

# The Weekly Digest

Issue Date: 2026-01-10

## THE WORLD THIS WEEK

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### Politics

The U.S. dramatically intervened in Venezuela, removing President Nicolás Maduro and asserting dominance over its oil resources, drawing criticism from Mexico and fears in Europe over the U.S.'s neo-imperialist stance, especially regarding Greenland. This action, part of President Trump's "Donroe doctrine," sparked internal Venezuelan crackdowns while revealing Russian and Chinese limits to counter U.S. power in the region, as Russian-flagged tankers were seized. Regional tensions also escalated with North Korea's missile tests amidst South Korean diplomatic efforts and protests in Iran, where Trump pledged intervention. Domestically, a major welfare-fraud scandal in Minnesota involving the

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Somali community and federal funding freezes highlighted concerns about fraud in Democratic-led states.

## Business

Global oil prices stabilized after the U.S. Venezuela intervention, with American firms wary of re-investment despite the country's vast reserves, while Chevron pursued acquiring Lukoil's international assets. The OECD's global minimum corporate tax accord was amended to exempt U.S. multinationals, a "historic victory" for American businesses. In the EV market, China's BYD surpassed Tesla in sales, expanding rapidly overseas, impacting companies like Ford which saw hybrid sales surge. Stockmarkets globally saw a strong start to 2026, building on 2025 gains, with Britain's FTSE 100 surpassing 10,000. Nvidia unveiled its next-generation AI chip, and Warner Bros rejected a hostile takeover bid, opting for Netflix's offer due to debt concerns. Novo Nordisk launched a Wegovy pill to

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compete in the weight-loss market, and Berkshire Hathaway announced a significant salary for its new CEO.

## **The weekly cartoon**

No significant coverage this issue.

## **LEADERS**

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### **In Donald Trump's world, the strong take what they can**

Donald Trump's "Donroe doctrine" is on display after the U.S. raid to capture Venezuela's Nicolás Maduro, a stunning use of hard power driven by a desire for oil and hemispheric dominance, not democracy. While Maduro is gone, his repressive machinery remains, and Trump's ability to enforce his will or quickly restore oil output is uncertain. This brazen assertion of might over

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international law and universal values undermines American alliances and risks a return to an aggressive, 19th-century world order, but with 21st-century weapons. The article suggests this approach will ultimately weaken the United States, proving Trump's dismissal of universal values as a "foolish indulgence" wrong.

## **Do not mistake a resilient global economy for populist success**

The global economy defied pessimistic forecasts, growing by 3% in 2025 due to falling interest rates and fiscal stimulus, but this resilience should not be mistaken for populist success. Despite the proliferation of protectionist policies and high tariffs under Donald Trump, these measures have failed to achieve their central aim: arresting the decline of manufacturing jobs worldwide. American manufacturing is in a rut, and global factory employment continues to shrink, a trend exacerbated by advanced AI robotics. The article

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concludes that the world economy is merely coping with populism, with the adaptive power of free markets masking the damage caused by protectionism.

## **Does Japan have a ?foreigner problem??**

Japan is consumed by a political debate over a perceived "foreigner problem," with populist leaders blaming migrant workers, tourists, and foreign investors for the country's economic struggles. However, this article argues that Japan's real issue is a shortage of foreigners, which is dangerous for its rapidly aging population and declining workforce. Populist policies aimed at tightening controls on foreigners, while politically appealing in the short term, will exacerbate long-term demographic challenges and economic malaise. Business leaders and local governors, recognizing the necessity of immigration, advocate for more open policies and better integration, highlighting that the failure to leverage Japan's appeal as a place to live and work is the true problem.

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## **AI is transforming the pharma industry for the better**

The pharmaceutical industry is rapidly adopting generative AI, promising to revolutionize drug discovery and testing. AI tools can identify target proteins, suggest novel molecules, predict their potency and toxicity, and optimize clinical trials by selecting patients most likely to respond. Early results are promising, with AI-designed molecules showing 80-90% success rates in early-stage safety trials, significantly higher than historical averages. This could boost overall drug success rates, leading to more efficient discovery, better medicines, and increased competition, but requires governments to address regulatory bottlenecks and rethink patent terms. The technology is also shifting some value to tech giants, pushing pharma firms to integrate AI expertise.

## **France is paralysed, and everyone is to blame**

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France is suffering from a profound political paralysis, evidenced by its failure to pass a budget for 2026, its large deficit, and a weakened Emmanuel Macron as a lame-duck president. His centrist minority government struggles to enact reforms, while populist opposition parties delight in the deadlock. The article criticizes all major political actors for this "utter merde-show," from Macron's distant leadership to voters' rejection of necessary reforms. This incapacitation comes at a critical time when France needs to increase defense spending and address economic challenges, making decisive action, possibly fresh elections, imperative to prevent further political and economic decline.

## LETTERS

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**Was our review of the ?Wealth of Nations?  
at 250 uncharitable?**

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Readers responded to a Christmas review of Adam Smith's "Wealth of Nations," largely defending its enduring significance and Smith's genius in synthesizing economic observations. Correspondents argued his conceptual breakthroughs, like measuring national wealth by consumption, remain incompletely learned, and that his work, viewed alongside "Theory of Moral Sentiments," offers a surprisingly modern understanding of economic life. They acknowledged minor historical inaccuracies but emphasized Smith's profound influence on world trade and welfare, with some noting his warnings on banks and corporate governance that influenced later thinkers like Marx and Keynes.

## BY INVITATION

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**Peace and prosperity in Venezuela will come from democracy, not oil, writes Ricardo Hausmann**



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Ricardo Hausmann argues that the fleeting hope Venezuelans felt after Nicolás Maduro's removal was quickly dashed by Donald Trump's focus on seizing Venezuela's oil rather than promoting democracy. He asserts that true peace and prosperity depend on restoring rights, democracy, and the rule of law, not on American transactional interests or the illusion that oil wealth can substitute for political normalization. Hausmann criticizes Trump's sidelining of the democratic opposition and Nobel laureate María Corina Machado, warning that ignoring the will of the people and neglecting institutional rebuilding will only sow seeds for future conflict.

## BRIEFING

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**Donald Trump asserts control over Venezuela?and all the Americas**

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Donald Trump's "Donroe doctrine" has initiated a new era of American assertiveness in the Western Hemisphere, beginning with the capture of Venezuela's Nicolás Maduro and the assertion that the U.S. now "runs" the country. While Venezuelans are in shock, celebrations are muted by economic uncertainty and Trump's decision to support Maduro's vice-president, Delcy Rodríguez, over the democratic opposition. Trump aims to control Venezuela's vast oil reserves, but attracting American investment will be challenging given the country's instability and dilapidated infrastructure. This coercive foreign policy risks alienating Latin American allies, pushing them towards China, and straining relations with NATO members like Denmark over Trump's interest in acquiring Greenland.

## **Donald Trump chases down the shadow fleet serving Venezuela**

America intensified its enforcement of the Venezuelan oil blockade by seizing two tankers, the *Marinera*

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(formerly Bella 1) and M Sophia, after a naval chase. The Bella 1, with alleged ties to Hizbullah and a history of smuggling Iranian and Venezuelan oil, was boarded near Iceland despite attempting to re-flag as Russian, demonstrating America's determination. These actions, following Nicolás Maduro's abduction, signal sustained pressure on Venezuela's new rulers and a refusal to set a precedent for evasion, though they have had minimal impact on global oil markets. President Trump aims to ensure U.S. access to Venezuelan oil, controlling its proceeds for American and Venezuelan benefit.

## UNITED STATES

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### **Nicolás Maduro is unlikely to beat his rap**

Nicolás Maduro and his wife, Cilia Flores, are facing trial in New York on narco-terrorism charges after his abduction by U.S. special forces. Despite potential

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defenses regarding head-of-state immunity and the legality of his capture, American courts are unlikely to dismiss the case. Prosecutors have a strong record in high-profile narco cases and ample evidence, including co-operating insiders, to connect Maduro to cocaine trafficking. His best chance likely lies in political maneuvering or a sympathetic jury, as his case provides diplomatic leverage for the Trump administration.

## **Venezuelan immigrants in America are trapped in policy purgatory**

Venezuelan immigrants in Doral, Florida, celebrated Nicolás Maduro's capture but now face precariousness due to Donald Trump's hardline immigration policies. Despite the opposition's successful strategy to draw Trump's attention to Maduro's narco-trafficking, the administration revoked Temporary Protected Status for Venezuelans, threatening mass deportations. Trump's apparent willingness to normalize relations with Maduro's second-in-command over the democratic

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opposition further complicates their situation, making return to Venezuela potentially more dangerous. The diaspora, divided by class, struggles with the contradictions of Trump's foreign and domestic policies, leaving them in limbo.

## **America's most novel train project is too deadly**

Brightline, Florida's private passenger train, offers a luxurious travel experience but has a tragically high fatality rate, with over 180 deaths since 2018. This makes it significantly deadlier than Amtrak, primarily due to trespassers on tracks and inadequate safety infrastructure at numerous street crossings. Despite Brightline's investments in upgrades, local officials and the state of Florida prioritize convenience over additional safety measures like fencing. The article highlights that the government's inaction and local resistance to closing dangerous crossings contribute to the ongoing problem, hindering a project that could otherwise revolutionize

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U.S. rail.

## **What John Thune is for**

John Thune, the Republican Senate majority leader, is attempting to uphold traditional conservative values amidst a Republican Party increasingly dominated by Donald Trump. As Mitch McConnell's successor, Thune has navigated a challenging political landscape, pushing through Trump's legislative agenda while occasionally resisting his more extreme policies, such as attempts to scrap the filibuster. His efforts to unify the caucus and maintain a working relationship with the president have earned him respect. However, critics question whether he will ultimately challenge Trump's power grabs, or if his "long game" strategy will prove as ineffective as McConnell's in restraining the president.

## **The radical honesty of Donald Trump**

Donald Trump's peculiar political appeal stems from a

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"bleak, transgressive honesty" about power, which he applies to foreign policy, as seen in his unvarnished explanation for intervening in Venezuela to secure oil. This cynicism acts as a shield against critics, making traditional complaints about violating international law or constitutional authority less effective. Trump's "Donroe doctrine" openly asserts American commercial pre-eminence and dominance in the Western Hemisphere, prioritizing naked self-interest over universal values. This approach, while "radically honest," is criticized for undermining American alliances and the rules-based international order, potentially leading to global instability.

## THE AMERICAS

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### **The White House weighs how to acquire Greenland**

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Donald Trump's administration is seriously considering acquiring Greenland, potentially through military force, asserting it's vital for national security and Arctic defense. This follows his "Donroe doctrine" and has caused shock in Denmark and Europe, with Denmark's Prime Minister Mette Frederiksen warning it could end NATO. The U.S. strategy involves fostering Greenlandic independence sentiments and attempting direct negotiations for a "Compact of Free Association." Despite existing military bases, Trump views the island as a real-estate deal, further straining U.S.-European relations and demonstrating his "heartfelt loathing of Europe."

## **Canada's armed forces are planning for threats from America**

Canada's armed forces are planning for potential threats from America, reflecting a shift in the bilateral relationship following Donald Trump's rhetoric about hemispheric dominance and suggestions of annexation.



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General Jennie Carignan is developing a 400,000-strong civilian-defense force, not just for traditional adversaries like Russia and China, but also in response to concerns about U.S. unpredictability and civil strife. While direct military invasion remains unlikely, Canada is increasing defense spending and studying Finland's comprehensive security concept to enhance autonomous defense capabilities, aiming to reduce its reliance on its tempestuous southern neighbor.

## ASIA

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### **Why is Japan souring on foreign workers and tourists?**

Japan is experiencing growing anti-foreigner sentiment, fueled by populist politicians who scapegoat migrant workers and tourists for economic frustrations. This "foreigner problem" has led the ruling LDP to consider

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stricter controls on immigrants, despite their crucial role in filling labor shortages and the tourism sector's economic importance. The lack of clear immigration policies and poor messaging from mainstream politicians has allowed populists to frame the influx as a "silent invasion." While some concerns about over-tourism and foreign land purchases are valid, the broader crackdown risks exacerbating Japan's demographic decline and economic challenges.

## **Can Thailand rein in its ?mafia monks??**

Thailand's powerful Buddhist institutions are embroiled in a "holy mess" of lurid scandals, with abbots accused of embezzling funds and senior monks extorted over compromising materials. Police have arrested many monks for various crimes, revealing systemic corruption. The monarchy, constitutionally bound to protect Buddhism, is actively pushing for a cleanup, possibly to boost its public standing. New rules for financial reporting and penalties have been introduced, but critics

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doubt their effectiveness, suggesting that entrenched organizational failings and powerful connections may prevent a thorough purge.

## **Ethnic conflict festers on India's eastern frontier**

Almost three years after a devastating outbreak of ethnic violence between the Meitei and Kuki communities, India's Manipur state remains divided and on edge. The conflict, sparked by a dispute over special rights, resulted in hundreds killed and tens of thousands displaced, with tight security maintaining an uneasy calm that stifles development. Both communities criticize the ruling BJP for its slow and ineffective response, deepening alienation and risking the resurgence of a decades-long insurgency. The crisis serves as a stark warning about the dangers of identity politics in India, as policies based on group privileges can widen societal rifts.

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## **The teenage girl who may rule North Korea**

Kim Jong Un's daughter, widely believed to be Kim Ju Ae, is making increasingly frequent public appearances alongside her father, fueling speculation that she is being groomed as his successor. Her presence at military events and diplomatic meetings is intended to project authority and solidify her connection to the Kim dynasty. While North Korea is a patriarchal society, the rise of powerful women like Kim Yo Jong, Kim's sister, suggests a female leader is possible. This early succession planning, initiated while Kim is still in his 40s, likely aims to prevent the chaotic power struggles that marked his own ascent after his father's death.

## **CHINA**

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**It's not just China's total population that's falling**

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China's urban population has already peaked in 2021 and is projected to decline by over 13m by 2029, according to a U.N. internationally consistent definition, despite official figures suggesting continued growth. This "Peak Urban China" status, reflecting a higher true urbanization rate of 83.7%, has significant implications for the ailing property market, as traditional demand drivers diminish. Furthermore, India has surpassed China as the world's largest urban population. While China's leaders aim to promote smaller cities and develop integrated "city clusters" through infrastructure, the overall decline signals a new, potentially challenging, urban future.

## **China and Taiwan both see lessons in America's raid on Venezuela**

America's raid to capture Nicolás Maduro in Venezuela offers lessons for both China and Taiwan regarding "decapitation" strikes, though it's unlikely to fundamentally alter China's calculus on Taiwan. China, which has long planned such strikes on Taiwan's

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leadership, will scrutinize the operation's execution and the apparent failure of Venezuelan Chinese-made radars. Taiwan, in turn, will look for insights to strengthen its own defenses against potential Chinese aggression, emphasizing preparedness and weapon upgrades. The larger implication for both sides is the Trump administration's demonstrated willingness to use force and its renewed focus on the Western Hemisphere, which could indirectly impact the balance of power in the Taiwan Strait.

## **America's raid on Venezuela reveals the limits of China's reach**

America's raid on Venezuela, a close Chinese ally and major recipient of Chinese investment, exposed the limits of China's global power and its "all-weather" partnerships. While China swiftly condemned the intervention, its support for Nicolás Maduro proved largely rhetorical, illustrating its reluctance to provide military counterpunch against American actions. This

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event serves as a reality check for China's self-image as a global player and its vision of multipolarity, particularly in the Western Hemisphere where the "Trump corollary" asserts U.S. dominance. Beijing thinkers are now calling for a recalibration of policy in Latin America, emphasizing trade and caution to avoid inflaming tensions with America.

## MIDDLE EAST & AFRICA

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### **With protests at home and threats abroad, Iran's regime looks rattled**

Iran's regime is visibly rattled by ongoing protests, the widest since 2022, fueled by economic collapse and environmental crises for which it has no solutions. The protests, attracting disillusioned young men, are amplified by fears of foreign intervention, particularly after America's raid in Venezuela. This has spurred

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internal debates among Iranian officials about sacrificing the Supreme Leader to save the system, as the regime's ideology and repressive tactics are proving ineffective. The looming threat of war with Israel and Trump's warnings further intensify the peril facing the 86-year-old Supreme Leader in his 37th year in power.

## **Saudi Arabia has its first boozy new year?sort of**

Saudi Arabia has quietly expanded access to alcohol, allowing high-earning expats with "premium" visas to purchase drinks at a discreet store, marking a significant social loosening for the previously dry kingdom. While prices are high, they're cheaper than the black market. However, this change is ambiguous, with unclear rules on sharing or consuming alcohol, particularly for Muslims. This reflects a broader trend across the Gulf of balancing conservative traditions with modernity, creating confusion and varying standards of "decency" in public.



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## **Burundi is running out of space**

Burundi, one of the world's most densely populated countries, is grappling with severe population pressure, a trend mirrored across Africa's Great Lakes region. With 14m people in an area the size of Wales, and much of the country becoming an "in-between place" that is neither entirely rural nor urban, the pressure on food production is immense. Fields are overused, yields are flat, leading to widespread food insecurity and childhood stunting. The article highlights the societal strain, including land disputes and strained relations, underscoring the urgent need for investment in education and healthcare to lower fertility rates.

## **The Museveni era is nearing its end**

Uganda's President Yoweri Museveni, 81, is set to win his seventh election, but the article argues his era is ending due to time, not votes. His four-decade rule, characterized by repression and military control, has

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given rise to an all-powerful trinity with his erratic son, Muhoozi Kainerugaba, who commands the army, and his general brother, Salim Saleh. The opposition, led by Bobi Wine, faces state violence and intimidation, making mass protests difficult. Kainerugaba's open ambition and divisive rhetoric suggest a looming reckoning for Uganda's political stability as the country transitions from Museveni's long reign.

## EUROPE

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### **Energetic abroad, Emmanuel Macron faces a mess at home**

Emmanuel Macron, despite his energetic foreign policy, faces severe domestic paralysis, highlighted by France's failure to pass a 2026 budget and a soaring deficit. Leading a weakened minority government, Macron struggles to implement reforms, having made

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compromises like freezing pension reform to gain political support. This political deadlock is sapping reformist ambition and fueling public frustration, which is benefiting populist parties like the National Rally. The article suggests that without decisive action to address the budgetary impasse, Macron's remaining term will be unproductive, and his domestic legacy will be defined by political uselessness.

## **Ukraine now has the fortress belt it wishes it had in 2022**

Ukraine has constructed an extensive "fortress belt" of defensive lines across the Donbas, comprising razor wire, anti-tank ditches, and berms, which commanders believe would make Russian breakthroughs "very difficult." However, American-led peace proposals, which include the creation of a "neutral demilitarised buffer zone" in parts of Donetsk, threaten to undermine these fortifications. Many Ukrainians fear this could allow Russia to circumvent defenses and continue its

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invasion, especially as Ukrainian forces have lost ground recently. The conflicting messages are causing confusion among locals and raising concerns about the fate of the heavily fortified region.

## **Kosovo's election shows its democracy is solid**

Kosovo's recent parliamentary election saw a resounding victory for Prime Minister Albin Kurti, affirming the solidity of its young democracy despite challenges. Kurti's win gives him a mandate to ratify a cooperation agreement with the EU and unlock significant aid, bolstered by his anti-corruption stance and popular support. However, his confrontational approach towards Serbia and its ethnic-Serbian minority, while politically advantageous domestically, hinders full international recognition and investment. The article emphasizes that for Kosovo to achieve prosperity, a more amicable relationship with Serbia is essential, rather than continued posturing.

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## **A Russian drone has revived a Ukrainian nuclear nightmare**

A Russian drone attack last February pierced the protective dome of the Chernobyl nuclear power plant, reviving fears of a nuclear disaster. While initially deemed superficial, the damage to the New Safe Confinement (NSC) requires hundreds of millions of dollars in repairs to prevent a severe radioactive leak, as firefighting efforts compromised its airtight seal. Ukrainian workers have applied a temporary patch, but restoring the NSC's integrity is a complex and costly task, with the European Bank for Reconstruction and Development struggling to secure necessary funds amidst a challenging fundraising environment for Ukraine.

## **Latvia is needlessly alienating its Russian-speakers**

Latvia is needlessly alienating its significant

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Russian-speaking minority by shutting down Russian-language public broadcasting, which it deems non-European, and imposing other punitive measures. This policy, aimed at national security and informational unity, is seen by critics as forced assimilation rather than integration. Despite claims of equality, these actions, including restrictions on jobs and higher taxes on Russian-language media, create political apathy and self-censorship among Russophones. The article argues these measures play into the hands of both Latvian ultra-nationalists and the Kremlin, inadvertently undermining the very security they aim to enhance.

## **Why Europe is rediscovering the virtues of cash**

Europe, particularly its northern regions, has seen a rapid decline in cash usage, with digital payments dominating transactions and ATMs becoming scarce. This shift, driven by convenience and efforts to combat undeclared income, led authorities to once embrace a cashless

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future. However, concerns about digitally averse populations (elderly, poor) and the resilience of payment systems during power cuts or cyber threats have prompted a re-evaluation. The EU is now seeking to ensure cash remains a ubiquitous payment method, proposing laws to prevent businesses from refusing notes and coins, acknowledging that some "change is worth keeping."

## BRITAIN

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### **State capacity is the issue of the age**

The ability of the British state to "get anything done" is now the central political issue, with both Labour and its rivals expressing frustration at a "stakeholder state" of regulations and arm's-length bodies that impede action. This "just-do-it politics" reflects a pervasive sense of decline, where the state struggles with basic services and

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large projects. Sir Keir Starmer and Reform UK advocate for a stronger, faster, politically charged center of government, a shift from past decentralization efforts. However, critics argue this approach is superficial, overlooking the organic nature of governing and risking unintended consequences if not based on a deeper theory of the state.

## Hope springs eternal for Sir Keir Starmer

Sir Keir Starmer's first full year as Prime Minister has been difficult, with his government struggling to deliver on key policy goals and Labour's poll numbers slumping to 17%. Despite his optimism about Britain "turning a corner," progress on building 1.5m homes, cutting hospital waiting lists, and achieving clean energy targets is significantly behind schedule. While utility bills have seen some relief, other indicators like housebuilding and A&E waiting times show marginal improvement, and small boat crossings have increased. The article suggests that more than just a "new year's reset" is needed to



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revitalize his administration.

## **Happy birthday to the contributory old-age pension!**

This article celebrates the 100th anniversary of Britain's Widows', Orphans' and Old-Age Contributory Pensions Act, which transformed welfare by establishing a right to a pension at 65, funded by worker and employer contributions. This new system, unlike previous means-tested provisions, was seen as an earned annuity, removing the stigma of welfare. It also began to draw a clear line between working-age people and pensioners, fostering arguments for older individuals to retire and free up jobs. Today, pensioners are more numerous, politically powerful, and enjoy increasingly generous state support.

## **Why Britain's Stop the War movement is so resilient**

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Britain's Stop the War (STW) coalition demonstrates remarkable resilience, consistently campaigning against military interventions for nearly 25 years, often proving prescient in its predictions of ruinous outcomes in conflicts like Iraq and Afghanistan. Rooted in an anti-capitalist and anti-imperialist perspective, STW serves as a unifying umbrella for Britain's left, holding that Western interventionism is the primary cause of global conflict. Despite criticisms of its stance on conflicts like Ukraine, where it frames the war as a "proxy war" due to NATO expansionism, its "theoretical analysis" sustains its members between periods of mass mobilization.

## **The collapse of Britain's oil-and-gas industry**

Britain's North Sea oil and gas industry is collapsing, marked by continuous production decline and a rapidly shrinking workforce, with a major refinery and plant closure. The Labour government is blamed for this

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downturn, primarily due to its 78% windfall tax and ambiguous stance on exploration licenses, which deter investment. While critics, citing Norway's success, advocate for a pro-drilling policy, the article argues this is fanciful; Britain's fields are older, smaller, and costlier, and global oversupply is projected to keep oil prices low. Labour's "just transition" policy has inadvertently accelerated the industry's demise, increasing Britain's reliance on imports.

## Thatcher-on-Thames

Docklands, especially Canary Wharf, stands as an enduring monument to Margaret Thatcher's pro-growth, pro-market ideology, transformed from derelict docks into a thriving financial hub. This regeneration, spurred by the Wapping dispute and the "Big Bang," was largely private-sector funded with minimal state interference. Despite initial criticisms of its "philistinism," Canary Wharf now generates immense economic value and boasts significantly lower crime rates than central

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London. Its continuous evolution, driven by private ownership and a forward-looking vision, contrasts with neglected public spaces, making it an unapologetic paean to a Thatcherite politics largely absent in contemporary Britain.

## INTERNATIONAL

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### **Social media are helping cults to recruit and control members**

Social media platforms are increasingly becoming a potent tool for cults to recruit and control members, replacing traditional methods with online influencers and digital communities. These groups exploit individuals' vulnerabilities, often masquerading as wellness programs or life coaches, to establish charismatic leadership, transformative belief systems, and coercive control mechanisms that erode autonomy. The internet facilitates

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splintering into numerous smaller groups and disproportionately exposes young people to manipulation. While some governments are enacting laws against "psychological subjugation," the debate continues on how to regulate without infringing on freedom of belief, underscoring the need for education and survivor support.

## BUSINESS

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### **The "ChatGPT moment" has arrived for manufacturing**

The manufacturing sector is entering a "ChatGPT moment" as generative artificial intelligence (AI) promises to revolutionize how and where goods are made. After years of tepid growth, robot installations and factory automation sales are set for a significant surge, driven by falling interest rates, Western reshoring

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policies, and labor shortages. Advances in industrial software and AI models, particularly "physical AI," enable robots to perform increasingly complex, flexible tasks, making factories not only more mechanized but also nimbler and potentially smaller. Companies like Siemens and Nvidia are heavily investing in this transformation, envisioning autonomous factories that will redefine manufacturing.

## **Germany's industrial conglomerates are breaking up to stay alive**

Germany's industrial conglomerates, long accustomed to diversification, are increasingly breaking up through divestments and spin-offs in response to economic pressures like Chinese competition, American tariffs, and high operational costs. This accelerating trend reflects a shift towards more focused, competitive businesses, as investors now favor the transparency of standalone entities over diversified groups. Companies like Siemens have successfully spun off major divisions,

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nearly doubling their share price, demonstrating the benefits of this strategy. Others, including Thyssenkrupp and Continental, are following suit, shedding non-core assets to concentrate on their core activities and adapt to challenging market conditions.

## **The AI frenzy is creating a big problem for consumer electronics**

The intense demand generated by the AI frenzy is creating a severe supply crunch for memory chips, a critical component in consumer electronics, leading to soaring prices and potential product delays. Advanced AI processors require high-bandwidth memory (HBM), which is resource-intensive to produce. With only three major firms dominating DRAM production and prioritizing high-margin HBM, basic memory chips like DDR4 have seen prices surge by 1,360% since April 2025. This situation disproportionately impacts smaller electronics manufacturers, while larger players like Apple and Samsung are better positioned. Relief is

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expected to be slow, as new production capacity takes years and largely targets HBM.

## **Welcome to the age of the vodcast**

Podcasting is rapidly transforming into a visual medium, or "vodcast," driven by YouTube becoming the most popular platform for podcast consumption and an increasing number of podcasters filming their shows. This shift allows for greater reach through social media clips and on-TV consumption, attracting new audiences. While video expands reach, it can impact "engagement" compared to audio-only platforms. Television companies are also investing in podcasts for their cost-effectiveness and engagement potential, leading to a "convergence" where podcasts and TV increasingly blur lines and compete for the same audience, prompting questions about the very definition of a podcast.

## **The problem with promotions**



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Promotions often serve as a reward for past performance rather than an effective selection mechanism for future success, embodying the "Peter principle." Research confirms that being good at a current job, like sales, doesn't necessarily predict managerial quality, often leading to a decline in subordinates' performance. Other factors like managers hoarding talented staff and gender bias, where women are rated lower on "potential" despite higher performance, further distort promotion decisions. The article suggests that using a single instrument?promotion?to achieve diverse goals such as rewarding, motivating, and retaining employees inevitably leads to problems.

## **Venezuela presents a big headache for big oil**

Donald Trump's vision for American oil companies to "fix" Venezuela's oil industry after Nicolás Maduro's capture, reminiscent of 20th-century imperialist tactics, presents a significant headache for modern big oil.

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Despite Venezuela's vast reserves, the industry is wary of investing billions in the unstable country due to high break-even costs, dilapidated infrastructure, and a brain-drained workforce. Oil majors, having shifted focus to lower-cost, lower-risk assets globally, are reluctant to engage in geopolitical entanglements. Trump's candid admission of taking oil also creates a dilemma for firms, suggesting that the promised Venezuelan bonanza is misaligned with the realities and priorities of today's capital-disciplined oil industry.

## FINANCE & ECONOMICS

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### **An American oil empire is a deeply flawed idea**

Donald Trump's ambition for an American oil empire in Venezuela, driven by a desire for retribution and profit after Nicolás Maduro's capture, is fundamentally flawed.

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In the short term, Venezuela's oil output is likely to decline further due to blockades and lack of diluents. Long-term recovery faces immense challenges including a \$110bn capital expenditure need, a severe brain drain, and a saturated global market that could push prices below Venezuela's high break-even costs. Trump's 20th-century understanding of oil market dynamics and his unilateral approach will likely deter wary American oil majors, leading to marginal benefits for the U.S. and proving his plans for the 2030s unrealistic.

## **Venezuela's astoundingly messy debts are about to get messier**

Venezuela's astoundingly messy debts, totaling at least \$95bn to private bondholders, oil companies seeking nationalization damages, and Chinese lenders, are poised to become even more complicated after Nicolás Maduro's capture. While investors hoped for debt restructuring following the lifting of U.S. sanctions, Venezuela's dire financial state means any proposed

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repayment sum is likely insufficient to satisfy creditors. Donald Trump's focus on oil extraction could also warp negotiations, potentially favoring oil companies or implementing oil-for-debt deals. Without a fresh source of cash, any restructuring effort is likely to stall, leaving Venezuela dangerously short of options to resolve its sovereign debt crisis.

## **America's missing manufacturing renaissance**

Donald Trump's tariffs, aimed at reviving American manufacturing, have failed to deliver a "renaissance," with the sector entering its third year of contraction and shedding jobs. Beyond the impact of high interest rates, the tariffs themselves have introduced significant economic uncertainty, hurting manufacturers dependent on exports and imported parts. Export orders and import volumes have declined notably since the tariffs' imposition. The only thriving manufacturing segment, computer equipment and semiconductors, notably

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received tariff exemptions, suggesting that a rare embrace of free trade, rather than protectionism, stimulated its growth.

## **Why Europe's biggest pension funds are dumping government bonds**

Europe's largest pension funds, particularly Dutch schemes with ?1.9trn in assets, are divesting from long-term government bonds due to reforms shifting them from defined-benefit (DB) to defined-contribution (DC) models. DB schemes relied on these bonds for fixed payouts, but DC schemes, focused on variable returns, now favor riskier assets like stocks. This massive transition will remove a significant source of demand for long-dated European sovereign debt, especially AAA-rated bonds, pushing up yields and raising borrowing costs for European governments. The entry of price-sensitive investors like hedge funds will also increase market volatility, complicating future government bond sales.

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## **Vietnam's growth is fast?but fragile**

Vietnam is experiencing rapid economic growth, driven by surging exports and massive state infrastructure spending, aiming for ambitious targets. However, this growth is fragile due to an undue reliance on a handful of powerful, state-favored conglomerates like Vingroup, which dominate both stock market gains and major infrastructure projects. While Vietnam's leaders aspire to foster "national champions" similar to South Korea's chaebols, these firms can be risk-averse without state backing. This concentration of economic power makes Vietnam's impressive growth vulnerable to the whims of a few entities.

## **Is it better to rent or buy?**

The financial wisdom of renting versus buying a home has shifted, with renting now often being the more advantageous option in many rich-world markets due to surging interest rates since 2022. The monthly cost of

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homeownership frequently surpasses rental expenses, particularly in large cities. While buying builds equity, investing the capital saved by renting into other assets can yield greater returns over time. The article suggests long-term interest rates are likely to remain sticky, and renter-friendly regulations in the West further tip the scales, making renting the clear winner for financially pragmatic individuals, absent significant drops in house prices or interest rates.

## **What ?Pluribus? reveals about economics**

The Apple TV show "Pluribus" offers unique insights into economic theory through its depiction of humanity merged into a collective hive mind that eliminates deception and operates without private property or money. The Plurbs' effortless coordination, such as meticulously restocking a supermarket, highlights the hidden complexity of everyday economic life and humanity's reliance on unseen economic choreography. While solving the problem of tacit knowledge, the

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absence of true rivalry in this centrally planned system limits the scope for progress, demonstrating that capitalism's advancement often stems from individual entrepreneurs challenging collective wisdom.

## SCIENCE & TECHNOLOGY

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### **An AI revolution in drugmaking is under way**

An AI revolution is rapidly transforming the pharmaceutical industry, especially in drug discovery and development. Companies are utilizing AI tools, including transformer models, to read genomes, generate novel disease hypotheses, and invent new molecules with unprecedented speed and accuracy. AI-designed drugs are significantly accelerating preclinical phases and achieving higher success rates in early-stage safety trials compared to traditional methods. AI also optimizes



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clinical trials by selecting suitable patients and creating "synthetic patients" as controls, potentially reducing trial sizes and speeding up regulatory reviews. This innovation holds immense potential for enhancing human health, though it may also shift industry power dynamics.

## **Real flying saucers**

Engineers at the Aerospace Corporation have introduced DiskSats, a novel, flat, circular satellite design, as a potentially superior alternative to the standard CubeSats. Four DiskSats were recently launched into low-Earth orbit. Their design offers advantages such as a higher surface-area-to-volume ratio for more solar cells and larger aerals, and an ability to fly edge-first to reduce atmospheric drag. The U.S. Space Force, a key sponsor, is particularly interested in testing their performance in very-low-Earth orbit, where their enhanced viewing capabilities could be beneficial for applications like spying.

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## **A way to expand Earth's arable land**

Moshe Alamaro proposes a novel and cost-effective method to expand Earth's arable land by "enridging" semi-arid landscapes. His idea involves using earthmoving equipment to create east-west ridges with broad, shallow slopes facing away from the sun, which can then be planted with crops. These slopes retain more moisture, allowing vegetation to thrive where it otherwise wouldn't. Field trials are planned in Italy and Kenya to determine optimal reshaping techniques and costs. If successful, this "terraforming" could transform significant portions of the world's semi-arid regions into productive agricultural land.

## **Where should predators hang out if there are no watering holes?**

In rainforest environments, where abundant water makes watering holes less useful for predators, salt licks serve as critical hunting grounds. A study in Peru utilized

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camera traps at 19 salt licks, revealing a diverse array of predators, including jaguars, ocelots, and caimans, ambushing herbivores like peccaries and tapirs. This research confirms that salt licks function as vital convergence points for rainforest wildlife, providing predictable locations for predators to find prey, akin to watering holes in savannas.

## **Can high-intensity interval training get you fit in a hurry?**

High-intensity interval training (HIIT) offers a time-efficient way to get fit, requiring only a few minutes of intense exercise per week. Pioneered by Tabata Izumi, HIIT involves short bursts of maximal effort followed by brief rests, stressing all three of the body's main energy systems. Studies show it significantly boosts aerobic fitness ( $\text{VO}_2 \text{ max}$ ) and anaerobic capacity, often more effectively than conventional cardio workouts. While demanding and potentially uncomfortable, modern HIIT programs can

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be adjusted to a less extreme intensity, making it a viable option for those with limited time for exercise.

## CULTURE

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### **Do self-congratulating celebrities need more plaudits?**

The Golden Globes' new "Best Podcast" category raises concerns about the podcasting medium's evolution, as the nominated shows are predominantly celebrity-led interview programs characterized by self-congratulation and personal anecdotes. This trend, driven by the popularity of video podcasts on platforms like YouTube, risks overshadowing deeply reported narratives and inventive sound design. Critics argue that the selection process, which prioritized popularity over artistic merit, reflects a broader conformity in the industry, potentially impacting funding and recognition for more ambitious,

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non-celebrity-driven content.

## **Six books to read about Venezuela**

This article recommends six books that chronicle Venezuela's dramatic transformation from a vibrant democracy in the mid-20th century to an authoritarian state under Hugo Chávez and Nicolás Maduro. These selections delve into Chávez's charismatic rise and the nationalist-socialist revolution, as well as Maduro's subsequent consolidation of a corrupt and repressive regime that led to economic collapse. The books offer insights into the political, economic, and social dynamics that contributed to the country's profound decline, setting the stage for Maduro's recent capture.

## **Spore of the moment: mushrooms are the latest wellness-food trend**

"Adaptogenic" and "nootropic" mushrooms, such as Cordyceps and lion's mane, are surging in popularity as

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wellness-food trends, infused into various products like coffees, cocktails, and chocolates. These fungi are marketed with claims of boosting energy, reducing stress, and enhancing cognitive function, appealing particularly to health-conscious young consumers. However, the article highlights a lack of clinical evidence to support these advertised effects in humans, with scientific research primarily limited to lab or animal studies. Experts suggest that while these mushrooms can be tasty culinary ingredients, their purported medicinal benefits remain unproven.

## **The lessons of the terrorist violence of the 1970s**

Jason Burke's "The Revolutionists" provides a compelling account of terrorist violence from the late 1960s to early 1980s, focusing on groups like the PFLP, Red Army Faction, and Red Brigades. The book chronicles audacious acts like hijackings and massacres, examining the shifting motivations from Marxist

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nationalism to religious extremism. It details how initial governmental feebleness led to a turning point at the Munich Olympics, spurring the rise of special forces and decisive anti-terror responses. Burke also portrays the complex, often vile, personalities of figures like Andreas Baader and Carlos the Jackal, contrasting their largely political aims with the apocalyptic ideologies of later groups like al-Qaeda.

## **The ice-cool hero of ?The Night Manager? saunters to the rescue**

The second season of "The Night Manager" sees the return of John le Carré's enigmatic protagonist, Jonathan Pine, portrayed by Tom Hiddleston, who remains an "ice-cool hero." Untethered from the original novel, the new adventure, though sometimes lacking the original's worldly bite in plotting and dialogue, is redeemed by Pine's captivating character. He embodies a complex blend of violence, sentimentalism, guilt, and a suppressed moral drive, maintaining remarkable

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self-control behind his "hotelier's smile." Pine's enduring appeal lies not in intimate familiarity, but in his inscrutable nature, acting as an avatar for the opaque qualities in other people that continue to fascinate viewers.

## ECONOMIC & FINANCIAL INDICATORS

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### Indicators

No significant coverage this issue.

## OBITUARY

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### Nuno Loureiro hoped to replicate the energy of the Sun

Nuno Loureiro, a brilliant plasma physicist and fusion



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pioneer at MIT, died tragically at 47 from gunshot wounds. From an early age, Loureiro was dedicated to physics, specializing in plasma studies—the super-hot matter of stars—and its turbulent electrical and magnetic fields. He believed harnessing fusion power could provide continuous energy and devoted his life to understanding "magnetic reconnection" in plasma, using both astrophysical data and laboratory tokamaks. Loureiro was an inspiring professor, known for his vigor and belief in tackling hard problems, yet his promising career, aimed at changing human history through clean energy, was cut short by an inexplicable act of violence by a former peer.