-year sales growth of 120% in America on its e-commerce platform, TikTok Shop. The feature was launched in France, Germany and Italy in March. (Details of a deal transferring TikTok’s American operations to American ownership are expected soon.)

Any regulatory efforts to reintroduce friction into the shopping experience may be unpopular with consumers, however. And technological tricks won’t make addicts of everyone. As Mark Griffiths, an addiction expert at Nottingham Trent University, puts it: “There is a fine line between exploitation and enhancement.” ■

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Schumpeter

# The \$4trn accounting puzzle at the heart of the AI cloud

*A bean-counter's look at the hyperscalers' balance-sheets*

Sep 22, 2025 10:15 AM



IN ARTIFICIAL INTELLIGENCE, billions are so 2022. Three years after ChatGPT ignited the AI boom, the business is all about trillions. The market value of Microsoft, whose Azure cloud has a glistening AI lining, is not far off its recent \$4trn record. Alphabet, which is giving Google an AI makeover, has just become a \$3trn company. On a good day, Amazon, with a rival cloud, rounds to that. Meta, as much about AI these days as about social media, is now firmly a \$2trn firm, plus or minus. Last week Oracle, challenging Alphabet, Amazon and Microsoft in the AI cloud, made a dash for \$1trn. If some stock sales go to plan, OpenAI, ChatGPT's maker, and its

two rivals, Anthropic and xAI, could together be worth this much, give or take, by the end of the year.

AI revenues and expenditures are likewise a 13-figure affair nowadays. Worldwide spending on AI hardware and software nudged \$1trn last year, according to Gartner, a research firm. This is likely to double to \$2trn in 2026. Between 2024 and 2026 the five listed AI powerhouses will have splurged over \$1trn on capital investments, chiefly AI data centres. A slug will end up with Nvidia and Broadcom, which furnish them and others with AI semiconductors. The duo (combined market capitalisation: \$6trn) are together forecast to book almost \$1trn in sales over that period.

Such a tally of zeros is normally reserved for official statisticians in G20 economies. In business, it is dizzying. All the more so given that examining the AI titans' finances can be like staring into a black hole. Whether or not it promotes long-termism, President Donald Trump's latest suggestion that American companies move from quarterly to half-yearly financial reporting is liable to make things blacker still. Pity the analyst without the levellest of heads and the brightest of torchlights.

Fortunately, some are equipped with both. And they are beginning to raise questions about aspects of AI book-keeping. Depending on the precise answer, the impact on the AI champions' value could itself be measured in trillions of dollars.

The most pressing set of questions concerns the tech giants' assets—specifically, the longevity of all those fancy AI chips they are installing in their data centres. Last year Nvidia, which makes most of them, said it would unveil a fresh AI chip every year rather than every couple of years. In March its boss, Jensen Huang, remarked that "when Blackwell starts shipping in volume, you couldn't give Hoppers away," referring to Nvidia's latest chips and their predecessors, respectively.

No one took Mr Huang literally: that would imply that the useful life of his firm's pricey products is now a mere 12 months. Rightly so, for he was clearly being tongue-in-cheek. And his biggest customers have in recent times been raising their servers' lifetimes, reducing depreciation charges in their accounts. Microsoft pushed it up from four to six years in 2022.

Alphabet did the same in 2023. Amazon and Oracle changed it from five to six in 2024. And in January Meta moved from five to five and a half years.

In the same month Amazon reversed course and moved back to five years for some kit, noting this would cut operating profit in 2025 by \$700m, or about 1%, owing to a higher depreciation expense. Given the rapid advances in chipmaking, that seems optimistic. And Amazon's AI rivals clinging to their elongated depreciation schedules look Pollyannaish. In July Jim Chanos, a veteran short-seller, posted that if the true economic lifespan of Meta's AI chips is two to three years, then "most of its 'profits' are materially overstated." A recent analysis of Alphabet, Amazon and Meta by Barclays, a bank, estimated that higher depreciation costs would shave 5-10% from their earnings per share.

Apply this logic to the entire AI big five and the potential overall hit to the bottom line is huge. The companies do not report the net book value of their computing infrastructure. But you can get a rough idea by multiplying the gross value, which each discloses in its annual filings, by the ratio of net book value to book value of all plant and equipment (excluding land, which is not subject to depreciation). Next assume that half the resulting sum is tied up in servers, in line with their estimated share of the global AI capital binge. Then, if all these servers lose their value in three years rather than however many each company assumes, their combined annual pre-tax profit would fall by \$26bn, or 8% of last year's total.

At the five companies' current ratio of market capitalisation to pre-tax profit, this would amount to a \$780bn knock to their combined value. Redo the sums depreciating the servers over two years instead of three and the size of the hit rises to \$1.6trn. Take Mr Huang literally, and you get a staggering \$4trn, equivalent to one-third of their collective worth.

## The cloud-depreciation society

In reality, not all of the AI quintet's servers would be useless after three years, let alone 12 months. They can keep performing oodles of non-AI work. Some AI tasks can also be farmed out to older processors. Still, as

they remodel their businesses around AI, a growing portion of the gear they procure is likely to be the top-end sort that will be outmoded sooner.

Last year Nvidia's top three customers, widely believed to be Alphabet, Amazon and Microsoft, spent some \$15bn apiece on Mr Huang's silicon. Meta was probably not far behind. Alphabet and Amazon also paid a few billion more to companies like Broadcom and Marvell for custom-made chips based on their own in-house designs. So it is concerning that even for every \$10bn of server assets shifted to the one-year schedule, earnings per share would decline by 7% for Alphabet and Microsoft, and 12% for Amazon and Meta. For Oracle, with its punier balance-sheet, the drop is 6% per \$1bn-worth of assets. AI is not about to lose its trillion-dollar aura. How many trillions, precisely? Ask an accountant. ■

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# Finance & economics

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Making it, breaking it

# China's future rests on 200m precarious workers

*They may work in factories or for delivery apps, but are united by common struggles*

Sep 18, 2025 04:40 PM | Kunshan, Shanghai and Shenzhen



CHU XIN'S search for work has taken him on a journey this summer. First he travelled some 1,500km from his home in China's deep south-west to Shenzhen, a bustling manufacturing hub across from Hong Kong. Next was a bus another 1,500km north to Kunshan, which churns out electronics, where he twisted tiny screws into phone parts for ten hours a day. That was mind-numbingly dull; by day five he had had enough. So he grabbed his few belongings and headed south—ready for the next stage in his odyssey.

Mr Chu's story is in some senses extraordinary. But in others it is very ordinary. He is one of 200m-odd people in China whom the state considers to be "flexible workers", a broad category that includes all those who fall outside standard forms of employment. The group makes up what is called the "gig economy". Its members do not have formal contracts, and yet they have become a crucial part of China's labour supply, accounting for a quarter of the total workforce and two-fifths of it in cities. Although some of the group have moved from formal jobs to informal ones as they have aged, many are young, unattached men with dim economic prospects. Their progress, or lack of it, will set the terms for China's future. If they are able to settle down, buy homes and start families, they will help ease the country's economic malaise. If not, they will cause problems for the Communist Party. They are China's "make-or-break" workers.

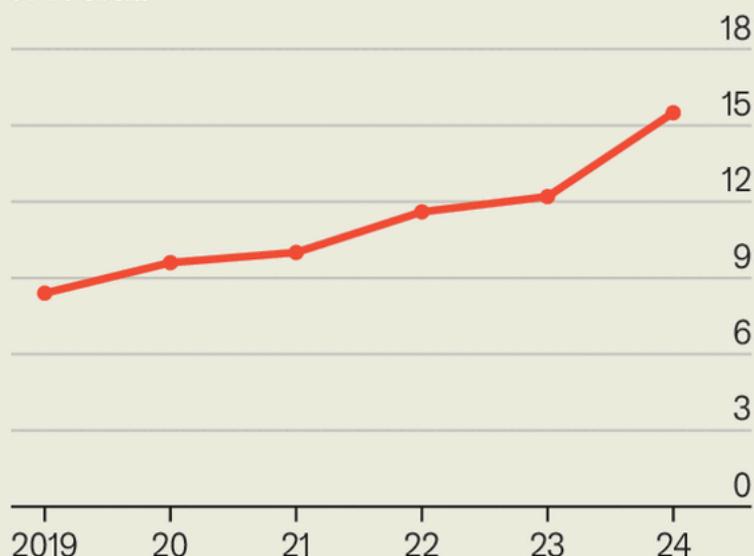
The stakes are particularly high owing to China's economic difficulties. Consumer demand remains bleak, with retail-sales growth slowing in August to its lowest rate this year. Property sales and prices continue to fall, dragging down sentiment. Urban unemployment has ticked up. Population decline has forced the country's leaders to establish subsidies to encourage childbirth. The recent spate of gloomy official data has convinced some analysts that year-on-year GDP growth could fall to as low as 3% in the third quarter of the year.

Unlike the West's gig economy, which is almost entirely focused on services, roughly 40m of the make-or-break workers are paid by the day or week to work in factories. In China's largest manufacturing complexes they can at times make up 80% of the workforce, according to a survey by Zhang Dandan of Peking University. Meanwhile, semi-official estimates suggest that 84m people work for online firms, delivering food and parcels or driving ride-share taxis. Many more are thought to do freelance internet marketing or work odd jobs in construction and restaurants. Although factory workers tend to be in their 20s, delivery drivers can be older.

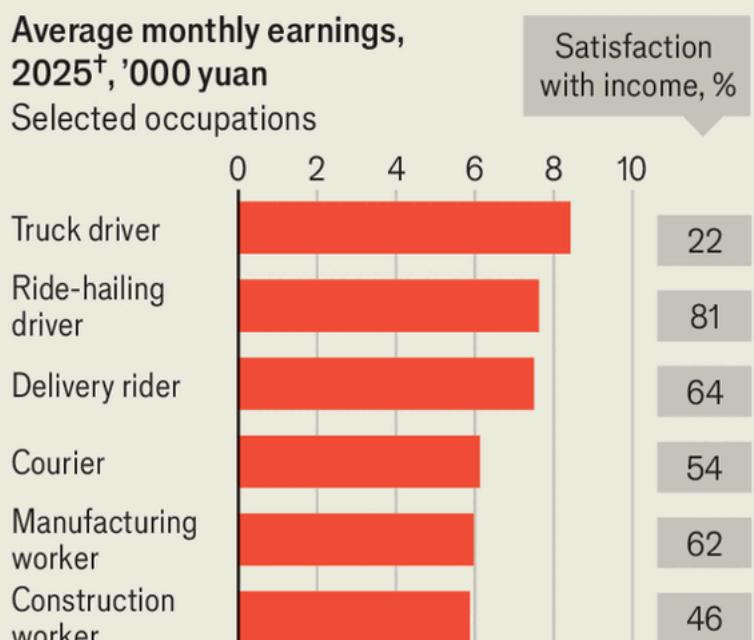
## Just don't ask about the pension

China

"Flexible jobs" advertisements\*,  
% of total



Average monthly earnings,  
2025<sup>†</sup>, '000 yuan  
Selected occupations



\*Temporary jobs or platform-based gig work

<sup>†</sup>Surveyed in July 2025

Sources: Zhaopin; China New Employment Research Centre

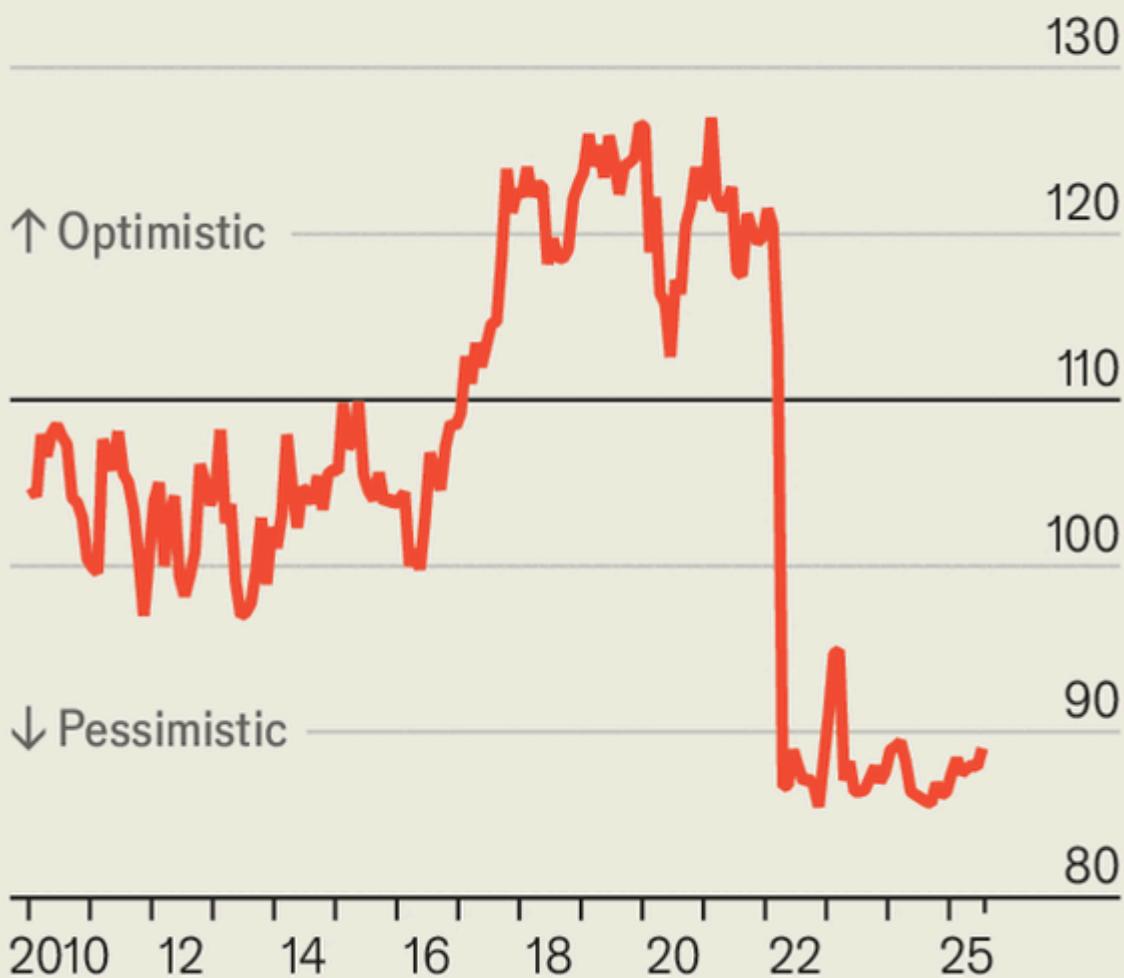
Gig workers' lives are tough. So why do it rather than finding formal employment? The workers who powered China's economic boom in the 2000s often laboured in large factories that were akin to mini-cities, and which offered services ranging from room and board to weddings. Many would leave only when returning to their hometowns. Contracts became common after 2008 and offered scant-but-improved benefits, such as injury insurance. The work was often tedious in the extreme, involving long hours on production lines and sometimes just one day off a month.

China's make-or-break workers have consciously rejected such a life. They value freedom and flexibility above the stability prized by previous generations of workers, many of whom grew up in poverty. When factories require make-or-breakers to do menial jobs they want to be able to leave. Many we spoke to noted the importance of being able to make decisions on their own behalf. Li Meng, a Shanghai resident in her 40s, worked in state schools for years before deciding to become a yoga teacher. She does not have a contract with her studio and it does not contribute to her pension. But the freedom to set her own schedule every week is worth it, she says.

These workers are also becoming adept at using China's vast platform economy to their advantage. Short-term jobs in factories and in services including delivery, taxi driving and social-media marketing can all be sourced online. Workers can move from job to job seamlessly, often paying little attention to the company for which they work. Wang Shi, a driver in the south-western city of Lijiang, says he routinely switches between a number of ride-hailing apps in order to maximise his income. This mastery of internet platforms is helping many gig workers make more money than contracted ones, says Lu Ming of Shanghai Jiao Tong University. They can also take time off whenever they like.

## Crushing it

China, consumer-confidence index



Source: National Bureau of Statistics

Such freedoms are reflected in popular culture. An online trope has emerged from a recruiting centre in Shenzhen called Sanhe. The workers here, referred to as the “Gods of Sanhe”, are said to work only as long as it takes to pay for a few days’ room and board. After that, according to popular perception, they lounge about, playing on their phones and enjoying life. They are portrayed as shiftless masters of their own destiny, a portrayal that contrasts sharply with labourers of decades past, who were seen as hard workers attuned to the needs of their bosses.

However, as the gig economy grows, so do worries about its future. Since gig workers avoid formal employment and its contracts, they do not pay into their own pensions. This results in bigger pay cheques at the end of the day, and suits employers who are more than happy not to have to pay the extra costs. Most flexible workers come from rural areas, meaning that they also lack an urban *hukou*, or residency permit, and therefore access to associated benefits such as urban pensions, as well as health care and schooling. In many cities they are unable to buy flats, too.

Other risks are more insidious, and will become evident only over time. Economists worry about the impact an enormous gig economy will have on China's human capital. Companies have little incentive to train workers. Factories are increasingly automated, which makes them safer but even more monotonous. Workers usually specialise in "micro tasks" that require them to repeat a particular hand motion for hours on end, day after day. Mr Chu says that the worst of these are assembling phone covers or affixing labels to products. Many workers are "deskilling" when they do this kind of work, fears Ms Zhang.

What matters is not just what make-or-breakers can supply, but what they can eventually buy, too. Earlier waves of workers from the countryside were largely ignored as consumers; many failed to benefit from China's economic rise. Can gig workers buy homes and start families? If they manage to, says Zhang Ning of UBS, a bank, the shift would have a huge overall impact on consumption. Junhui Wang of the Southwestern University of Finance and Economics in Chengdu and co-authors find that when rural households become urban ones they consume 2.4% more.

In August China's Supreme Court ruled that workers can claim compensation from employers that have denied them benefits. This came as a shock to the myriad of small companies that use gig workers and can hardly afford the extra costs. But it is not clear how the ruling will be enforced. And the bigger question is what happens to the *hukou*, which China's leaders have used for decades to control the movement of people. Although recent reforms make it easier for formal workers to settle in cities, they do nothing for gig workers.

## Their parklife

Unless changes are made to the *hukou*, many make-or-breakers face a darker future. The average age of factory gig workers is 26. About 80% are male; 75-80% are single and childless. In manufacturing hubs increasing numbers of young workers sleep in parks and under overpasses. Until recently, dozens could be seen snoozing in one of Kunshan's biggest parks after they finished work, many with luggage in tow. (They have since been cleared by police.) Large crowds gather in so-called labour markets, where intermediary agencies hire people for temporary construction or factory work. In Shenzhen's biggest market your correspondent was told by locals to take care, since many labourers were said to be alcoholics or drug addicts.

This is hardly conducive to the stability and calm the Communist Party aims to foster. Moreover, the new generation of workers is better connected than previous ones. They are armed with smartphones and spend hours a day scrolling social media. Dexter Roberts, author of "The Myth of Chinese Capitalism", says that young gig workers seem less deferential to the Communist Party than their predecessors. It is not a stretch to imagine a growing cohort of homeless, disgruntled and hopelessly bored workers causing ever greater disruptions to China's peaceful urban veneer. The country's leaders, then, have reason to help workers find their own homes to sleep in, rather than parks. ■

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The slowing slowdown

# America's economy defies gloomy expectations

*As the Federal Reserve cuts interest rates, growth is holding up*

Sep 18, 2025 03:17 PM | Washington, DC



ONLY AMERICA'S most confident economic bulls will have remained upbeat this far into 2025. Any flickerings of optimism that survived the tariff chaos of spring and this summer's growth slowdown will have taken another hit in early September, when employment figures came in weak for the second time in a row. America added less than 30,000 jobs on average in June, July and August, the Bureau of Labour Statistics (BLS) announced.

Yields on [Treasury bonds](#) have slumped by 0.2 percentage points over the past fortnight, as worries about growth and the job market have spread. On September 17th the Federal Reserve cut interest rates by a quarter of a

percentage point. Markets expect another cut in October, and then another after that in December. The easing that Donald Trump has long sought is on the way, even if for more depressing reasons than the president expected.

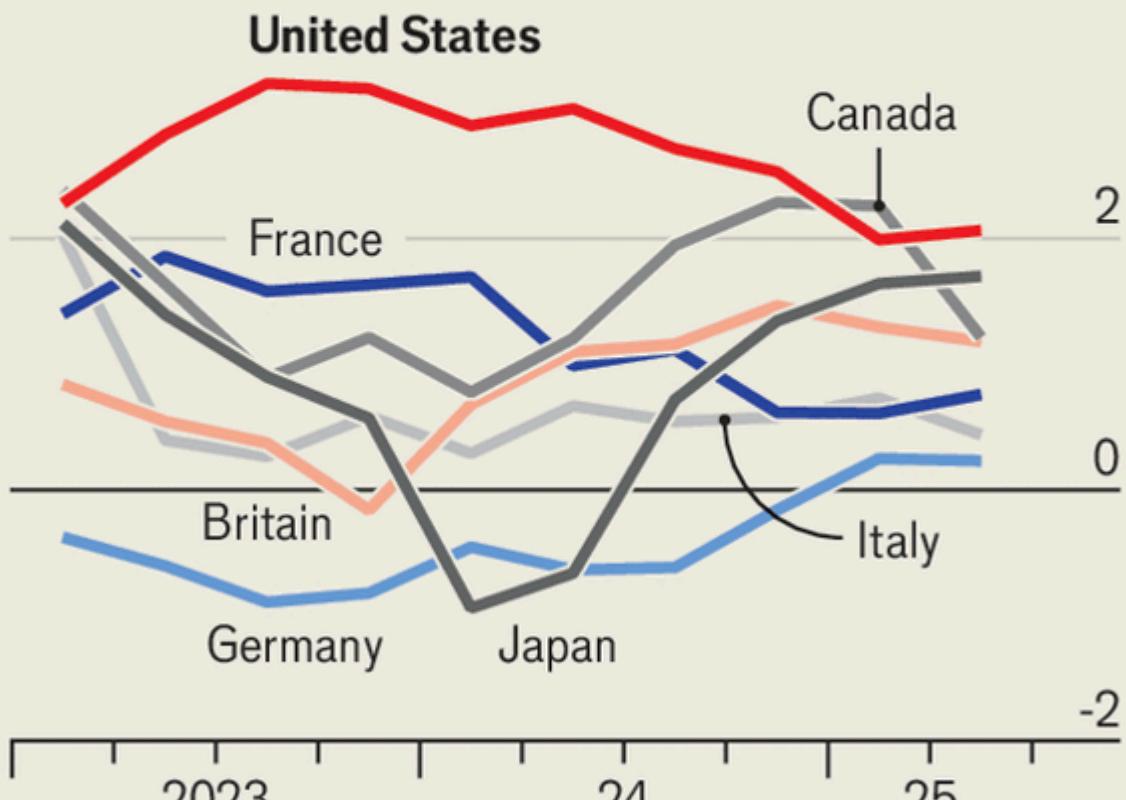
Is the gloom warranted? Growth has certainly slowed. But dig deeper in the data and you do not have to be an uber-bull to see reasons for hope. The slump has been modest and no longer seems to be worsening. America's 1.4% annualised GDP growth in the first half of the year would be a happy surprise for many Europeans. And the 2% growth America has managed over the past year is better yet in comparison (see chart 1).

## Still the envy

1

GDP, % change on a year earlier

4



Source: Macrobond

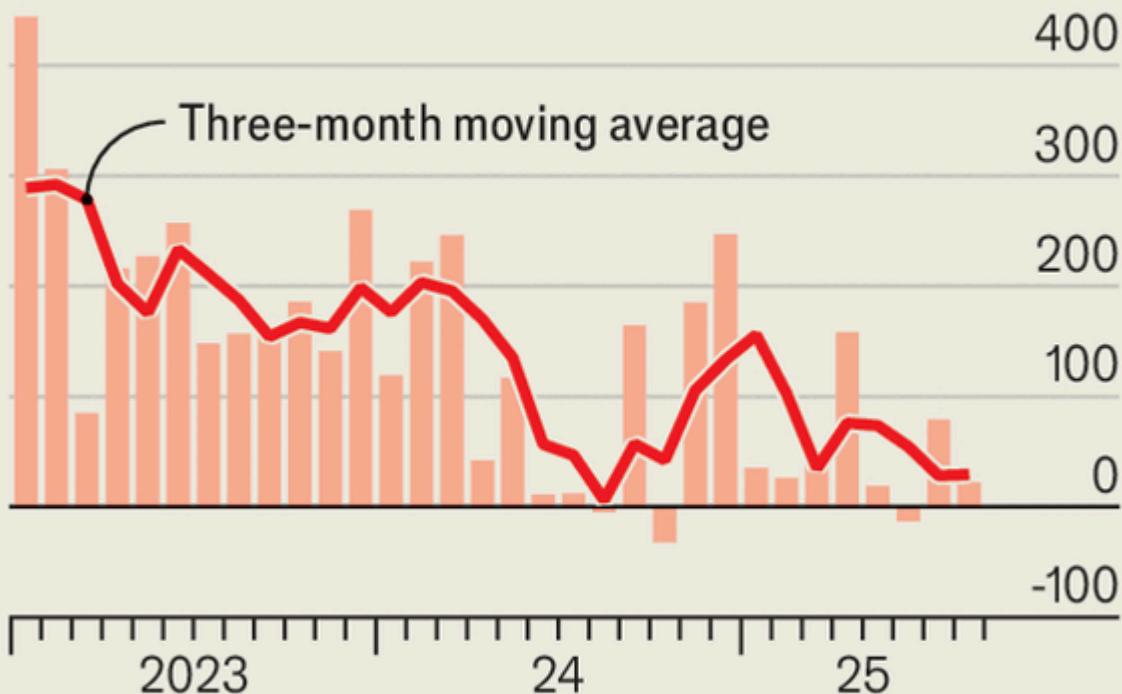
On top of this, Americans are still spending. The latest figures, covering July, suggest that real household consumption has ticked up after a sluggish start to the year. Surveys of services activity suggest a similar trend; retail sales have remained solid. The Atlanta Fed's tracker indicates that the core components of GDP—private spending and investment—are on track to rise by an annualised rate of over 2% in the third quarter. Stockmarkets are hitting all-time highs, contributing to and reflecting the surprisingly strong economic picture.

What of those hair-raising jobs numbers? Those, too, look less troubling in context—slower jobs growth is a problem if America's population is rising, but less worrying if it is shrinking. The unknown is how effective Mr Trump's clampdown on migration, both legal and illegal, has been. Estimates suggest a big impact. The Congressional Budget Office (CBO) has revised down its estimate for net migration in 2025 from 2m to 400,000. Researchers at the American Enterprise Institute and the Brookings Institution, two think-tanks, peg the figure at between -500,000 and 100,000. Customs and Border Protection reported just 8,000 "encounters" with illegal migrants on the southern border in July, against 100,000 in the same month last year and nearly 200,000 the year before.

## Breaking even

2

United States, non-farm payrolls\*,  
change on previous month, '000



\*Includes the preliminary benchmark revision for the year to March 2025, with payroll reductions spread evenly

Source: Bureau of Labour Statistics

Slower population growth lowers the “breakeven” rate of job creation (that needed to keep the employment rate stable), meaning even weak employment figures could be consistent with a healthy economy. Last year’s population estimates from the Census Bureau suggest 90,000 new jobs would be needed to hit the rate, according to calculations by Jed Kolko of the Peterson Institute for International Economics, another think-tank. Include the CBO’s newer migration estimate and the figure falls to 50,000. If you assume net migration is zero it slips to below 30,000—in line with current numbers (see chart 2). For his part, on September 17th Jerome

Powell, the Fed's chair, guessed the breakeven rate was "between zero and 50,000".

So although the labour market is softening, it is not cratering. The unemployment rate is still at 4.3%, well below levels seen in the 2000s and 2010s. A worrying recent jump in jobless claims turned out to fuelled by identity fraud in Texas, not genuine job losses. The two best measures of labour-market slack—the ratio of job openings to unemployed people and the rate of job-quitting—both point to a market that is about as strong as in the late 2010s (see chart 3).

## Good job

3

United States, three-month moving average

Quits as %  
of labour force  
3.00

Vacancies per  
unemployed person  
2.0



Sources: Macrobond; Indeed; *The Economist*

America's resilience owes much to its sturdy fundamentals. More immediate economic boosts are helping, too. The slowdown reflected uncertainty after the chaos of "Liberation Day" and subsequent tariff wrangling. Now the outlines of the import-tax regime look more certain. Tariff revenues, after rising sharply, seem to have stabilised in the past few months. Uncertainty measures have fallen, even if not all the way back to the levels of last year.

Indeed, despite the Fed's cut, there are few signs monetary policy is much too tight: surveys suggest banks remain happy to lend, spreads on corporate bonds are narrow and inflation is above the Fed's 2% target. Whether or not further cuts are advisable, they will add fuel to the fire.

Many of the threats to growth that are causing concern, such as newfound government enthusiasm for meddling with private firms, will take time to bite. The most pressing concern is thus political: Will Mr Trump ramp up his campaign against the Fed? His administration is appealing against a court ruling that blocked its bid to fire Lisa Cook, a Fed governor. A compromised central bank would combine poorly with a sky-high budget deficit, and make dealing with another bout of inflation more difficult—a risk when the Fed is cutting rates. Then price rises, not growth, would end up the real worry. ■

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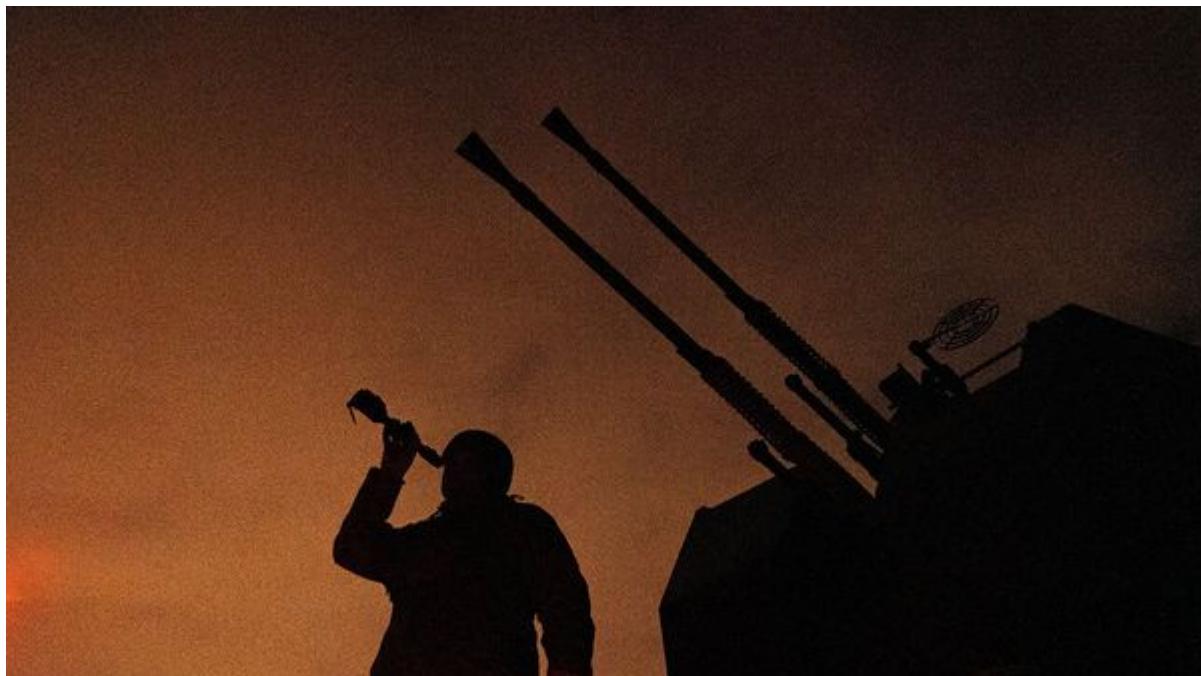
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War spending

# Ukraine faces a \$19bn budget black hole

*Without funding, the country will be left vulnerable*

Sep 18, 2025 03:16 PM



From bombs to bills

SINCE RUSSIA invaded, Ukraine has each year named a price. After setting the budget, the government publishes the sum by which its revenues are expected to fall short of spending. Then, friendly governments, aided by the IMF, cajole one another into filling the gap. This year they will stump up \$38bn, an amount equivalent to a fifth of Ukraine's GDP.

Next year's process, however, is proving tougher than normal. On September 15th Yulia Svyrydenko, Ukraine's prime minister, estimated that \$50bn would be required—far more than expected by foreign governments,

which have so far pledged only \$31bn. Sustained fighting is straining Ukraine's finances, just when foreign politicians' and international institutions' enthusiasm to help is flagging.

[Read more of our recent coverage of the Ukraine war](#)

The country's two biggest funders are America and the EU. Both rely on forecasts by the IMF, its third-biggest, which had envisaged an end to fighting this year. In such a scenario, reconstruction and the need to deter Russia would have sucked up cash, but hundreds of thousands of men would have returned to work. Defence outlays would have tapered off and the economy would have started to recover. By 2027, the IMF reckoned, Ukraine's deficit would have fallen below 5% of GDP. Much less external support would have been required.

Now, after failed peace talks, Ukrainian officials must instead plan for more fighting. Ms Svyrydenko would like to increase defence spending in 2026 to 2.8trn hryvnia (\$68bn), a rise of 169bn hryvnia. Day-to-day outgoings are growing, too. Last year the war cost \$140m a day, a figure that has jumped to \$172m. The government has already raised income taxes and put levies on financial institutions, meaning it has few revenue sources left to squeeze.

Donald Trump is sceptical of funding Ukraine's war and has stopped America's flow of economic aid to the country. Meanwhile, European governments confront stretched finances of their own. Since last year they have mostly redirected returns earned by Russian central-bank assets, and they are reluctant to go further by seizing the assets themselves. Filling the gap in Ukraine's budget will mean handouts, which leaders are wary of offering amid belt-tightening at home.

This situation is making the IMF uncomfortable. At the start of September, Ms Svyrydenko asked for a new bail-out to replace a package worth \$16bn that is set to expire in 2027. But negotiations have made little progress. The fund reckons that the government may need to spend \$20bn more than it currently forecasts by the end of 2027. It can only lend to countries that will be able to repay. American and European support had provided a backstop for Ukraine; now that is less certain.

Conflicts often end owing to the exhaustion of resources, rather than battlefield breakthroughs. The more Ukraine's supplies run short and the less it has left to pay fighters, the greater the chance it is pushed into talks and an eventual settlement. Whether that is desirable depends on your perspective. Mr Trump, desperate to claim credit for a peace deal, might think it is. Yet many foreign governments have funded Ukraine so that it would be in as strong a position as possible during negotiations. To them, a settlement forced by Ukraine's finances would represent a tragedy, and a waste of money. ■

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Eurosclerosis

# Why European workers need to switch jobs

*The continent's labour market is ill-suited to an age of disruption*

Sep 18, 2025 03:16 PM



EVERYONE AGREES that Europe is slipping behind America and China—and everyone agrees that something must be done. Deciding what to do is the problem. A year or so ago, Mario Draghi, the EU's elder-statesman-in-chief, laid out a bold agenda, calling on policymakers to enlarge the single market by lowering barriers to internal trade and unifying capital markets. According to the European Policy Innovation Council, a think-tank, only 10% of his many suggestions have been implemented. “Governments have not grasped the gravity of the moment,” the man himself warned on September 16th.

But are both Mr Draghi and Europe's inactive politicians missing a trick? New research by European economists indicates that unsung reforms to the labour market might help. These have been mostly ignored by policymakers, in what is an understandable oversight. For decades Europe struggled with unemployment, which peaked in 2013 at almost 12%. It has now fallen to below 6%, owing to policies that made hiring and firing easier and reduced the lure of unemployment benefits, as well as stronger demand and an ageing workforce. Given that joblessness has been largely conquered, politicians today face a different challenge: boosting economic growth and innovation.

Labour markets function best when they match workers with jobs appropriate for their talents—a process that often involves employees moving between companies. When switching jobs, workers learn and teach new skills, helping ideas diffuse across the economy. They also enable more productive firms to expand faster, in turn raising wages. The problem is that Europe is a land of settlers. One in four Europeans has been with their employer for longer than two decades, compared with just one in ten Americans (see chart). Work by Niklas Engbom of New York University, using detailed Swedish data, finds that older workers are less likely to switch employers, suggesting that the problem will worsen as the continent ages.

Long tenures once made sense. In an economy safe from disruption, businesses benefit from highly qualified, specialised workers and are willing to spend money training them. The labour-market practices that fit with such an economy—including high firing costs, tenure-related benefits and collective bargaining—are quintessentially European. But they fit neither the economy that policymakers are attempting to build, nor an age of tariffs and increasingly fierce Chinese competition. The European Investment Bank, which invests on behalf of the EU, has €70bn (\$83bn) to spend on innovation by 2027. EU governments are now allowed to break state-aid rules when seeking to promote technological breakthroughs.

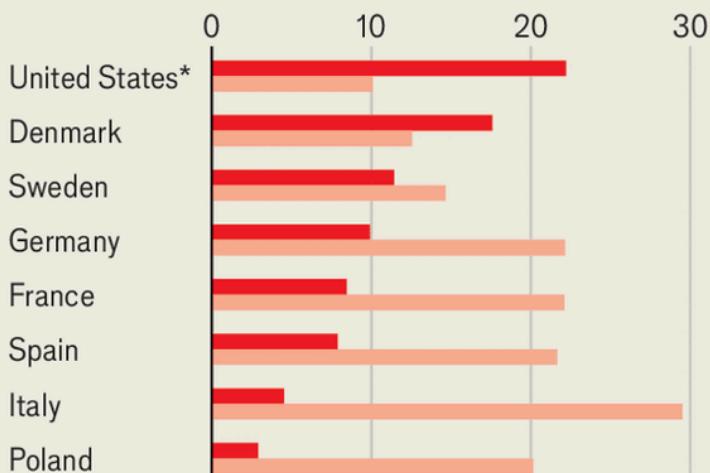
## Creative protection

Defenders of the status quo argue that within-company job changes and innovation will be sufficient to meet present challenges. If artificial intelligence makes training younger workers unprofitable for American businesses, the long attachment in European labour markets may still mean it is worthwhile on the continent. However, the bigger risk could come from the opposite direction. “There is...path dependency. Firms are very reluctant to change the type of technology, and focus on incremental improvements instead,” notes Antonin Bergeaud of HEC Paris, a business school. “The more you attach your worker to your firm, the more you reward that behaviour.”

## Mix and match

### Employment by tenure, 2022-23, % of total

■ New jobs      ■ Old jobs  
Less than a year      More than 20 years



### Male employees aged 25-54, 1991-2015

Selected countries



\*2024

Sources: "Eurosclerosis at 40: labour-market institutions, dynamism, and European competitiveness", by B. Schoefer, ECB Sintra conference paper, 2025; "Labour-market fluidity and human-capital accumulation", by N. Engbom, NBER working paper, 2022

How could policymakers encourage labour-market fluidity? One option is to ensure that benefits, such as pensions and severance pay, are portable and unrelated to employee tenure. Another is to untie collective bargains between unions and employers that set wages according to length of time spent at a firm. The third option is to make unemployment benefits eligible to those who have quit, not just been fired from, their job. To encourage job switching, subsidies that incentivise companies to hoard labour, such as furlough schemes, should be limited to crises.

There may also be a more palatable route. Simon Jäger of Princeton University and co-authors find, looking at a German survey, that workers who could earn a 10% higher wage if they moved jobs, expect a raise of only 1% on average. Perhaps, then, a publicity campaign could help. “There should be active labour-market policies for the employed,” quips Benjamin Schoefer of the University of California, Berkeley.

Europe’s lack of job-switching and innovative companies does not just reflect issues in the labour market itself. Housing policies that increase the cost of moves trap workers in less productive regions. Upstart firms need capital-market funding as well as workers. There are, therefore, plenty of ways that the European labour market could be made more vibrant. The workers of Europe may lose their seniority-related benefits. They do, however, have higher wages to win. ■

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**Buttonwood**

# Europe's great stockmarket inversion

*The hottest places to invest are on the continent's periphery*

Sep 18, 2025 04:40 PM



IT IS ONE thing to face higher borrowing costs than other governments, but being charged more than even businesses in the country you govern marks a new low. France's fiscal position has deteriorated so badly that this is the situation its politicians are now in. The yield on the country's ten-year government bonds stands at 3.5%, against 3.3% for those of Greece—which in 2015 actually defaulted on the IMF. In a surreal turn the French government now also pays higher interest than some French firms, including [LVMH](#) and L'Oréal, on debt of similar maturity. These are, to be fair, globe-trotting giants with revenue streams that cross continents. It is

still quite something that bondholders consider them less risky borrowers than the world's seventh-largest economy.

No wonder investors increasingly describe France as one of the euro zone's "peripheral" countries, which once meant those hit worst by the sovereign-debt crisis of the 2010s. The periphery (think Greece, Italy and Spain) saw its government bonds deemed risky; "core" countries (Germany most of all, with France not far behind) remained safe. As they start swapping places, the analogy might be taken further, because it is not just the euro area's sovereign-debt markets that are being turned inside out. Across the continent more broadly, stockmarkets that investors once considered peripheral have begun to far outperform the one-time core. Think of it as Europe's great inversion.

True, investors are more excited about German shares than they have been in years, as the country prepares to open the fiscal taps and splurge on defence. Its DAX index has risen by 19% in euro terms so far this year. Yet that pales in comparison with share prices in Italy (up 24%), Poland (29%), Spain (32%) and Greece (39%). Europe's other core stockmarkets, meanwhile, have been trounced. Britain's FTSE 100 index is up by just 9%; France's CAC 40 by 7%.

The periphery's outperformance is new. Europe's core markets might not exactly have thrilled international investors in the 2010s, but they did nowhere near as badly as the rest. The real value of a dollar invested in the DAX at the start of the decade would have been \$1.40 by the end of it, excluding dividends. France's CAC 40 and Britain's FTSE 100 would have made small real losses. (America's S&P 500, for comparison, would have returned \$2.40.) Over the same period, dollar investors in Italian, Polish and Spanish shares would have lost between 40% and 50% of their real value. Owners of Greek stocks would have lost nearly three-quarters of theirs.

Most of all, the inversion in shareholders' fortunes reflects changes in Europe's economy. German GDP shrank in 2023 and 2024, while British and French annual growth stagnated at around 1% or less. By contrast Greek and Spanish output—both of which contracted sharply in the early 2010s—last year grew by 2.3% and 3.2%, respectively. Although Polish growth has been hot for years, for much of that time investors were spooked by the

interventionist and anti-EU Law and Justice Party's control of parliament. After its replacement in 2023 by a more market-friendly coalition, Poland's stockmarket went gangbusters.

However, the story is not all about the economy. Italian stocks have also done well, after all, and recent growth has been about as lacking as in the core. The country's best-performing stock so far this year is Leonardo (up 93%), a company that builds fighter jets and shows that Germany is not the only beneficiary of higher defence spending. The next five, with share prices up by between 40% and 67%, are all banks or groups that own them. In fact, banking shares account for around 40% of the market value of firms listed in both Italy and Greece, and in each case are responsible for much of their outperformance.

This suggests the cheeriest conclusion of all for Europe's former periphery. For years, their banks were the continent's deadweight. During the euro-zone crisis the risk of sovereign default made policymakers worry that banks' balance-sheets, loaded with government bonds, would crumple. That created a "doom loop", constricting lending to the wider economy, thereby slowing growth and making the public finances even worse. Investors viewed peripheral bank shares with extreme distaste: they represented the sum of Europe's fears. Now they are some of its brightest stars. However disappointing for its core, Europe's great inversion is a sign that the periphery's darkest days are behind it.■

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Free exchange

# Would an all-out trade war be better?

*Donald Trump has so far avoided retaliation, which might carry a cost of its own*

Sep 18, 2025 03:16 PM



THE YEAR is 2029 and Donald Trump has left the White House. Upon his successor's shoulders rests the fate of the global trading system. The next president could end America's one-sided tariff onslaught overnight, bringing down its effective trade-weighted tariff rate from the high teens to the 2% or so it sat at before Mr Trump got going. Surely the choice is an obvious one?

From *The Economist*'s point of view, yes. Trade is mutually beneficial; taxes that stand in its way are self-harming. America's tariff resurgence

reflects the will of one man, not a popular uprising. Just six months in, allies are already showing their unhappiness: India is shuffling closer to China; Europeans are shying away from buying American military equipment. Trade deals are paper thin. And American manufacturing has lost jobs, puncturing hopes that import levies would lead to a rush of reshoring.

Yet such costs may not be obvious enough. Although markets sold off in cataclysmic fashion after Mr Trump's "Liberation Day", they are now hitting record highs: the S&P 500 index of big American firms is up by 12% this year. The broader economic damage has been masked, in part, by a boom in artificial-intelligence investment. This is a very different picture from the last great wave of protectionism. In the 1930s the notorious Smoot-Hawley tariffs did not—in contrast to the oft-told history of the period—cause the Depression. They merely aggravated it. But that underlined the lesson that turning inward is foolish.

Facts on the ground may also stay a would-be liberaliser's hand. Firms that are unable to adapt to the new trading regime will go under; those that survive will often have spent a fortune relocating production, and be disinclined to do so again. Some, shielded from foreign competition, will make a killing. For others, lobbyists will secure exemptions. In short, a new set of vested interests will be embedded throughout the American economy.

Moreover, tariffs raise revenues. The federal government earned \$30bn from customs duties in August—more than three-quarters of which came from Mr Trump's new levies. Lowering duties, therefore, would require Congress to find new "pay-fors" to make up the lost revenue. Indeed, the loss of considerably less revenue, and a subsequent scramble to find alternative sources of cash, nearly held up congressional approval for tariff cuts as part of the Uruguay round of trade negotiations in 1994.

So what might lead to liberalisation? Paradoxically, it would probably have helped if today's trade war were more warlike. Most countries have declined to fight America's tariffs with tariffs of their own. The EU drew up a list of goods to target, designed to inflict maximum political pain, but chose to delay imposing levies while it negotiated with America. A deal means that such tariffs have now been shelved. Luiz Inácio Lula da Silva,

Brazil's president, responded to America's levies on Brazilian goods by pointing out that there are other markets keen to trade with his country. Even Canada's prime minister, Mark Carney, who came to office on a wave of popular anger against America, is rowing back on retaliation. Only China has truly fought fire with fire.

In most senses, the absence of retaliation is a blessing. It has limited the short-term damage inflicted by Mr Trump's tariffs. A hotter trade war, however, would have made the harm from protectionism more obvious. The pain that Americans will feel from higher prices and slower economic growth, relative to a world of free trade, is real and will mount the longer tariffs remain in place, but it is not as obvious as shuttered factories and howls of outrage from politicians with constituents suffering from the loss of international custom. A grinding diminution of competitiveness is ultimately easier to ignore than an acute crisis.

Retaliation would also provide countries with something to offer Mr Trump's successor. As Douglas Irwin of Dartmouth College points out, America has typically liberalised its trading terms only when it feels aggrieved. On these occasions, it lowers its own tariffs in exchange for larger concessions from its trade partners—an approach that has long had a basis in legislation. Congress gave Franklin Delano Roosevelt, president during the Depression, the power to lower America's tariff rate by up to 50% using the Reciprocal Trade Agreements Act, but restricted it to when other countries cut their levies at the same time. Presidents have typically taken advantage of this (and similar) powers only when there has been a widespread belief that America is missing out. The so-called Kennedy round of trade liberalisation in the 1960s, for instance, was sparked by a sense that America was being excluded from the benefits of Europe's newly formed common market.

## **Not their bill to foot**

This time round, America's trading partners have judged that tit-for-tat responses would lead to escalation and self-harm. Why should they take the pain of retaliation in an attempt to make Americans see sense? The deterioration in global trading conditions is an American problem. It is Mr

Trump who has ramped up tariffs, and border taxes are largely paid by domestic consumers. On top of this, the country's politicians have the capacity to end the conflict. Mr Trump is making use of powers that he argues Congress has delegated to the White House. The Supreme Court may soon decide that he is wrong. In November it will hear arguments over the legal basis for many of his border taxes—the citation of two national emergencies under the International Emergency Economic Powers Act. However, a defeat would not be the end of Mr Trump's crusade. His lawyers would root around in the statute books in order to find other grounds for his levies. Americans, then, have the solution within their grasp: simply vote for a free-trading president in 2028, even if tariffs cause only gradual decline, rather than outright catastrophe. ■

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# Science & technology

- **The health benefits of sunlight may outweigh the risk of skin cancer**  
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- **Pink pineapples and lab-grown meat: tasting the foods of the future**  
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**Walking on sunshine**

# The health benefits of sunlight may outweigh the risk of skin cancer

*More sun might improve your heart and immune system. Just don't get sunburnt*

Sep 19, 2025 02:40 PM



SEPTEMBER 22ND marks the autumn equinox and, in the northern hemisphere at least, heralds the gloomy six-month period during which the nights will be longer than the days. As a result, millions of sun-starved northern Europeans will flee to the beaches of the Caribbean or north Africa in search of some winter rays.

Their doctors would probably rather they stayed home. Besides ageing the skin prematurely, the ultraviolet (UV) radiation in sunlight also scrambles DNA. That causes skin cancer, worldwide rates of which are rising steadily.

And although some sunlight is necessary to make vitamin D, this nutrient can also be obtained from food or pills. For that reason, public-health advice over the past few decades has tended to emphasise avoiding the sun, via seeking shade, covering up and using sun cream.

But perhaps that advice has gone a bit too far—at least for denizens of gloomy countries at high latitudes. A growing body of research hints at [health benefits from sunlight](#) that go beyond just those offered by vitamin D. These include protections against heart disease, cancer and autoimmune diseases. A study published last year, for instance, examined medical data from 360,000 light-skinned Brits and found that greater exposure to UV radiation—either from living in Britain’s sunnier southern bits rather than the darker north, or from regularly using sunbeds—was correlated with either a 12% and 15% lower risk, respectively, of dying, even when the raised risk of skin cancer was taken into account.

That fits with the results of another big study published a decade earlier. Led by Pelle Lindqvist, an epidemiologist at the Karolinska Institute in Stockholm, it followed 30,000 Swedish women for 20 years. It likewise found that, even after correcting for things like age, wealth and health, sun-seeking behaviour was associated with a lower chance of death from all causes. People with the most sun exposure had only half the risk of dying compared with those who had the least exposure.

“The big picture is that the benefits of sunlight outweigh the risks—provided you don’t get sunburnt,” argues Richard Weller, a dermatologist at the University of Edinburgh and one of the authors of the British study. Drs Lindqvist and Weller are two of the 17 scientists who also wrote a review paper, published in June, which urged public-health bodies to pay more attention to the growing evidence for the beneficial effects of UV radiation.

Evolution strongly suggests that sunlight has upsides. In sun-soaked Africa, where hairless humans first evolved, it equipped them with plenty of melanin, a pigment that helps protect skin from the DNA-scrambling effects of UV light. But once some of those humans had migrated north to places with weaker sun, the melanin levels of their descendants dropped, allowing in more UV radiation.

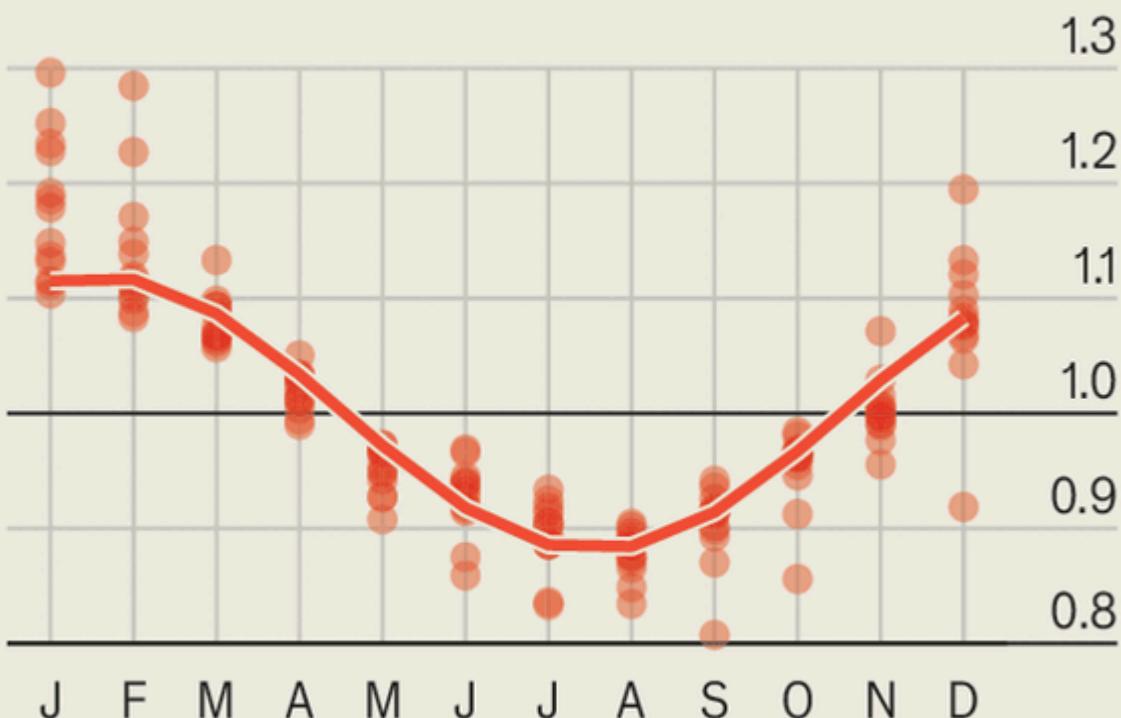
Light skin has evolved at least twice—once among modern Europeans and again among east Asians—and the evolutionary pressure that drove it is among the strongest seen in the human genome, says David Whiteman, a skin-cancer specialist at the QIMR Berghofer Medical Research Institute in Brisbane. It all suggests that UV radiation serves a purpose in human biology—and that both too little and too much sunlight is undesirable.

One of the upsides of sunlight is well known. UV radiation is necessary for the body to make vitamin D, a lack of which can cause soft bones and skeletal deformities in children. Higher levels of vitamin D in the blood are associated with all sorts of potential health benefits, from better heart health to lower cancer risk. But several big studies into the effects of vitamin D supplements have had disappointing results, says Amaya Virós, a skin-cancer researcher at the University of Manchester. (In 2022 an editorial in the *New England Journal of Medicine* argued that, given those findings, doctors should stop recommending their patients take them for general use.)

Some researchers now think that the association between vitamin D and good health is, in fact, explained by other chemical pathways influenced by the sun's rays. There is no shortage of candidates: sunlight seems to affect the expression of many different genes. One mechanism that has attracted particular attention involves nitric oxide, a signalling molecule that, among other things, relaxes blood vessels and lowers blood pressure. In 2009 a group of researchers based in Germany showed that UV irradiation converts chemicals in the skin into nitric oxide, which then makes its way into the blood—and that whole-body exposure caused a quick and substantial drop in blood pressure.

## Heart of darkness

Northern hemisphere\*, ratio of observed to expected deaths from cardiovascular diseases



\*12 countries

Source: "Seasonal variation of overall and cardiovascular mortality", by H. Marti-Soler, S. Gonseth et al., *PLOS One*, 2014

That throws suggestive light on existing data showing that blood pressure tends to rise the farther from the equator you go. One 2017 paper found an increase of roughly 5mm of mercury (the units in which blood pressure is measured) for every thousand kilometres north of the equator. High blood pressure is a risk factor for heart disease—and death rates from heart disease in high-latitude countries also show a striking seasonal pattern, being highest in winter and lowest in summer (see chart). Some of that is down to colder weather, changes in diet and the like. But some researchers wonder if at least some of it could be down to lack of sun, too.

Another intriguing line of evidence concerns UV radiation's effects on the immune system. For multiple sclerosis (MS), it appears to offer relief (like high blood pressure, MS seems to be more common in higher latitudes). Some scientists are exploring whether UV's effects on the immune system might also improve its ability to combat cancers. In work that is currently unpublished, Drs Virós and Weller have studied a specific immune mechanism (unrelated to vitamin D) in both people and lab mice that may reduce the risk of cancer spreading to other parts of the body.

Other studies report an association between sun exposure and lower rates of diabetes (with evidence from mice once again implicating nitric oxide). A lack of sunlight is thought to be an important reason why, [in some Asian cities](#), more than 80% of teenagers now need glasses. Bright light—of the sort that is hard to generate indoors—appears vital to regulate the growth of children's eyes.

All this is fuelling calls by some researchers to tweak public-health guidelines to tone down the emphasis on avoiding the sun, and to acknowledge that the risks and benefits will differ between those with lighter or darker skin. "You can't tell someone of African extraction he has the same risks and benefits from sun exposure as someone from a Scottish background," says Dr Virós. In Britain, cardiovascular disease kills far more people every year (around 170,000) than skin cancer, which kills around 3,000, points out Dr Weller.

Not everyone is quite so gung-ho. Much of the new research pointing to benefits has been carried out only on light-skinned people in sun-starved countries, for one thing. The positive results on blood pressure, cancer and so on seem biologically plausible, says Dr Whiteman. But the nature of epidemiological research makes it hard to be sure that researchers have really thought of every other possible explanation. Biological mechanisms for many of the apparent links between sunlight and health are still missing, or poorly understood. "I don't think we quite have proof yet," he says. In Britain the National Institute for Health and Care Research concluded earlier this year that the evidence was not strong enough to justify altering official advice to avoid strong sunlight between March and October.

But things are changing elsewhere. Australia is full of people of European descent who are evolutionarily ill-suited to the climate they now live in, says Dr Whiteman. As a result it has some of the world's highest rates of skin cancer, and pioneered the sun-avoidance message that has now become standard. Yet last year it tweaked its guidance to take account of the benefits of sunlight, and the importance of skin colour.

The idea that sunlight has benefits as well as risks makes for a tricky public-health message, says Antony Young, a skin photobiologist at King's College London. But he nevertheless detects the beginnings of a shift in the field. "No one is saying you should get sunburnt. But some of my colleagues that have never advocated any kind of intentional sun exposure are perhaps starting to mellow." ■

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**Lab to table**

# Pink pineapples and lab-grown meat: tasting the foods of the future

*A restaurant in San Francisco offers a test*

Sep 18, 2025 03:16 PM | San Francisco



**BETWEEN COURSES** at Green Americana, a pop-up restaurant in San Francisco's Mission District, chefs Philip Saneski and Emily Hopkins explain their creations. Some of the tableside patter is familiar. The pork meatball is sourced from within city limits; the chicken-fried steak—as any fan of Southern cooking knows—contains no chicken (the name comes from the way the meat is cooked); the espresso martini is made from alcohol from the Cognac region of France.

And yet there is also something magical at play. The chicken-fried steak is not only chicken-free, but beef-free too. The espresso martini has never

seen a coffee bean. And the pig the pork meatballs are made from? It's gone to live on a farm upstate. No, really; it has.

Credit for the meal's conception belongs to Xander Balwit, a writer and editor who covers the biotechnology industry. She wanted to present an optimistic vision of what the food industry could be like in 2055, based on [real technologies](#) in the world today. Coverage of those "future foods" tends to present them as inferior substitutes for the so-called natural products they're replacing, she says, but what if a restaurant decided to treat them as haute cuisine instead?

Some ingredients at Green Americana have had an ethical upgrade. The steak, for example, is made of textured plant protein created by an Israeli startup, Redefine Meat. A pleasant consequence for diners, Mr Saneski adds, is that because plant proteins absorb marinades quicker than their animal equivalents, the chefs can be bolder with flavouring.





As for the pork meatballs, they were made by Mission Barn, a San Francisco-based cultivated-meat startup, from cell samples taken from Dawn, a Yorkshire sow. Rather than attempting to create a full chop in the lab, the company focuses on fatty tissue, combining cultivated cells with plant proteins to get something that feels—and tastes—more like the real thing. The meatballs are not technically vegan (nor, one suspects, kosher or halal), but as the sow herself is happily retired on a farm in upstate New York, your correspondent scarfed them guilt-free.

Other future foods had similarly impeccable moral credentials. The espresso martini was flavoured with ersatz coffee created by Voyage Foods. It, too, tasted authentic, despite being made from chickpeas, rice hulls and green tea. With climate change, coffee is vulnerable—each degree of warming shifts more cultivation from the prized arabica variety to the blander robusta, even as yields fall by 14%.

Rather than adapting to environmental change, future foods can be deployed to fight it. The butter used in the southern American-style biscuits served alongside the steak was produced by Savor, an American food-tech firm. Not only is it a vegan spread, but, unlike typical margarines which use plant fats, its fats are synthesised from carbon dioxide, methane and hydrogen. Pair it with a machine capable of cleanly extracting carbon

dioxide from the atmosphere and the possibility looms of literally eating away at climate change.

Not all the innovations hold a mirror up to nature. Take the pink pineapple used in the upside-down cake. Genetically modified with a simple tweak to maintain the levels of lycopene, a pink pigment that is naturally present in underripe pineapples but typically degrades as the fruit matures, it offers a blissful vision of a future where things are done just because they can be.

The results of these culinary contortions were, for the most part, appetising as well as exciting (your correspondent went back for seconds of the beef-free filet mignon and pig-free pulled pork). And for Ms Balwit, getting people excited was the point. Discussions about the future of food have turned apologetic, she says, with innovations often presented as sensible alternatives rather than worth consuming in their own right. “What if we were just celebrating it?” she asks. Fine-dining trends might not transform the food system overnight, but they can often inspire changes in home kitchens. ■

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**Large diagnostic models**

# A new AI model can forecast a person's risk of diseases across their life

*Delphi-2M can predict which of more than 1,000 conditions a person might face next*

Sep 18, 2025 04:40 PM



MUCH OF THE art of medicine involves working out, through detailed questioning and physical examination, which disease a given patient has contracted. Far harder, but no less desirable, would be identifying which diseases a patient might develop in the future. This is what the team behind a new [artificial-intelligence \(AI\) model](#), details of which were published in *Nature* on September 17th, claims to do.

Though the model, named Delphi-2M, is not yet ready for deployment in hospitals, its creators hope it could one day allow doctors to predict if their patients are likely to get one of more than 1,000 different conditions, including Alzheimer's disease, cancer and heart attacks, which all affect many millions every year. In addition to helping flag patients who are at high risk, it might also help health authorities allocate budgets for disease areas that may need extra funds in the future.

The model was developed by teams at the European Molecular Biology Laboratory (EMBL) in Cambridge and the German Cancer Research Centre in Heidelberg. It takes inspiration from large language models (LLMs)—such as GPT-5, which powers ChatGPT—that are capable of producing fluent prose. LLMs are trained to spot patterns in enormous amounts of text scraped from the internet, which allows them to select the word most likely to come next in any given sentence. Delphi-2M's creators reasoned that an AI model fed on large amounts of human-health data could have similar predictive power.

In many respects, the design of established LLMs was well-suited to the task. One major tweak that was needed, however, was to teach such a model to account for the time that had passed between events in a patient's life. In written text, consecutive words immediately follow one another; the same is not true for diagnoses in a patient's history. High blood pressure following a positive pregnancy test, for example, requires different interpretations depending on whether the two are separated by weeks—in which cases the pregnancy can be affected—or years.

This adjustment was performed by swapping out the part of an LLM that encodes a word's position for one encoding a person's age. (It wasn't without mishaps: in an early version of the model new diagnoses were sometimes predicted after a person had died.)

Delphi-2M was then trained on data from 400,000 people from UK Biobank, a database that contains arguably the world's most complete human biological data set. The model was given the timing and sequence of ICD-10 codes, the international medical shorthand doctors use to register officially recognised diagnoses, representing the 1,256 different diseases that appeared in the Biobank data set. The model was subsequently validated on

data from the remaining 100,000 people in the Biobank before being tested further on Danish health records, which are famously long-running and thorough. In this case, the team used data from 1.9m Danes going back to 1978, ensuring a much more diverse and representative sample than the UK Biobank could provide.

To judge the model's performance, researchers measured its AUC (short for "area under the curve", referencing a region in a probability chart), in which a value of 1 would mean perfect predictions and 0.5 would be no better than random. For predictions of diagnoses within five years of a previous one, on average Delphi-2M performed at a value of 0.76 on British data, with a small drop to 0.67 for the Danish data. Events that would often follow a specific previous one—death following sepsis, say—were correctly predicted more often, whereas those caused by more random, external factors, such as picking up a virus, were harder to predict. Unsurprisingly, the model's accuracy also dropped a little over time: when forecasting ten years into the future, it scored 0.7 on average.

Real-world applications remain far off for now. Delphi-2M will first need to go through a much more rigorous trial period giving clinicians the opportunity to explore if it leads to better outcomes for their patients. That process could take many years. The Delphi-2M team is also working on updating the model to enable it to take in more sophisticated data than chronological lists of diagnoses. As the UK Biobank also contains medical images and genome sequences, adding this data to the model might further improve its accuracy.

As impressive as Delphi-2M appears, it is not the only artificial health forecaster in town. For instance, an AI model called Foresight, originally developed at King's College London in 2024, also uses patients' medical histories to predict future health events. (A larger version of the project was paused in June following concerns that NHS England had not sought the proper approvals when it gave the Foresight team access to the data.) The ETHOS model being developed at Harvard University also has similar aims.

Although patients will have to wait to feel the direct benefits of Delphi-2M, even the preliminary version of the model already offers a potential treasure trove for biologists. Its style of prediction reveals which conditions cluster

together, which may in turn suggest previously unexplored relationships between diseases. Future, beefier AI models, could take that work even further. The possibilities are exciting, says Ewan Birney, a geneticist at EMBL. “I’m like a kid in a candy shop.” ■

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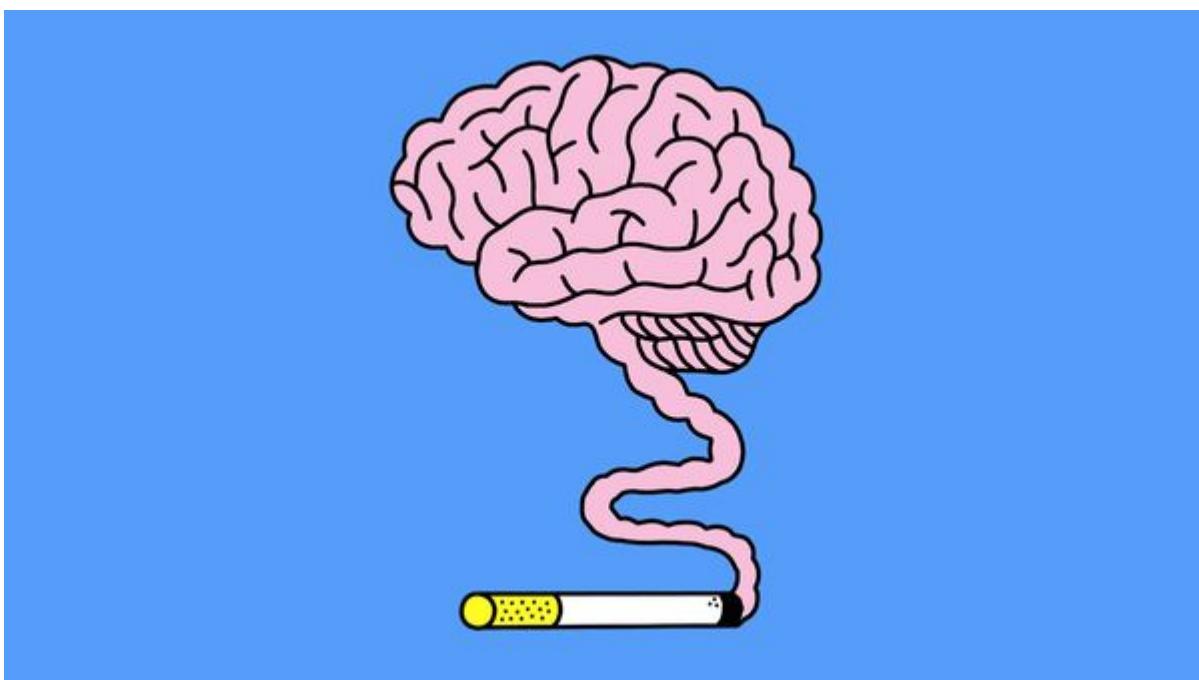
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**Well informed**

# What nicotine does to your brain

*The drug is hugely addictive but it does boost mental performance*

Sep 18, 2025 03:16 PM



BY SOME RECKONINGS, nicotine is as addictive as cocaine. It has led legions to a slow death by cigarette. Increasingly, however, people consume nicotine on its own. Nicotine vapes and oral pouches have soared in popularity; the global vaping market is expected to grow to \$47.5bn in 2028, up from \$22.5bn in 2022. But is nicotine simply a compound on which people are hooked or does it offer some kind of benefit?

Nicotine is much less harmful than the tobacco that naturally contains it. It has never been found to cause cancer. Nor does it cause other smokers' diseases such as emphysema. But it is, of course, strongly linked with why smokers smoke at all. Beyond avoiding nicotine-induced withdrawal symptoms, such as irritability and anxiety, many say they smoke to "stay

focused”. This has led scientists to consider whether nicotine might directly influence people’s ability to think.

In 2010 researchers at America’s National Institutes of Health pooled the results of 41 trials on nicotine’s cognitive effects. Participants were either given a placebo or nicotine (though a few used tobacco, not pure nicotine). They found that a nicotine hit had “significant positive effects” on attention and memory.

This mental sharpening arises because nicotine is a stimulant. It prods neurons to release brain chemicals called neurotransmitters, including dopamine, glutamate, noradrenaline and serotonin. These promote alertness, learning, memory and motor control. Brain-scan studies also show that nicotine’s stimulating properties increase blood flow to parts of the brain involved in thinking, such as the prefrontal cortex and the thalamus.

With such compelling evidence of benefits, it is tempting to think that nicotine or similar compounds might even be useful therapeutics. One study, published in *Nature Medicine* in 2017, described how nicotine reversed mental deficits in mice with a gene variant linked with schizophrenia in humans, opening the door to novel treatments. A review published in 2023 also found that nicotine improved both short- and long-term memory in people with Alzheimer’s and Parkinson’s diseases.

But this influence on brain chemistry has a worrisome side, too. It is possible that regular exposure during critical periods in development, namely in the womb or during adolescence, can rewire the brain in unfavourable ways. As it would be unethical to test these things rigorously in people, scientists look for insight in animal studies even if the findings are not directly transferable.

In one study on rats, researchers found that nicotine exposure during adolescence, but not adulthood, led the animals to be more impulsive later in life and show an inability to pay attention to visual stimuli. Another found that exposed adolescent rats later showed anxiety and depression-like behaviours. Similar outcomes have been found for mice exposed in the womb.

And nicotine really is addictive. The dopamine it stimulates, particularly in a brain area called the nucleus accumbens, activates the brain's reward network by creating a pleasurable sensation which, when it fades, produces an urge to take nicotine again.

Among psychoactive drugs, this state of affairs is not unique. Alcohol and caffeine, for example, can also harm developing brains and yet provide some benefits to adults. Nicotine's upside of a mental boost should similarly be considered in context—as downsides go, addiction is nothing to sniff at.■

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# Culture

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**Human psychology**

# What naked emperors and Super Bowl ads have in common

*How a Harvard polymath thinks people think*

Sep 18, 2025 03:17 PM



**When Everyone Knows That Everyone Knows...** By Steven Pinker.  
Scribner; 384 pages; \$30. Allen Lane; £25

IT IS THE ultimate feel-good democratic fable. An emperor buys a new suit of clothes from two conmen, who tell him it is invisible to fools. Not wanting to seem foolish, the emperor and his courtiers all praise its exquisite tailoring. When the emperor parades in the street, the crowds applaud his elegance. Until a little boy points out the obvious: the monarch is naked.

Readers have long loved [Hans Christian Andersen's](#) story. It reminds them of the vanity and fallibility of rulers. But there is another way of understanding it, argues [Steven Pinker](#), a psychologist at Harvard University. The story “draws on a momentous logical distinction” between private and common knowledge. “By blurting out what every onlooker could see within earshot of the others, [the boy] ensured that they now knew that everyone else knew what they knew, [and] that everyone knew that everyone knew...And that changed their relationship to the emperor, from obsequious deference to ridicule.”

Common knowledge—knowing that others know something, and that they know we know—is powerful. Thinking about it “illuminates many enigmas of our public affairs and personal lives”, Professor Pinker argues, in this fizzing, erudite book.

It can topple dictatorships. On December 21st 1989 [Nicolae Ceausescu](#), Romania’s despot, was addressing a large crowd, many of whom were state employees bused in to wave pro-regime flags. Suddenly, someone jeered. Then the jeers spread, and soon the whole crowd was jeering. Though the censors hastily cut the live television feed, the whole country realised that practically everyone hated the dictator. Four days later Ceausescu was executed by firing squad, and Romania was free.

Common knowledge can set off more mundane events, too. In 1973 [Johnny Carson](#), a popular television host, warned that a toilet-paper shortage was looming. This was false when he said it, but quickly became true. Some people believed Carson. Others thought that others would believe him, and rushed to stock up on toilet paper before everyone else did.

The episode fixed in the public mind the idea that toilet paper runs out during emergencies, which may be why it happened again during the covid-19 pandemic. The virus did not noticeably disrupt supply chains of loo paper, but people panic-bought it because they assumed other people would. Shops ended the frenzy by putting up signs limiting people to three packages. The point was to “signal to customers that their fellow customers could not strip the shelves bare”.

Common knowledge allows co-ordination, for good or ill. Fiat currency relies on it: dollars have value because everyone knows that other people value them. And property rights “hinge not on a judgment of who ‘deserves’ a resource, but on common knowledge of who is recognised as having the right to keep and use it”.

On the bad side of the ledger, the single largest motive for young men murdering each other is a fight over something trivial, such as an insult or a jostle. Why? Because young toughs need a reputation for being someone you don’t mess with. If they publicly back down, they invite their peers to bully them. This is why, studies find, an argument is less likely to turn violent if no witnesses are present.

Something similar applies to countries. Surprisingly, “to the many people who think countries fight over resources”, most big wars between 1648 and 2008 were over “standing” or “revenge”. Donald Trump has failed to end the [conflict in Ukraine](#) partly because he imagines it is about real estate, rather than Vladimir Putin’s desire to “restore the greatness of Russian civilisation and rebuke its humiliation in the eyes of the West”.

Social-media pile-ons are vicious because they take place in public. What terrifies the speech police “is not that a dangerous idea might be thought, or even expressed, but that it might become common knowledge”. This is why heretics who break taboos publicly are punished publicly. It may also be why most American college faculty under 35 favour shutting down speakers they disapprove of, and a fifth support students who would use violence to this end. Professor Pinker is appalled. The murder of [Charlie Kirk](#) on September 10th showed why he is right to be.

Advertisers and spin doctors deftly exploit common knowledge. The value of a Super Bowl spot is not just that millions will see it; it is also that viewers know that millions of others have seen it. So the ads are seldom for goods consumed in private, like breakfast cereal. Rather, they are for brands people will buy if they think other people think them cool, such as cars or clothes, or products whose value depends on many people using them. The Super Bowl in 2022 was known as the “Crypto Bowl”, because so many [cryptocurrency](#) exchanges touted their wares. Many viewers then bought crypto because, after hearing Matt Damon, an actor, whisper “Fortune

favours the brave” in a sexy, masculine voice, they thought other people would.

Autocrats have grown more skilled at disrupting the spread of common knowledge. In the second half of the 20th century non-violent protest movements were twice as likely to succeed as violent revolts. As a scriptwriter has Mahatma Gandhi say in a film from 1982, “100,000 Englishmen simply cannot control 350m Indians if the Indians refuse to co-operate.”

However, in the past two decades the success rate of non-violent protests has fallen (though they are still more effective than the violent sort).

Oppressive governments have devised smarter forms of censorship. China, for example, not only has copious high-tech tools to shape the national conversation, but uses them judiciously. Instead of silencing complaints, which give the regime valuable information about which policy to fix and which official to purge, it stamps hardest on information that helps protesters co-ordinate their activities, such as notices of when and where rallies are to take place.

## **Great minds**

People are highly sensitive to common knowledge. Professor Pinker speculates that it is one reason why language evolved, since it generates it so cheaply. It also explains some odd human habits. We blush so others will know we are sorry, even if we can’t bring ourselves to apologise. We avoid eye contact to avoid embarrassment. Mormons joke: “Protestants don’t recognise the pope. Mormons don’t recognise each other in the liquor store.” If they pretend not to have seen each other, they can avoid acknowledging that they have been caught breaking the rules.

No other animal comes close to the human capacity for surmising what is going on in someone else’s head—a fact that once saved this reviewer’s life. He was walking through the bush in Zimbabwe when he chanced on two lions mating. The male was audibly annoyed at the interruption. The sensible guide ordered us not to run away, since lions see fleeing animals as food. The lions, concluding that we were not food, slunk moodily off. We

survived because we know how lions think and they don't know how we do. It's good to be human—even if, from time to time, we have to remind some of our fellow humans that they are only human, too. ■

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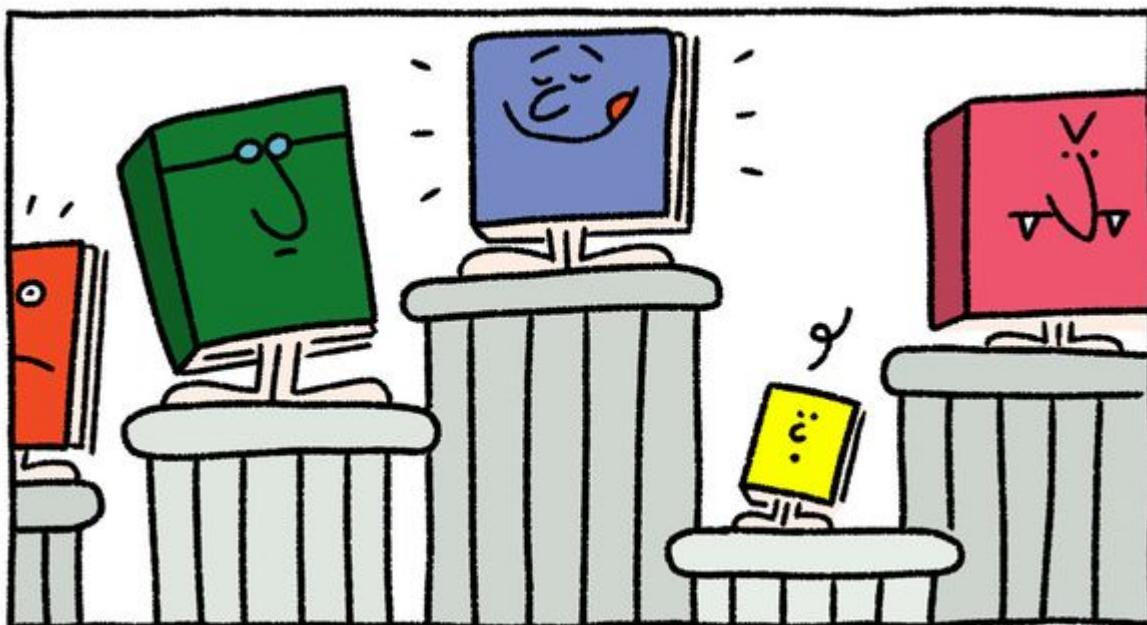
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The Economist reads

# The best recent novels to read this autumn

*They tell stories of pumas, prisoners and lost poems*

Sep 18, 2025 03:17 PM



AT THE END of 2024 a survey by YouGov found that one of Americans' top resolutions for the coming year was to [read more](#). By this point, however, most will have given up on that aspiration, along with their dreams of perfectly toned muscles or a completed list of DIY projects. But all is not lost as the end of the year draws closer. We have rounded up eight of our favourite novels published in recent months. Among our choices are a number of slim volumes: perfect for any determinedly bookish folk who still have an end-of-year reading target to hit.

**Drayton and Mackenzie.** By Alexander Starritt.

Two very different men, James and Roland, meet as young adults. Both seek success, first as [management consultants](#), then as entrepreneurs in the field of green energy. As they navigate private pain and the turmoil of the global financial crash of 2007-09, they increasingly value their friendship. Both characters are expertly drawn in this funny, touching story.

**Dusk.** By Robbie Arnott.

A puma roams the Tasmanian highlands, killing sheep and their shepherds. Iris and Floyd, twins and social outcasts, join the hunt in hope of securing a bounty. This brings them into contact with another tracker, Patrick, who is cunning and dangerous. This is a propulsive novel of survival and betrayal, enriched by arresting depictions of nature.

**Flashlight.** By Susan Choi.

One night, while on holiday in Japan, ten-year-old Louisa and her father go for a walk along a beach. The next day she is found half-dead and her parent has disappeared. At home in America, Louisa and her mother attempt to make sense of the mystery that rocked their lives. A meditation on identity and displacement that is full of twists and turns.

**The Loneliness of Sonia and Sunny.** By Kiran Desai.

An engrossing story of two young Indians trying to make it in America. Sonia is an aspiring novelist in Vermont; Sunny is a journalist in New York. They meet and fall in love, but the question is whether they are able to stay together, find happiness and feel “life growing bigger”. This book is grand in sweep—it traverses continents and features a large cast of characters—yet satisfyingly intimate.

**Seascraper.** By Benjamin Wood.

This atmospheric novel chronicles two days in the life of Thomas Flett, a young Englishman who works as a “shanker”, scouring a desolate stretch of beach for shrimp. When Edgar Acheson, an American film director, arrives to woo his mother, Thomas sees an opportunity to leave his hardscrabble

existence behind and pursue his dream of being [a folk singer](#). But is the visitor all he claims to be?

**Sympathy Tower Tokyo.** By Qudan Rie.

Translated by Jesse Kirkwood.

The winner of Japan's prestigious Akutagawa prize, this novel is set in an imagined future and revolves around Sara Machina, an architect tasked with designing a skyscraper in which convicted criminals can live in comfort. Sara, a victim of sexual assault, is uncomfortable with the commission and seeks guidance from a chatbot. A bold interrogation of crime, punishment and redemption.

**Vulture.** By Phoebe Greenwood.

This scathing send-up of war reporting follows Sara, a young English freelance reporter, as she covers conflict in [Gaza](#) in 2012. Frustrated by "monkey journalism", and determined to make a name for herself by writing a hard-edged front-page story, she ignores the warnings of her translator and fixer and goes recklessly in search of an exclusive. Soon she is dangerously out of her depth. A supremely accomplished debut full of wit and bite.

**What We Can Know.** By Ian McEwan.

In 2014 a celebrated poet reads his latest work, dedicated to his wife, at her birthday party. Then the poem goes missing. In 2119 an academic trawls through archives in his quest to track down the lost poem. His discovery yields an account of passion, murder and guilt. [Ian McEwan](#) combines a post-apocalyptic dystopia, a love story and a thrilling mystery to great effect: this is an inventive, exquisitely written book. ■

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Three brings a crowd

# People are going pretty mad for “The Summer I Turned Pretty”

*The show, about a love triangle involving two brothers, is a global hit*

Sep 18, 2025 03:16 PM



ISABEL “BELLY” CONKLIN (Lola Tung) was in a tricky situation. Should she have married Jeremiah Fisher (Gavin Casalegno), her childhood best friend? Or should she have reunited with his brother, Conrad (Christopher Briney), whom she dated as a teenager? That was the plot of the third and final season of “The Summer I Turned Pretty” (“TSITP”, pictured), a hit show on Amazon Prime Video. On September 17th fans found out which, if either, of the Fisher brothers Belly chose.

The show’s premise is faintly preposterous. But its popularity is real. “TSITP” has topped Amazon’s charts in America, Australia, Britain, Canada,

France and Germany, among other countries. The programme has become a sensation on social media, with legions of fans posting memes and boasting of their affiliation to #TeamConrad or #TeamJeremiah. (It seems it is the quiet, brooding Conrad who has won more viewers' affection: his hashtag has 13.5bn views on TikTok, whereas flirty, fun-loving Jeremiah has only 5.3bn.)

Devotees have gathered in person for themed “TSITP” dinners and “watch parties”. Amazon has hosted public screenings. Parrot Analytics, a data firm, has found that “demand” for the final season—measured by episode views, mentions on social media and more—has been 116 times that of the average romance series.

Love triangles have long made for enticing stories. Literature is full of them: Helen, Menelaus and Paris in Greek mythology; Catherine, Heathcliff and Edgar in “Wuthering Heights”; Anna, Alexei and Vronsky in [“Anna Karenina”](#). This is because narratives require conflict—and they require characters to make choices that will change their fate in some way. A protagonist with divided romantic loyalties, whose decision will determine their future happiness, ticks both of those boxes.

And the love triangle is a flexible dramatic device. Paramours, faced with the prospect of losing their beloved, may behave in strange, violent, noble or entertaining ways. Depending on the circumstances, the situation can be humorous ([“Bridget Jones’s Diary”](#)), tragic ([“The Great Gatsby”](#)) or poignant ([“Casablanca”](#)).

Screenwriters have fallen back in love with love triangles, for there has been a spate of such stories of late. In “Materialists”, a romantic comedy, a professional matchmaker called Lucy (Dakota Johnson) finds herself in a love triangle with John (Chris Evans), her hard-up ex-boyfriend, and Harry (Pedro Pascal), a charming millionaire. In “Eternity”, a forthcoming movie, Joan (Elizabeth Olsen) must choose whether to spend the afterlife with her first husband (Callum Turner), who died at war, or the man she spent the rest of her life with (Miles Teller). Other shows have emerged in the mould of “TSITP”, such as Netflix’s “My Life With The Walter Boys”, also involving two brothers.

But why has “TSITP”, in particular, seduced so many viewers? In part it is because of the salaciousness of the set-up, as well as the story’s luxurious setting. (Most of the action takes place at Cousins Beach, a fictional coastal resort.) “TSITP” is also based on a popular series of books. [Jenny Han](#)’s trilogy was a bestseller when it was published in 2009-11; the adaptation has boosted sales again. Fans dissect the differences between the books and the series, debating characters’ decisions or adding narration to scenes.

As a result, the show has managed to tap into online fan culture in the way that “Twilight” did before it. “Twihards”, as enthusiasts of Stephenie Meyer’s fantasy saga called themselves, were fiercely #TeamJacob or #TeamEdward. Fans felt that who you supported said something about who you were. The same is true of “TSITP”. “If you’re team Jeremiah,” one young woman posted on Instagram, “we can’t be friends.”

What is interesting is that, though it is a teen drama, “TSITP” is popular with adults. Its main audience is women aged between 25 and 54. That has not stopped fans from behaving like children: Amazon has asked fans of “TSITP” to “act normal online” and stop hurling insults—and even death threats—at actors who play characters they do not like. Viewers have lost their hearts to Jeremiah and Conrad. It seems they have lost their heads, too.

■

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**Back Story**

# Should a controversial Russian soprano sing in London?

*The row spotlights the role of art in a time of war*

Sep 18, 2025 04:40 PM



**DOES IT MATTER** how good she was? Because Anna Netrebko was very good indeed. At the Royal Opera House in London on September 11th, the Russian-born soprano sang the title role in “Tosca”—Puccini’s tale of a diva who becomes entangled with a cruel, faithless tyrant in a time of war. On stage, Ms Netrebko’s voice was gloriously rich and delicate. Outside, a protester in a red-spattered robe held up a placard as another played dead at her feet: “While Netrebko sings, [Ukraine](#) bleeds.”

One of the world’s top opera singers, Ms Netrebko (pictured) was [shunned by Western venues](#) after Russia invaded Ukraine in 2022 because of her

past links to the Kremlin. Now the Royal Opera, and other European houses, have invited her back (she remains blacklisted by the Metropolitan Opera in New York). To the protesters and other critics, this a betrayal, which rewards a collaborator and launders bloodshed. Art and politics cannot be separated, they insist. The truth of the Netrebko affair is more nuanced, but also simpler and sadder.

Yes, her talent matters, say both sides in an inevitably emotional debate. She wouldn't be appearing if she weren't a world-class artist, say her backers. To those who object, her superstar status is part of the problem. She is a glitzy decoy for a murderous regime, they say, and a tool of cultural propaganda. The odd-sounding implication is that hiring a mediocre Russian soprano would be acceptable, but a stellar one is not.



Do her political allegiances matter? Yes, both sides agree; personal morality is a consideration alongside art. But again they draw different conclusions. Ms Netrebko has condemned the war, but opponents doubt her sincerity and focus on her previous record, which understandably angers many Ukrainians. After Russia fomented a conflict in eastern Ukraine in 2014, she posed for a picture with a separatist flag (later claiming that she didn't grasp its meaning). She has received awards from Vladimir Putin and made

gauchely flattering remarks about him. She still hasn't criticised him directly.

Of course she hasn't, say her defenders. Denouncing him was always perilous, and has become only more so as he has ratcheted his autocratic system into a totalitarian one. Her comments about the war alone have incurred allegations of treachery. As for her earlier association with the Kremlin: it is hard for stars to avoid the touch of the tentacular Russian state. She lives in Austria and hasn't been back to Russia since the start of the war.

Another, wholly legitimate worry informs the furore: the fear of Ukraine fatigue, and that the attention and support of countries like Britain might wane even as the Russian bombardment intensifies. Thus the urgency to call out any perceived backsliding. But the passage of time recasts the dispute in another way, too.

When the invasion began, arts impresarios, like others in the public eye, hurriedly disavowed Russians seen to be tied to the regime. The boycott was partly motivated by natural outrage and moral revulsion. It was also a case of crisis-management PR by scrambling executives. To a harsh observer, there was a trace of self-aggrandisement in the idea that creative types in the West had a say in geopolitics.

Three and a half years on, the exigencies of war are clearer. It runs on shells and drones and Patriot missiles and conscripts. Mr Putin has shrugged off [hundreds of thousands of casualties](#) and his country's ostracism; the stalled careers of some Russian artists have not swayed him (many have anyway gone into exile or been jailed). He won't be emboldened by "Tosca"—he is tragically bold already. For their part, opera-lovers are unlikely to revise their view of him after seeing it. As children are dug out nightly from the rubble, most in the West know what and who he is.

"I lived for art," a dauntless Tosca laments in this gory, scintillating new production's showstopping aria. "I never harmed a living soul." In real life, Ms Netrebko is plainly not a heroic dissident. But that seems a lofty standard for an opera singer, and she isn't an ideologue or warmonger either. She hasn't abased herself like Valery Gergiev, a Russian maestro and

her one-time mentor who obliges his president with musical propaganda stunts.

Let her sing; banning her is probably unfair. More than that, it is pointless. The awful war isn't a contest of vibes, memes, placards or operas. It is waged in steel, money, oil and blood. In the ghastly scheme of things, where Ms Netrebko performs doesn't really matter.■

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The way he was

# Robert Redford was a new kind of movie star

*The actor used his fame to promote environmental causes and independent film-making*

Sep 18, 2025 03:17 PM | NEW YORK



More than just a pretty face

“I’M ROY HOBBS—your new right-fielder.” Standing in a [baseball](#) dugout, wearing a leather jacket over an Oxford shirt and a tie, Hobbs has crow’s feet and a lined face. He looks a good decade or two older than the rest of the New York Knights, as the team’s manager notices: “Fella, you don’t start playing ball at your age. You retire.” But when Hobbs changes into his kit, he is transformed. When he takes the field, his swing is fluid; he moves with efficient, feline grace.

Robert Redford was approaching 50 when he played Hobbs in “The Natural” (1984). He had been a film star for nearly two decades. What is a movie star? It is not the same thing as a great actor. John Turturro and Frances McDormand, for instance, routinely deliver terrific performances, but could probably walk down the street without being recognised. Dwayne “The Rock” Johnson and Tom Cruise could not, but nobody is waiting for their “Hamlet” (or at their age, [“King Lear”](#)).

Movie stars are always themselves: they do not disappear into roles so much as they put their characters on their shoulders and carry them around. Mr Redford, who died on September 16th at the age of 89, fitted that mould perfectly. Viewers believe in Hobbs because he is Robert Redford, who retained his boyish charm into middle age.



Had the film remained more faithful to Bernard Malamud's novel, in which Hobbs is a vain, embittered failure, Mr Redford could not credibly have played him, because Mr Redford's characters rarely failed. At the end of "The Sting" (1973), he sat up, having apparently been shot, and wiped the fake blood from his mouth. "Butch Cassidy and the Sundance Kid" (1969) ended on a held shot of him and Butch, guns blazing, as they faced impossible odds. Even "[All Is Lost](#)" (2013), one of his final films—in which he played a man lost at sea, was the only cast member and had

almost no lines—ended with him grabbing an outstretched hand as his boat burned above him.

He was also a reliable romantic lead, especially early in his career. His breakout role was as a conservative lawyer in “Barefoot in the Park” in 1967, opposite a free-spirited Jane Fonda. Six years later he shone as another star-crossed lover in “The Way We Were”: he played the part of an easy-going WASP while Barbra Streisand was a Marxist activist. Mr Redford’s best romantic role came in 1985 when he portrayed Denys Finch Hatton, a big-game hunter, opposite Meryl Streep’s strong-willed aristocrat in “Out of Africa”.

Sydney Pollack, who cast Mr Redford in “The Way We Were”, “Out of Africa” and “Three Days of the Condor”, the paradigmatic mid-1970s paranoid thriller, compared him to “old-fashioned movie stars who were... heroic in a kind of understated way”. Unlike some of his contemporaries, such as Al Pacino and Robert De Niro, Mr Redford did not scream or shout. His most marked characteristic as a star was a certain reliable steadiness, which is not terribly exciting on its own but made him a good foil. “The Sting” and “Butch Cassidy” paired him with [Paul Newman](#), who was a decade older, and whose garrulous charm combined perfectly with Mr Redford’s laconic watchfulness. Mr Redford played the older half in [All the President’s Men](#) (1976) opposite a prickly Dustin Hoffman.

## The Sundance Kid rides on

Mr Redford worked steadily, but acclaim for his acting eluded him: he received just one Oscar nomination, for “The Sting”. He earned more as a director, winning an Oscar in 1981 for “Ordinary People”, a haunting portrayal of a family that falls apart after one son dies and another tries to kill himself. In all he directed nine films, none of them runaway hits, most of them the sort of thoughtful dramas that win dutiful praise from critics, but fade with time.

His most enduring legacy, therefore, may be his championing of independent film-making and environmental causes. Born in Santa Monica, he took a dislike to Los Angeles and expensive, formulaic Hollywood films.

He bought land in Utah, where his first wife grew up. He built a ranch and, in 1981, founded the Sundance Institute to help independent film-makers hone their work. Four years later the institute took over a small film festival in Park City; it became the world's leading festival for independent films and hosted the premieres of movies by Steven Soderbergh, Quentin Tarantino, Guy Ritchie and [Sofia Coppola](#), among others.



Mr Redford fought for land conservation in Utah and beyond, becoming a trustee of the Natural Resources Defence Council. He campaigned for the Alaska National Interest Conservation Act, passed in 1980, which protected swathes of park land in Alaska. He fought against the construction of a huge coal-fired power plant on land in Utah that is now part of the Grand Staircase-Escalante National Monument. In his wake other Hollywood actors, including Leonardo DiCaprio and Woody Harrelson, have used their fame to fight for environmental causes.

Unlike many film types, Mr Redford aged gracefully; his loping walk suited an elder statesman of the [American West](#). Unusually for an actor known for his looks, he was good-humoured about his physical decline. "I was blessed to look well and retain a youthful look, but that was just genes," he said. He was disappointed when critics focused on his wrinkles at the expense of

everything else. Mr Redford was a movie star. But he wanted “to be permitted to be human”, on screen and off it. ■

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# Economic & financial indicators

- **Economic data, commodities and markets**

Indicators ::

**Indicators**

# Economic data, commodities and markets

Sep 18, 2025 03:17 PM

## Economic data

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	Gross domestic product				Consumer prices			Unemployment rate	
	% change on year ago: latest	quarter*	2025†		% change on year ago: latest	2025†		%	
United States	2.1	Q2	3.3	1.7	2.9	Aug	3.0	4.3	Aug
China	5.2	Q2	4.5	4.9	-0.4	Aug	-0.1	5.3	Aug <sup>‡</sup>
Japan	1.7	Q2	2.2	0.9	3.0	Jul	3.2	2.3	Jul
Britain	1.2	Q2	1.4	1.0	3.8	Aug	3.7	4.7	Jun <sup>††</sup>
Canada	1.2	Q2	-1.6	0.9	1.9	Aug	2.0	7.1	Aug
Euro area	1.5	Q2	0.5	1.2	2.0	Aug	2.0	6.2	Jul
Austria	-0.1	Q2	1.1 <sup>#</sup>	0.2	4.1	Aug	3.0	5.5	Jul
Belgium	1.0	Q2	0.7	1.0	2.6	Aug	3.0	5.8	Jul
France	0.8	Q2	1.3	0.7	0.8	Aug	1.0	7.6	Jul
Germany	0.2	Q2	-1.1	0.2	2.1	Aug	2.1	3.7	Jul
Greece	1.7	Q2	2.3	2.2	3.1	Aug	2.7	8.0	Jul
Italy	0.4	Q2	-0.3	0.5	1.6	Aug	1.7	6.0	Jul
Netherlands	1.5	Q2	0.4	1.1	2.4	Aug	3.0	3.8	Jul
Spain	2.8	Q2	3.0	2.6	2.7	Aug	2.3	10.4	Jul
Czech Republic	2.3	Q2	1.8	2.1	2.5	Aug	2.4	2.8	Q2 <sup>#</sup>
Denmark	1.3	Q2	5.1	2.5	2.0	Aug	1.8	2.9	Jul
Norway	-2.1	Q2	3.4	1.1	3.5	Aug	2.8	4.9	Jun <sup>††</sup>
Poland	3.4	Q2	3.2	3.3	2.9	Aug	3.9	5.5	Aug <sup>§</sup>
Russia	1.1	Q2	1.5	0.9	8.1	Aug	8.7	2.2	Jul <sup>§</sup>
Sweden	1.6	Q2	1.9	1.5	1.1	Aug	2.3	8.4	Aug <sup>§</sup>
Switzerland	1.2	Q2	0.5	-0.1	0.2	Aug	0.1	2.9	Aug
Turkey	4.8	Q2	6.6	2.8	33.0	Aug	34.2	8.3	Jul <sup>§</sup>
Australia	1.8	Q2	2.4	1.9	2.1	Q2	2.2	4.2	Jul
Hong Kong	3.1	Q2	1.8	2.7	1.0	Jul	1.7	3.7	Aug <sup>††</sup>
India	7.8	Q2	7.4	6.2	2.1	Aug	3.2	6.3	Aug
Indonesia	5.1	Q2	5.9	4.7	2.3	Aug	1.6	4.8	Feb <sup>§</sup>
Malaysia	4.4	Q2	5.8	4.1	1.2	Jul	1.4	3.0	Jul <sup>§</sup>
Pakistan	4.8	2025**	na	4.8	3.0	Aug	3.5	6.3	2021
Philippines	5.5	Q2	6.1	5.5	1.5	Aug	1.5	5.3	Q3 <sup>§</sup>
Singapore	4.4	Q2	5.8	2.9	0.6	Jul	0.8	2.0	Q2
South Korea	0.6	Q2	2.7	0.8	1.7	Aug	2.1	2.0	Aug <sup>§</sup>
Taiwan	8.0	Q2	12.8	4.5	1.6	Aug	1.8	3.3	Jul
Thailand	2.8	Q2	2.4	1.8	-0.8	Aug	0.1	0.7	Jul <sup>§</sup>
Argentina	6.3	Q2	-0.2	4.5	33.6	Aug	41.2	7.9	Q1 <sup>§</sup>
Brazil	2.2	Q2	1.5	2.1	5.1	Aug	5.1	5.6	Jul <sup>†††</sup>
Chile	3.1	Q2	1.4	2.4	4.0	Aug	4.1	8.7	Jul <sup>†††</sup>
Colombia	2.5	Q2	2.0	2.3	5.1	Aug	4.9	8.8	Jul <sup>§</sup>
Mexico	nil	Q2	2.6	0.4	3.6	Aug	3.9	2.6	Jul
Peru	2.8	Q2	1.8	2.9	1.1	Aug	1.8	5.5	Aug <sup>§</sup>
Egypt	4.8	Q1	-23.0	4.1	12.0	Aug	14.1	6.1	Q2 <sup>§</sup>
Israel	2.4	Q2	-4.0	2.7	2.9	Aug	3.3	2.9	Aug
Saudi Arabia	2.0	2024	na	4.4	2.3	Aug	2.6	2.8	Q1
South Africa	0.6	Q2	3.4	1.2	3.3	Aug	3.6	33.2	Q2 <sup>§</sup>

Source: Haver Analytics \*% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast §Not seasonally adjusted

\*New series \*\*Year ending June ††Latest 3 months †††3-month moving average Note: Euro-area consumer prices are harmonised

## Economic data

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	Current-account balance % of GDP, 2025 <sup>†</sup>	Budget balance % of GDP, 2025 <sup>†</sup>	Interest rates 10-yr govt bonds latest, %	change on year ago, bp	Currency units per \$ Sep 17th	% change on year ago
United States	-3.9	-5.9	4.1	41.0	-	
China	1.7	-5.9	1.6 <sup>§§</sup>	-12.0	7.11	-0.1
Japan	4.3	-3.4	1.6	75.0	146	-3.2
Britain	-3.0	-4.9	4.6	87.0	0.73	4.1
Canada	-2.0	-2.0	3.2	29.0	1.38	-1.4
Euro area	3.1	-3.3	2.7	54.0	0.84	7.1
Austria	2.1	-4.5	3.0	34.0	0.84	7.1
Belgium	-0.4	-4.9	3.2	55.0	0.84	7.1
France	-0.3	-5.7	3.5	63.0	0.84	7.1
Germany	5.3	-2.7	2.7	54.0	0.84	7.1
Greece	-5.8	-0.2	3.4	25.0	0.84	7.1
Italy	1.2	-3.6	3.5	-2.0	0.84	7.1
Netherlands	7.8	-2.4	2.9	41.0	0.84	7.1
Spain	2.4	-3.2	3.2	27.0	0.84	7.1
Czech Republic	0.3	-2.4	4.4	69.0	20.5	9.9
Denmark	12.2	2.1	2.5	43.0	6.30	6.5
Norway	13.6	9.5	4.0	71.0	9.81	8.0
Poland	0.1	-6.7	5.5	27.0	3.59	7.0
Russia	2.1	-2.7	14.1	-155	84.0	8.8
Sweden	5.7	-1.4	2.5	69.0	9.26	9.9
Switzerland	7.2	0.5	0.2	-16.0	0.79	7.6
Turkey	-1.7	-3.4	29.2	209	41.3	-17.4
Australia	-2.1	-1.8	4.3	36.0	1.50	-1.3
Hong Kong	11.1	-5.3	3.0	34.0	7.77	0.3
India	-0.6	-4.4	6.5	-31.0	87.8	-4.6
Indonesia	-1.1	-3.1	6.3	-23.0	16,430	-6.7
Malaysia	1.9	-4.0	3.4	-34.0	4.19	1.7
Pakistan	-1.4	-5.4	12.0 <sup>†††</sup>	-120	281	-1.1
Philippines	-3.3	-5.4	6.0	-5.0	56.9	-2.1
Singapore	15.0	0.2	1.8	-66.0	1.28	1.6
South Korea	3.8	-2.4	2.8	-15.0	1,380	-3.7
Taiwan	15.7	0.6	1.4	-10.0	30.0	6.1
Thailand	2.0	-5.8	2.1	-48.0	31.7	5.0
Argentina	-2.4	-0.1	na	na	1,474	-34.8
Brazil	-2.9	-8.1	13.6	162	5.30	3.8
Chile	-2.0	-2.2	5.6	29.0	952	-2.2
Colombia	-2.6	-7.3	11.2	162	3,883	9.2
Mexico	-0.4	-3.7	8.8	-47.0	18.3	5.1
Peru	2.0	-2.7	5.8	-65.0	3.49	8.6
Egypt	-4.0	-7.7	na	na	48.1	0.5
Israel	2.5	-5.2	4.2	-81.0	3.34	13.2
Saudi Arabia	-1.8	-2.9	na	na	3.75	nil
South Africa	-1.2	-4.8	9.2	29.0	17.4	1.6

Source: Haver Analytics <sup>§§</sup>5-year yield <sup>†††</sup>Dollar-denominated bonds

## Markets

In local currency	Index Sep 17th	% change on: one week Dec 31st 2024	
<b>United States S&amp;P 500</b>	6,600.4	1.0	12.2
<b>United States NAS Comp</b>	22,261.3	1.7	15.3
<b>China Shanghai Comp</b>	3,876.3	1.7	15.7
<b>China Shenzhen Comp</b>	2,510.5	4.3	28.3
<b>Japan Nikkei 225</b>	44,790.4	2.2	12.3
<b>Japan Topix</b>	3,145.8	0.2	13.0
<b>Britain FTSE 100</b>	9,208.4	-0.2	12.7
<b>Canada S&amp;PTSX</b>	29,321.7	0.5	18.6
<b>Euro area EURO STOXX 50</b>	5,369.7	0.2	9.7
<b>France CAC 40</b>	7,787.0	0.3	5.5
<b>Germany DAX*</b>	23,359.2	-1.2	17.3
<b>Italy FTSE/MIB</b>	41,955.0	-0.2	22.7
<b>Netherlands AEX</b>	914.8	1.5	4.1
<b>Spain IBEX 35</b>	15,127.2	-0.6	30.5
<b>Poland WIG</b>	105,617.3	-0.1	32.7
<b>Russia RTS, \$ terms</b>	1,068.1	-1.2	-6.1
<b>Switzerland SMI</b>	11,999.0	-1.8	3.4
<b>Turkey BIST</b>	11,165.9	5.5	13.6
<b>Australia All Ord.</b>	9,094.9	nil	8.0
<b>Hong Kong Hang Seng</b>	26,908.4	2.7	34.1
<b>India BSE</b>	82,693.7	1.6	5.8
<b>Indonesia IDX</b>	8,025.2	4.2	13.4
<b>Malaysia KLSE</b>	1,611.7	1.3	-1.9
<b>Pakistan KSE</b>	156,177.8	-0.5	35.7
<b>Singapore STI</b>	4,323.8	-0.5	14.2
<b>South Korea KOSPI</b>	3,413.4	3.0	42.3
<b>Taiwan TWI</b>	25,438.3	1.0	10.4
<b>Thailand SET</b>	1,306.7	2.2	-6.7
<b>Argentina MERV</b>	1,783,519.8	-2.3	-29.6
<b>Brazil BVSP*</b>	145,593.6	2.3	21.0
<b>Mexico IPC</b>	61,513.9	1.7	24.2
<b>Egypt EGX 30</b>	34,974.8	0.9	17.6
<b>Israel TA-125</b>	3,041.2	-4.9	25.3
<b>Saudi Arabia Tadawul</b>	10,650.4	1.5	-11.5
<b>South Africa JSE AS</b>	105,367.9	1.7	25.3
<b>World, dev'd MSCI</b>	4,269.8	1.1	15.2
<b>Emerging markets MSCI</b>	1,339.9	2.5	24.6

### US corporate bonds, spread over Treasuries

	Dec 31st	
	latest	2024
<b>Basis points</b>		
<b>Investment grade</b>	90	95
<b>High-yield</b>	347	324

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research \*Total return index

## Commodities

The Economist commodity-price index

2020=100	Sep 9th	Sep 16th*	% change on	
			month	year
<b>Dollar Index</b>				
All items	136.3	139.1	3.5	9.3
Food	148.4	151.6	2.7	9.3
<b>Industrials</b>				
All	126.3	128.7	4.3	9.3
Non-food agriculturals	125.0	126.1	1.1	-2.9
Metals	126.6	129.4	5.1	12.9
<b>Sterling Index</b>				
All items	129.4	130.9	2.4	5.6
<b>Euro Index</b>				
All items	132.8	134.1	2.0	2.6
<b>Gold</b>				
\$ per oz	3,635.6	3,684.4	10.9	43.1
<b>Brent</b>				
\$ per barrel	66.4	68.5	4.1	-6.7

Sources: Bloomberg; CME Group; FT; LSEG Workspace; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; USDA; WSJ \*Provisional

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# Obituary

- **Patrick McGovern was the maven of ancient tipplers**

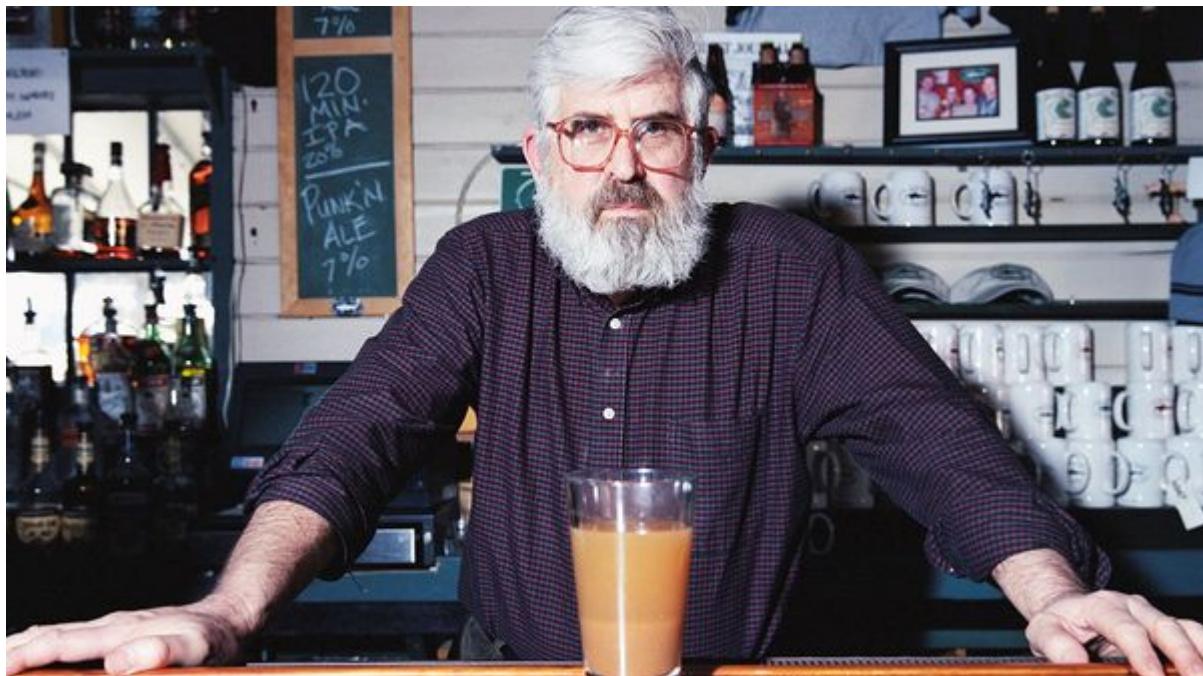
Extreme beverage, anyone? :: The chemist and archaeologist died on August 24th, aged 80

Extreme beverage, anyone?

# Patrick McGovern was the maven of ancient tipplers

*The chemist and archaeologist died on August 24th, aged 80*

Sep 18, 2025 04:40 PM



THE SUBSTANCE boiling on the hotplate in Patrick McGovern's lab, as part of his Biomolecular Archaeology Project for Cuisine, Fermented Beverages and Health at the University of Pennsylvania Museum, looked vaguely like coffee. In fact it was a methanol and chloroform solvent mixed with ceramic powder scraped from the bottom of a vessel many thousands of years old. The professor intended to release from the specks any organic compounds that might show precisely what tipple was in the vessel before. When he found out, he might well set about recreating it. And if it tasted good enough, he might get it into the glasses of modern-day Americans.

This delightful pursuit had become his entire career. The chief reason was that, in his jovial way, he took fermented drinks very seriously. There was a reason there was so much alcohol about. Almost every living creature, from fruit flies to chimpanzees to human beings, was enticed by it. Robins drank it, and fell off their perches; elephants knocked down houses for it. One of the earliest primates, the Malaysian tree shrew, lived on it, consuming the equivalent (in humans) of nine glasses of wine a day. Human livers were expressly wired to handle it (and to produce thundering hangovers if the handling went wrong). A great hazy cloud of alcohol even floated at the centre of the Milky Way.

He had taken up archaeology (having tried piano, chemistry and divinity, all to a high level), because he wanted to answer the question, “How did we get here?” For 20 years he had mostly excavated and studied pots in Jordan, before becoming more interested in the residue left inside them. He began to realise then that human progress was tightly tied to alcohol. Exploration, experiment, even the basic wish to socialise and produce offspring, were spurred by drinking something fermented. He had discovered the earliest sample, from a 9,000-year-old tomb in Jiahu in China, and the earliest grape wine (from the Georgian Caucasus, around 8,000 years ago). Every region of the world, bar Antarctica, had conjured alcohol out of whatever was copiously to hand.

Alcohol not only made humans feel good (especially the sheer elixir of a Mosel Riesling 1971, which he and his future wife Doris, when penniless students, had harvested together). It also altered human minds, making them think wider and higher, discover words and music, worship gods. Viewing the great monuments of the world (a real-life Indiana Jones, even to the hat) he inevitably wondered what the builders and decorators had been drinking. In the painted caves at Font de Gaume in France he saw definite alcoholic rapture in the hand-prints and frisking beasts. At the Pyramids, he mused that without the four-to-five litres of beer workers were given daily, they might not have been built. Indeed, beer was perhaps more vital than bread to human civilisation. You needed bread to exist; you needed alcohol to enjoy existing.

But what exactly had ancient folk been drinking? He had to know. Rare was the amphora, cauldron, jar or krater he did not want to sniff at. (Once, amazingly, he had the chance to taste a Chinese brew stoppered for 3,000 years in a magnificent bronze “teapot”; it had a good, perfumed bouquet, but he didn’t dare sip.) And even sniffing could not tell him much. Alcohol itself evaporated over time, but various acids (tartaric, malic, saccinic, citric) betrayed the presence of fruit: usually wild grapes, though also hawthorn, plums, lingonberries, as the nearby fields and woods provided. In Neolithic times there was no firm divide between wines and beers; both contained fruit, grains and honey, “extreme beverages” indeed. The standard method of starting fermentation was to chew the grains to convert starch to sugar, spit out the pulp and rely on airborne yeasts to do the work. In the interests of science, he once spent eight hours chewing corn to make Mesoamerican *chicha* in the correct way.

As soon as he had the ingredients, though, and could match them near enough, it was just a matter of trial and error to recreate Neolithic grog. Luckily he found an enthusiastic collaborator, the Dogfish Head craft brewery in Delaware, which won a competition to make decent-tasting beer-wine based firmly on his finds. The first and most commercially successful was a blend of white Muscat grapes, saffron and honey recreated from vessels found in the presumed tomb of King Midas in Anatolia. He called it “Midas Touch”. The second, a blend of sake yeast, hawthorn berries and honey that was his favourite, came from the dig at Jiahu. It had a grapy nose, fine effervescence and a tingling finish; triumphantly, he called it Chateau Jiahu. The line on strange ingredients was drawn only with Theobroma, a recreation of Aztec frothable chocolate that kept the chillies but not the flakes of blood from the knives used for human sacrifice.

The most important aspect of these drinks, for him, was not the taste, but the fact that they were time capsules from very long ago: a time when hunter-gatherers were just becoming farmers, or when fermentation vessels, to stay cool, were dug into the floors of one-room huts, or when rulers were buried with cauldrons of wine vast enough to keep them going for eternity. Ideally, he recommended a whole stage-set in which to drink it, and a banquet to match. At a Midas feast, held at the Penn Museum in 2000, his

friends and colleagues ate spicy lamb and lentil stew and a dessert of Midas-infused white chocolate truffle. For optimal Midas time-travelling he would add hanging carpets, brass bowls, gold-flickering candlelight and, for music (approximating to the Phrygian mode), Pink Floyd or Metallica.

He also gave thought to time-travelling in the other direction. Once, returning from a trip, he broke a bottle of Fernet-Branca (bitters from 27 herbs) in his suitcase. It soaked, and stained brown, most of his papers and clothes. What, he wondered, would a future extreme-beverage archaeologist make of that? ■

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