

THE WORLD THIS WEEK

Politics

Donald Trump's mediators, Steve Witkoff and Jared Kushner, visited Moscow to discuss a proposed peace plan for the Ukraine war with Vladimir Putin, but the talks yielded no concrete results. Ukraine dismissed the discussions as a waste of time, while Putin reiterated threats of war with Europe, which remains excluded from negotiations. This comes as Ukraine faces a corruption scandal leading to the resignation of chief negotiator Andriy Yermak, who denies wrongdoing. The European Union continues to debate using frozen Russian assets to fund Ukraine, with Belgium seeking legal assurances, but did agree to a permanent ban on Russian gas imports by late 2027. Putin is also scheduled to visit India to discuss trade, weapons, and energy with Prime Minister Narendra Modi, aiming to demonstrate Russia's international relations despite sanctions.

American Secretary of War Pete Hegseth is under scrutiny following a military bombing of a suspected drug-smuggling boat in the Caribbean on September 2nd, where a follow-up strike killed two survivors clinging to wreckage. Critics argue the second strike, reportedly ordered by Admiral Frank Bradley, constitutes a war crime as it targeted individuals who were hors de combat. Hegseth claims he did not authorize "no quarter" for survivors, shifting responsibility to Admiral Bradley, who is due to testify before Congress. This incident is raising serious questions about the legality and conduct of the Trump administration's anti-drug operations and Hegseth's broader contempt for the laws of war.

The Trump administration has suspended immigration visa processing for 19 countries, including Afghanistan, Haiti, Iran, and Somalia, amidst a crackdown on immigration following a fatal shooting of a National Guard troop by an Afghan national. President Trump has intensified his rhetoric, calling Somali migrants "garbage" and reportedly planning federal immigration raids in Minneapolis and St. Paul. In other domestic news, Republicans retained a congressional seat in Tennessee in a special election, though with a narrower margin than the previous general election, despite a left-wing Democratic candidate.

Binyamin Netanyahu, Israel's prime minister, has formally requested a presidential pardon in his ongoing fraud trial, despite maintaining his innocence and anticipating exoneration. Essentially, he is seeking an immediate end to his trial and the dismissal of all charges against him without acknowledging any wrongdoing. This unusual request comes as he faces cross-examination in court and ahead of Israel's next elections, where polls suggest he might lose. Separately, Israel announced the reopening of the Rafah crossing to allow Palestinians to

The Weekly Digest

leave Gaza, though entry for Palestinians is still unapproved by Israel.

In Guinea-Bissau, the electoral commission stated it could not publish presidential election results because armed men destroyed most ballot papers, fueling speculation that a recent coup was a cover-up. Nigeria replaced its defense minister, Mohammed Badaru Abubakar, with Christopher Musa, amid a surge in mass kidnappings and Islamist attacks in the country's north. Across South-East Asia, severe cyclonic rains and flooding have caused widespread devastation, with death tolls exceeding 800 in Sumatra, over 180 in Thailand, and more than 450 in Sri Lanka, displacing millions. Hong Kong's Chief Executive John Lee ordered a judge-led inquiry into the city's deadliest fire in 77 years, which killed 159 people, leading to 15 arrests for corruption and manslaughter. Tajikistan has tightened security on its border with Afghanistan after attacks, including drone-dropped grenades, originating from Badakhshan province. Britain's Justice Secretary David Lammy outlined plans to scrap jury trials for cases carrying sentences of three years or less to address court backlogs, a move critics argue undermines a cornerstone of British justice. The British government has also delayed its decision on China's proposed mega-embassy in London due to national security concerns, pushing the decision to January 20th.

Business

The Michael and Susan Dell Foundation pledged \$6.25bn to fund investment accounts for 25m American children aged ten or under living in lower-income areas, the largest-ever US charitable donation for children, with \$250 deposited per child to encourage family savings. This complements a Treasury program depositing \$1,000 into investment accounts for children born between 2025 and 2028. Germany's Chancellor Friedrich Merz formally asked the EU for an exemption for plug-in hybrids and efficient petrol cars from the 2035 combustion engine ban, citing struggles within Germany's powerful car industry to transition to fully electric vehicles. Sam Altman, OpenAI's CEO, issued a "code red" warning to colleagues, urging a focus on improving ChatGPT to avoid falling behind rivals like Anthropic's Claude and Google's Gemini, delaying other initiatives in the process. Apple, criticized for lagging in AI, hired Amar Subramanya from Microsoft to lead its AI efforts, highlighting the intense competition for top AI talent.

Taiwan's economy experienced an 8.2% year-on-year growth in the third quarter, its best performance since the pandemic, driven by a 32% surge in exports attributed to the AI boom. TSMC, based in Taiwan, produces about 90% of the world's most advanced chips, and Foxconn's revenues now primarily come from servers and data-center equipment. China reportedly ordered two major private providers to suspend monthly house sales data releases, with November's figures expected to show a sharp decline for struggling developers. American Eagle's share price soared after reporting record Thanksgiving weekend sales and raising its annual outlook, boosted by a successful, albeit controversial, advertising campaign featuring film star Sydney Sweeney. Starbucks agreed to pay \$38.9m to settle a lawsuit with New York

City over unstable work rosters, blaming the city's complex regulations for violations. Prada acquired Versace for \$1.4bn, significantly less than its previous sale price in 2018, with Donatella Versace welcoming the deal. BP withdrew from a major hydrogen plant project in northern England, initially part of the government's net-zero ambitions, as landowners now plan to build a "critically important" data center instead.

BRITAIN

Our interview with Sir Keir Starmer

Britain's Prime Minister, Sir Keir Starmer, revealed in an interview that he finds the prospect of a Reform UK government more concerning than a Conservative one, describing it as a threat to the country's economy, society, and global standing. He criticizes Reform UK as "pro-Putin or Putin-neutral," citing a former Welsh leader's imprisonment for accepting pro-Russian bribes, and emphasizes Britain's crucial role in the coalition supporting Ukraine. Sir Keir, identifying as a pragmatist, accepts that America's portrayal of Europe as not doing enough for its own defense has some merit. He sees economic revival as the main defense against Reform UK, promoting trade deals and arms exports as solutions to Britain's malaise. While seeking closer ties with Europe through gradual "iterative" steps like energy supply agreements, he rules out significant moves like rejoining the customs union. Domestically, his agenda emphasizes "stability and certainty" for investors and making building easier, but is otherwise light on major reforms, as evidenced by a budget focused on goodies and an unreformed welfare system.

Our new model captures the lottery of Britain's electoral system

Britain's first-past-the-post (FPTP) voting system is creating "slot-machine politics," where small shifts in multi-party support lead to wildly unpredictable election outcomes and significant disparities between votes and seats. The Economist's new electoral model, based on 80 years of data and 10,001 simulations, illustrates this volatility, showing that a Reform UK landslide, a hung parliament, or a Conservative wipeout are all plausible scenarios with only slight variations in vote share. For instance, a 5-percentage-point difference in Reform's polling could mean 116 fewer seats. The model highlights that winning percentages in constituencies are plummeting, with some seats potentially won with as little as 23% of the vote, as exemplified by Labour's Terry Jermy winning South West Norfolk with 27% in the last election. This fragmentation, combined with FPTP, results in parliaments that increasingly misrepresent the electorate's diverse party preferences, leading to weaker governments and growing disillusionment with democracy.

Polls predicting the next British election are not to be trusted

Opinion polls using Multilevel Regression and Post-stratification (MRP) techniques, which

project constituency-level results, should be viewed with skepticism despite their growing popularity in media. While MRPs have proven effective in the past, such as YouGov's accurate prediction of a hung parliament in 2017, their predictive power for future elections is limited due to the inherent uncertainties of long lead times. These polls act as snapshots of current opinion but cannot account for future shifts in party fortunes, tactical voting, or other dynamic political factors. The Economist's own modeling incorporates MRP data but prioritizes demonstrating the wide range of plausible outcomes resulting from Britain's volatile voting system. Over-reliance on MRPs can be misleading, as evidenced by a leaked projection suggesting the Conservatives would win only 14 seats, highlighting their use for political spin rather than reliable foresight.

Britain's plan to curb jury trials is a sharp break with tradition

Britain's justice secretary, David Lammy, has proposed significantly curtailing jury trials, limiting them to the most serious crimes or cases with potential sentences of three years or more, as a desperate measure to clear a massive court backlog. This plan, which would shift thousands of cases annually to magistrates or single judges, marks a significant departure from a tradition dating back to Magna Carta, which enshrines the right to judgment by one's peers. While Britain's courts face a backlog of nearly 80,000 cases, worsened by covid-19 disruptions and underfunding, critics argue that sacrificing jury trials erodes a fundamental bulwark of liberty and civic participation. Although some countries like Germany and the Netherlands operate without juries and score higher in rule of law, the proposed reforms grant lone judges powers that exceed international norms for such low-level cases. The legislation faces opposition in Parliament, with the House of Lords expected to push back, suggesting a potential compromise such as judge-magistrate panels might be considered.

Are Brits really leaving the country in droves?

Reports of a "brain drain" and "exodus" of British citizens from the UK, fueled by conservative newspapers, are largely a misinterpretation of recent migration statistics. While the Office for National Statistics (ONS) reported a net outflow of 109,000 British citizens last year, a 33% increase over six years, this figure is primarily an artifact of changes in statistical methods, moving from airport surveys to tax and benefit records. The ONS itself admits to uncertainty in its emigration estimates, with a wide margin of error. The Economist's own analysis, using data on flows to destination countries from the OECD and UN, estimates that actual British emigration is lower now than five years ago. Emigration to the EU, which accounts for nearly half of the outflow, surged after the Brexit referendum but has since fallen back, indicating a less dramatic departure than sensationalized headlines suggest.

Pity the AVOCADOS

AVOCADOS, or Aggrieved Victims Of Crushing Academic Debt Obligations, refer to the roughly 5 million young British people who attended university between 2012 and 2023 and

The Weekly Digest

now face high housing costs and a student loan system that functions as an age-based tax. This demographic, heavily impacted by freezes to income-tax thresholds and student loan repayment points, can face marginal tax rates as high as 43% on a £30,000 salary, significantly more than older or non-graduate workers. Despite Labour being the "AVOCADO Party" and relying on younger, well-educated voters, the government's recent budget exacerbated their financial burden, largely due to AVOCADOs' lower voting turnout and the political expediency of targeting this group. The current government's reluctance to reform pensions, which guarantees their rise, further highlights a political cowardice that avoids challenging older voters while hitting younger ones with exorbitant rates. This intergenerational inequity is deepening, potentially leading to long-term political frustration and shifts toward parties like the Greens, as AVOCADOs ripen into middle age feeling financially squeezed.

BUSINESS

From micro-dramas to video games, Chinese entertainment is booming

China is experiencing a creative surge in entertainment, with micro-dramas, animated films, and video games gaining immense popularity, posing a dilemma for the Communist Party which seeks cultural exports but maintains tight censorship. Micro-dramas, short soap-opera episodes watched on mobile devices, are projected to nearly double revenue to \$12.7bn this year, surpassing cinema ticket sales, with 40,000 series shot in eight months. Tech giants like Tencent and Meituan's founders are heavily investing in this new generation of creative talent, many of whom grew up with freer internet access in the early 2000s. These entertainment forms are largely mobile-based, leveraging e-commerce and live-streaming for monetization rather than traditional ads or subscriptions. While the government has historically prioritized science over entertainment, recent successes have led to policy shifts, including easing some content restrictions and promoting "animation industrial parks," indicating a growing appreciation for the industry's economic and cultural value.

China's unlikely new entertainment capital

Zhengzhou, an inland manufacturing hub known for its property crisis and other troubles, has surprisingly emerged as China's "Hollywood of micro-dramas," churning out short, popular shows watched globally. The city capitalized on its low real-estate costs, allowing vast film production complexes to be set up cheaply, exemplified by Jumei Film Base built in a derelict shopping center. The industry operates on bare-bones budgets, paying local actors around \$141 a day, which stretches further in China's interior. While many micro-dramas aimed at Western audiences are produced in America with translated scripts, a significant number are also shot in Zhengzhou, attracting foreign actors who can earn about \$1,000 daily. Producing racy content for overseas markets on Chinese soil is sensitive due to strict censorship rules, leading to discreet filming of steamy scenes with foreign actors.

Lessons from the frontiers of AI adoption

Companies are increasingly attributing lay-offs to AI adoption, though widespread evidence of AI's large-scale impact on the labor market remains weak. However, two professions are emerging as significant frontiers for AI integration: computer programming and customer service, with rapid adoption already evident. These jobs share common characteristics that make them particularly vulnerable and suitable for AI: they involve repetitive tasks, are "context-light" requiring minimal company-specific knowledge, and their outcomes are "easily verifiable." Furthermore, the abundance of data for training AI models in both coding (e.g., GitHub Copilot's repository) and customer service (years of transcripts) accelerates AI development. AI firms are heavily investing in tailored software for these large occupations?3 million customer service agents and 2 million software developers in America?making them prime targets for automation and cost reduction.

Even Europe's penmakers are under threat

Italian firm Legami is thriving in the struggling European pen market, achieving rapid sales growth from ?76m to ?245m last year, projected to exceed ?300m this year. The 22-year-old Bergamo-based company's success is driven by its colorful, animal-headed gel pens, popular among children across Europe who collect and trade them, creating strong demand across 70 countries and 146 proprietary shops. In stark contrast, older European penmakers like Faber-Castell, Pelikan, and Schwan-Stabilo are facing severe challenges, including job cuts and declining sales, due to office and home digitization, rising raw material costs, and increasing competition from Asian manufacturers. Even American giant Newell Brands, maker of Sharpies, announced 900 job cuts, or 10% of its workforce, highlighting the widespread difficulties in the traditional pen industry.

To halt their decline, VW and others are turning Chinese

Foreign carmakers in China, including Volkswagen (VW), are now openly embracing "technology transfer" from local partners to combat their plummeting market share in the electric vehicle (EV) sector, which fell from 62% in 2020 to 35% last year. VW, having lost its top position, is overhauling its operations by building an innovation center in Hefei with 3,000 Chinese engineers, granted autonomy from German headquarters to speed up EV development by 30%. The company plans to launch 30 new mass-market EV models in China over five years, focusing on advanced self-driving capabilities and sleek interiors at lower production costs, with potential exports to other Asian markets. VW is also strategically partnering with Chinese firms like Horizon Robotics for self-driving systems and Xpeng for EV co-development, including acquiring reams of code and embedding its engineers at Xpeng. However, risks remain due to persistent localization gaps compared to Chinese rivals' tight supply chains and the fierce, loss-making price war in the Chinese EV market.

Patrick Drahi has bested his lenders yet again

Patrick Drahi, controlling the Altice telecoms empire, has repeatedly outmaneuvered his lenders through ruthless debt-restructuring tactics. After years of debt-fueled expansion, Altice divided into three entities, each burdened with massive debt. Drahi exploited weak covenants in lending documents to declare parts of Altice France "unrestricted," moving assets beyond creditors' reach, resulting in lenders receiving only 45% equity for a \$17bn debt. He repeated this aggressive maneuver at Altice International, unilaterally declaring operations in Portugal and the Dominican Republic "unrestricted," leaving lenders with a comical leverage ratio backed solely by the Israeli subsidiary's profits. Drahi has even sued lenders to his American operation, Optimum, for agreeing to collectively negotiate, arguing it violates antitrust laws. This trend of "liability management" deals, driven by weak covenants and enabling gamesmanship outside bankruptcy courts, is becoming increasingly common, enriching bankers and lawyers involved in these complex restructurings.

How many hours should employees work?

The optimal workweek remains a complex question, with the global average standing at 42 hours, heavily influenced by gender, age, and economic development. Managers' views on this question reflect their priorities, ranging from work-life balance, where studies show Europeans prefer shorter weeks for less pay while Americans desire more hours for higher income, to productivity. Research suggests that beyond a certain threshold (e.g., 48 hours), additional work hours yield diminishing returns in output, impacting quality and increasing fatigue, especially in critical roles like paramedics. Other considerations include cost-efficiency, where longer hours for existing staff can spread fixed costs, and safety, recognizing the severe consequences of fatigue. The debate also touches on work ethic, with some leaders like Elon Musk advocating for 60-hour weeks in startups, contrasting with a broader trend where companies are exploring ways to compete for talent by offering better work-life conditions.

Will the mega-merger wave destroy value for shareholders?

A new wave of mega-mergers, with 32 deals worth \$700bn announced in 2025, reflects a booming M&A market driven by record profits, lower interest rates, and relaxed antitrust enforcement. Despite historical data showing merger failure rates between 70% and 90%, today's CEOs remain confident, believing they belong to the successful minority. An Economist analysis of 117 mega-deals from 2010-2020 found mixed results for shareholders: median buyer revenue and operating profit grew by 6% annually, but return on capital declined by two percentage points. While half of these suitors outperformed their industry in the five years post-deal, accumulating \$2.8trn in excess returns (or \$2.2trn excluding Microsoft-LinkedIn), the other half underperformed by \$2.9trn, indicating success is still akin to a coin toss. Consulting firms suggest companies are improving M&A by focusing on frequent smaller deals, diligent due diligence, and acquiring new capabilities rather than just scale, but many current mega-mergers still represent high-stakes bets on scale, exacerbated by profound technological changes like AI.

FINANCE & ECONOMICS

Why worries about American job losses are overstated

Despite widespread gloom among investors, policymakers, and economists about America's job market, fears of a "jobs-pocalypse" appear overstated, with the unemployment rate remaining near 50-year lows and wages surging. While some indicators, like a gradual decline in job openings and a slight uptick in unemployment, suggest a negative trend, the current 4.4% unemployment rate is historically low, and prime-age worker employment is stable at 80%. Concerns about mass layoffs from major companies and dire consumer confidence surveys are countered by robust GDP growth forecasts and low jobless benefit claims. The Sahm Rule, a key recession indicator, briefly flagged in 2024 but has not reached sustained danger levels, suggesting economic buffers are holding. The current weak patch and company reluctance to hire are more plausibly linked to lingering Trumpian uncertainty, which is beginning to ease, rather than an imminent labor market collapse or a widespread AI-fueled automation boom.

Which Kevin Hassett would lead the Federal Reserve?

Kevin Hassett, a former Republican economic adviser, is the frontrunner to be President Donald Trump's pick for Federal Reserve chair, signaling a potential abrupt shift in the Fed's independence from the White House. While Hassett possesses academic credentials, including a PhD in economics and publications, his recent career has been characterized by highly partisan analysis, pushing tenuous economic claims to bolster Trump's agenda, such as inflated estimates of tax cut benefits and an absurd Covid-19 mortality projection. This transformation raises concerns that he would prioritize political influence over monetary policy independence, echoing the controversial tenure of Arthur Burns under Richard Nixon, which led to a surge in inflation. Although Hassett claims to support Fed independence, his past statements suggest a willingness to pursue policies aimed at cheaper loans and mortgages, potentially leading to significant internal dissent and a politicized central bank. The ultimate risk lies in Trump's potential ability to remove Fed governors, which would further compromise the institution's independence if the Supreme Court rules in his favor.

How to spot a bubble bursting

Identifying a market bubble is easier than predicting when it will burst, as even seasoned investors like Ray Dalio and George Soros have struggled with timing. While high valuations, such as the S&P 500's current pricing relative to earnings and sales, are good predictors of low long-run returns, they show no correlation with short-term performance. Investors looking for imminent crashes may need to turn to novel measures like spikes in search-engine queries for investing fads, which historically have correlated better with subsequent price drops than traditional valuations. Examples include bitcoin, Dogecoin, cannabis stocks, and SPACs, all of which saw prices plummet in the 12 months following peaks in Google searches. However, this method is not foolproof, as "AI stocks" continued to rise for weeks after their search peak, and

The Weekly Digest

Nvidia's price has fallen recently, alongside bitcoin, leading to speculation that the current "AI bubble" may be showing signs of a wobble.

Bitcoin has plunged. Strategy Inc is an early victim

Strategy Inc., formerly MicroStrategy, known as the world's largest corporate owner of bitcoin, is now a cautionary tale of hubris as the cryptocurrency's price plunges. The firm has amassed 650,000 bitcoin, or 3% of the total supply, by issuing equity, convertible bonds, and preferred stock, and now faces \$800m in annual dividend and debt interest payments with few other revenue sources. Since early October, bitcoin's price has fallen by a quarter, causing Strategy's share price to drop over 40%, with its market capitalization now below the value of its bitcoin holdings, signaling substantial risks for investors. While Strategy can meet immediate obligations through recent equity issuance, the real pain is anticipated in 2027 when convertible debt matures, potentially forcing the company to sell a significant chunk of its bitcoin. Such large sales could severely impact bitcoin's liquidity and price, demonstrating the inherent dangers of leveraged investment in volatile assets.

Can golden toilets fix China's economy?

In Nanjing, the Deji Plaza shopping center's extravagant, multi-story toilets, including one with sparkling gold designs and a grand piano, are a major draw, contributing to the mall's status as China's highest-grossing last year. Communist Party officials, believing Chinese consumers suffer from "latent demand" despite high savings, are now promoting a "supply-side" approach to economic revival, hoping that increasing the quality and experiential nature of shopping venues will unlock these funds. A recent government plan advocates for more "cute goods," immersive shopping experiences, and pop-up stores, while remaining silent on direct consumer stimulus measures. Critics, however, argue that this approach misdiagnoses the fundamental problem, which is weak consumer demand stemming from employment issues, a grinding property crisis, and declining home valuations, rather than a lack of appealing products. Unleashing substantial consumer stimulus, such as 4 trillion yuan, is suggested as a more effective measure to address China's serious structural economic pressures, which cannot be solved by gleaming lavatories alone.

American sanctions are putting Russia under pressure

New American sanctions against Lukoil and Rosneft, Russia's largest oil firms, are exerting significant pressure on Russia's oil exports by deterring buyers in India and China. Gunvor, a major oil trader, was notably affected, with its co-founder forced to sell his stake after America blocked its acquisition of Lukoil's foreign assets. Initial impacts show India's state-owned refiners cutting back on Russian crude purchases, leading to a projected 39% drop in Russia's crude shipments in the coming months. Shippers, including Greek vessels and shadow tankers, are becoming wary, increasing logistical costs and widening the discount of Urals crude to Brent. Russia is attempting workarounds by selling barrels to untargeted third parties, but

increasingly smart Ukrainian drone strikes on Russian oil infrastructure are causing repeated refinery shutdowns and targeting harder-to-fix secondary units and fuel depots. These factors, combined with a forecasted global oil supply surplus, could force oil prices below \$50 a barrel, placing significant economic discomfort on the Kremlin as peace talks falter.

Stockholm is Europe's new capital of capital

Stockholm is rapidly emerging as Europe's new financial hub, attracting companies seeking capital and becoming a "bond trader's paradise" due to significant shifts in Sweden's fiscal policy. While Frankfurt and Paris initially vied for post-Brexit financial dominance, Stockholm has quietly excelled, with EQT being a leading private-equity firm and Nasdaq Stockholm recording over \$6bn in IPOs this year. Historically puritanical in its budgets, Sweden's government is now embarking on a borrowing spree, preparing to issue a flood of new bonds to fund increased defense spending, with issuance projected to exceed SKr200bn in 2026 and 2027. This dramatic increase in bond supply is drawing international investors back into the market, seeking arbitrage opportunities that are more lucrative in Sweden's less crowded trading environment. The end of the cheap-money era and the Riksbank's bond sales have quadrupled daily yield volatility, creating a dynamic market for macro traders.

AI misinformation may have paradoxical consequences

The plummeting cost of producing AI-generated text, video, and audio has led to roughly half of internet articles being AI-generated, creating a "pooling equilibrium" where distinguishing genuine information from "slop" becomes increasingly difficult. This phenomenon, akin to the side-blotched lizard's mating strategies where mimicry can obscure genuine signals, threatens to devalue all information as buyers treat everything as potentially fake. Economists refer to this as "dishonest dealings driving honest dealings out of the market," raising concerns about the future of paid journalism and credible online content. New "costly signals" are therefore required to re-establish trust, such as blockchain-based "chain of custody" information embedded in content or the inherent "proof of work" of print journalism's infrastructure. Optimistically, this surge in misinformation could advantage publications that jealously guard their reputation for truth-telling, similar to how competitive dynamics maintain harmony in the lizard population.

SCIENCE & TECHNOLOGY

Why autism should not be treated as a single condition

Autism, often called an "epidemic" by some politicians due to rising diagnoses, is increasingly understood as a diverse set of conditions rather than a single disorder, with its growing prevalence largely attributable to broadening definitions, increased awareness, and earlier detection. Emerging genetic research reveals autism's strong heritability, with some cases

linked to rare, "high-impact" gene variants affecting brain communication and development, while most are tied to common genetic variants that cumulatively increase risk. This biological variability, impacting brain regions like the amygdala, hippocampus, and neocortex, suggests that subtyping autism could lead to more appropriate support and interventions. Recent studies have successfully categorized ASD into four distinct subcategories—broadly affected, moderate challenges, mixed, and social/behavioural—each with unique genetic profiles and developmental trajectories. This research, combined with investigations into environmental factors like maternal health and pollution through initiatives like ADSI, aims to refine understanding and improve targeted interventions, offering greater autonomy and well-being for autistic individuals.

Surging satellite numbers threaten to dazzle even space telescopes

The rapidly increasing number of low-Earth orbit satellites, especially SpaceX's Starlink constellation which alone exceeds 9,000 units, is posing a growing threat to astronomical observations, even for space telescopes. A new paper in *Nature* predicts that by 2040, there could be half a million satellites in low orbits, potentially contaminating a significant portion of images from major space telescopes like Hubble (up to one-third) and even higher percentages for SPHEREx, ARRAKIS, and Xuntian. The issue is exacerbated by larger, brighter satellites designed for more customers and faster connection speeds, which reflect more sunlight. While coordination and data-sharing can help ground-based observatories time observations to minimize interference, this solution will become unsustainable as the sky becomes increasingly crowded. Possible solutions include launching future space telescopes into higher orbits, though this is costly, and diplomatic efforts combined with regulation to limit satellite numbers or orbits, a challenge given the commercial and international space race.

Does taping your mouth while you sleep have benefits?

Proponents of mouth-taping during sleep claim various benefits, including improved sleep, better oral hygiene, and a more chiselled jawline, by encouraging nasal breathing. Nasal breathing is indeed beneficial, filtering and humidifying air, and increasing nitric oxide production, which helps lower blood pressure and acts as an antimicrobial. Conversely, mouth-breathing can worsen snoring, oral health, and obstructive sleep apnea (OSA), and contribute to abnormal facial development in children. However, a systematic review of ten studies on mouth-taping for OSA found only weak evidence of benefits, with small sample sizes limiting clinical significance; one study showed a halving of breathing interruptions and snoring episodes for mild OSA patients. For individuals with severe OSA or nasal obstructions, mouth-taping could be harmful, posing a risk of asphyxiation. While mouth-taping for oral hygiene is plausible due to saliva's role in preventing decay, robust studies are lacking, and claims about jawline improvement are anecdotal.

A Chinese firm attempts to bring a booster rocket back to Earth

The Weekly Digest

LandSpace, a leading Chinese private space-launch company, made history by becoming the first non-American firm to attempt to return a rocket stage to Earth for reuse, signifying a potential challenge to America's dominance in cheap satellite launches. Its Zhuque-3 (ZQ-3) vehicle, launched from Jiuquan, experienced a spectacular explosion during its first stage return, which, despite appearing as a failure, is a typical learning step in rocket development, akin to SpaceX's early experiences. Chinese private space firms, like LandSpace and Space Pioneer (founded by a former LandSpace CTO), have rapidly advanced since private enterprise was allowed in 2011, leveraging ambitious leadership and state support. LandSpace notably launched ZQ-2 in 2023, the first methane-liquid oxygen powered rocket to orbit, a cleaner fuel choice also adopted by Blue Origin and SpaceX. With two Starlink-like Chinese satellite constellations planned, requiring over 28,000 satellites, the success of reusable rockets from these firms is crucial and could provide them with the capital and confidence to rival the largest American launchers.

LEADERS

The rise of AI is profoundly reshaping childhood, presenting unprecedented opportunities for personalized education and entertainment, but also significant risks like the creation of echo chambers and shallow, uncritical relationships with AI companions. Europe must overcome its dithering and agree on a substantial financial mechanism, such as common borrowing, to support Ukraine's war efforts, especially since America's reliability as an ally has diminished under Donald Trump. Britain's political landscape is increasingly fragmented, with multiple parties vying for influence, leading to "slot-machine politics" where small shifts in votes can create wildly unpredictable parliamentary outcomes and weaken governance. Syria's transition under President Ahmed al-Sharaa has exceeded expectations in some aspects, particularly in diplomacy and maintaining stability after Bashar al-Assad's fall, but concerns remain regarding his consolidation of power, disregard for formal state structures, and inadequate reassurance of minority groups. President Trump should nominate technocrat Chris Waller over partisan Kevin Hassett to lead the Federal Reserve, ensuring the central bank's independence and prioritizing sound monetary policy over political expediency.

LETTERS

This week's letters debated whether minimum wage increases kill jobs, with new research suggesting large wage gains and zero job losses in the fast-food industry before the pandemic, and negligible price increases, arguing that minimum wages correct for monopsony power. Other correspondence discussed the security risks of Russian military sabotage in Europe, cautioning against broad visa limitations that could harm anti-Putin exiles and activists while

The Weekly Digest

failing to deter regime beneficiaries. Readers also mourned the phasing out of the American penny, highlighting its practical uses as a tire tread gauge and its cultural significance in childhood fashion. Finally, lighter notes included workplace romance advice and a correction on the syllabic count of "OK".

BY INVITATION

Larry Fink and Rob Goldstein argue that tokenization, the recording of ownership on digital ledgers using blockchain technology, is poised to transform finance by enabling instantaneous settlement of transactions and democratizing access to private-market assets. They emphasize that tokenization can replace inefficient paper-based processes, reduce costs, and allow large unlisted holdings like real estate to be traded in smaller, more accessible units. While early adoption is strong in developing countries, traditional financial hubs like America are lagging in the actual trading of tokenized assets. Fink and Goldstein urge policymakers to create a consistent regulatory framework that updates existing rules rather than creating entirely new ones, ensuring buyer protections and strong risk standards to build trust in this rapidly evolving financial infrastructure.

BRIEFING

Artificial intelligence is profoundly transforming childhood both at home and in schools, offering unprecedented opportunities for personalized learning and entertainment but also posing novel risks. In classrooms, AI is becoming the norm, assisting teachers with lesson planning and providing personalized tuition to students, potentially making high-quality education accessible to all. At home, AI-powered toys and companions offer bespoke entertainment and emotional support, but also raise concerns about the development of one-sided relationships and the potential for misuse or manipulation. Regulators are grappling with implementing age restrictions and safety guardrails, while educators are rethinking assessment methods to combat AI-powered cheating. The ultimate challenge is to leverage AI's benefits while preserving crucial socialisation and critical thinking skills that may be eroded by overly personalized and uncritical interactions with technology.

UNITED STATES

America's Secretary of War, Pete Hegseth, is under scrutiny for the military's bombing of a suspected drug-smuggling boat and a subsequent strike that killed survivors, raising questions

The Weekly Digest

about potential war crimes and the legality of the anti-drug campaign. Republicans are divided on the future of Obamacare's enhanced subsidies, set to expire in December, which could leave 3.5 million people uninsured, creating a political headache amid debates on affordability and abortion. The debate over petrol-powered leaf blowers is becoming a new cultural battleground, dividing American communities and sparking partisan legislation, with bans spreading in left-leaning municipalities. A recent special election in Tennessee, while not a Democratic flip, suggested the party is on track for a roughly five-point win in next year's midterms, potentially enough to flip the House but not the Senate. Additionally, large language models are threatening the integrity of opinion polls by effectively answering surveys and passing human-verification tests, raising concerns about manipulation and the blurring of what constitutes a "person's opinion."

THE AMERICAS

Human trafficking has become a grim and sophisticated business for drug gangs across Latin America, fueled by mass migration and sex tourism, trapping millions in sexual exploitation and forced labor in mines, farms, and factories. China is strategically building infrastructure, such as a cricket stadium in Grenada, to secure diplomatic influence and votes in the UN from tiny Caribbean nations, often leading to severed ties with Taiwan. Brazilian society is increasingly embracing its African roots, evidenced by a surge in Afro-Brazilian religious practices, a new federal public holiday honoring a slave rebellion leader, and a growing number of people identifying as brown or black in the census. This cultural shift, propelled by activism and President Lula's focus on African ties, is also prompting calls for deeper social and economic reforms to address persistent racial inequalities.

ASIA

India's defence-tech startups are experiencing a boom, fueled by broader venture capital interest, government efforts for indigenization, and the recent war with Pakistan, which highlighted the need for better drones and counter-drone defenses. Kyrgyzstan is steadily losing its status as Central Asia's sole democracy, with President Sadyr Japarov consolidating power through recent parliamentary elections that favored loyalists, muffling opposition, and introducing "foreign agents" laws. Japan's efforts to reduce its dependence on Chinese rare earths, following a 2010 trade dispute, have proven challenging, as it has only managed to cut reliance by one-third over a decade due to the complexity and cost of mining and refining diverse rare-earth varieties. Despite strategic investments and stockpiling, Japan's dependence on China has ticked back up, illustrating the difficulty of replicating China's command of the entire production process and its scale.

CHINA

America's hostile immigration policies and attacks on science, combined with China's lavish support for its own scientific and technological sectors, are driving an exodus of Chinese-born students and scientists from the US. The number of Chinese students studying in America has dropped by nearly 30% since 2019, and nearly 20,000 Chinese-origin scientists departed America between 2010 and 2021, with two-thirds heading to China in 2021. This "talent flow" threatens to erode one of America's key advantages in its technological rivalry with China, especially in critical fields like artificial intelligence. Public fury is simmering in Hong Kong after a devastating fire killed 159 people, but the government is determined to suppress protest and maintain public order ahead of Legislative Council elections by arresting petitioners and volunteers, highlighting the city's new intolerance for dissent. A recently leaked video of the 1990 court-martial of Major-General Xu Qinxian provides rare insight into the internal resistance within China's military to the Tiananmen Square crackdown, revealing an officer who calmly refused to participate in the "serious consequences" of moving troops against civilians.

MIDDLE EAST & AFRICA

Syria is uneasily celebrating its first year of liberation from Bashar al-Assad's regime, with interim president Ahmed al-Sharaa praised for ending diplomatic isolation and attracting international firms, but facing growing criticism for a deteriorating economy, lack of reconstruction, and opaque governance structures run by loyalists. An insurgency may be brewing against Syria's new leaders as Alawites, the sect of the fallen Assad regime, express growing unhappiness over lay-offs, subsidy cuts, and sectarian atrocities committed against them, with some seeking self-governance or even rallying former militia commanders for rebellion. Binyamin Netanyahu, Israel's prime minister, has requested an unprecedented presidential pardon in his fraud trial, insisting on his innocence and seeking an end to the legal proceedings before Israel's next elections. Africa urgently needs to generate more electricity, with 600 million people lacking access, but faces a demand problem exacerbated by unaffordable tariffs and inefficient utilities that deter private investment. Russia's plan to build a new oil pipeline in the Republic of Congo is met with skepticism, as it appears designed primarily to benefit Russia by creating a "sanctions-resistant" distribution channel, with activists fearing money laundering and little benefit for ordinary Congolese due to endemic corruption. Mormonism is experiencing a surprising boom in Africa, with membership increasing by 120% between 2011 and 2021, driven by its late entry into the continent and its perceived opportunities for educational and social advancement.

EUROPE

European governments are embarking on a massive military spending spree, with the EU launching a ?150bn SAFE fund and a National Escape Clause allowing ?650bn in additional defense spending, driven by Russian aggression and increasing American unreliability. America's peace initiative in the Ukraine war has stalled in Moscow after Vladimir Putin delivered hawkish remarks and held detail-free talks with Donald Trump's envoys, leaving Ukrainian President Volodymyr Zelensky facing tightening strategic pressure and a significant domestic corruption crisis. Greece, once synonymous with Kafkaesque bureaucracy, is now teaching Germany how to digitalize government services, having transformed its own digital public services from among the worst to average by focusing on strategy, overcoming administrative silos, and prioritizing low-hanging fruit. Italy's populist-right League party has stalled a sexual-consent law that would bring it in line with most of Europe, despite the recent unanimous lower house passage, highlighting persistent machismo and political maneuvering. The Hague is grappling with a decline in the prestige of international criminal courts, with tribunals closing and the International Criminal Court facing pressure and allegations of misconduct, though the International Court of Justice remains busy with state disputes.

INTERNATIONAL

Western armed forces are struggling to fill their ranks after decades of post-Cold War downsizing, prompting countries like France to introduce new voluntary service schemes and Germany to propose compulsory registration for potential recruits. This urgency stems from the high casualties observed in Ukraine, highlighting the need for larger armies in high-intensity conflicts, and a long-running recruitment crisis where a minority of young people meet suitability requirements due to health, drug use, or mental health issues. While some forces are lowering standards and offering incentives like increased pay and sign-on bonuses, retention remains a problem, with many recruits leaving rapidly, particularly those with scarce skills like pilots, due to challenging work-life balance. Meanwhile, "Trumpworld" believes Europe has "betrayed the West" by allowing mass migration, undermining traditional social values, and ceding sovereignty to the EU, leading to a "revolutionary fervor" among ideologues in the second Trump presidency who seek a fundamental reordering of European politics.

CULTURE

"Dark tourism," the act of visiting sites of atrocities and tragedies, is a booming global industry worth an estimated \$35 billion, with travelers seeking out war zones and sites of devastation,

The Weekly Digest

such as Palmyra in Syria or the 9/11 Memorial. The Economist's word of the year for 2025 is "slop," reflecting the pervasive spread of AI-generated, low-quality, and often misleading content across the internet, leading to "brain rot" and eroding trust in online information. Advent calendars have evolved far beyond their traditional religious or chocolate forms, becoming a ubiquitous and booming retail phenomenon offering diverse small indulgences, from caviar to pork scratchings, to celebrate any occasion. Tyler Mitchell, at just 30 years old, has become a "hotshot" in the photography world, celebrated for his strikingly beautiful images that blend fine art and fashion, appearing in Vogue and major museums, and defining a "black utopia" aesthetic. Jacqueline Harpman's 30-year-old dystopian novel, "I Who Have Never Known Men," has unexpectedly become a TikTok sensation, resonating with Gen Z readers through its desolate post-apocalyptic narrative and philosophical questions about humanity.