

The Weekly Digest

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THE WORLD THIS WEEK

Politics

Tarique Rahman became Bangladesh's new prime minister after his Bangladesh Nationalist Party won a supermajority in the first competitive general election since 2008. The election also saw the Islamist Jamaat-e-Islami gain a record 68 seats. Rahman faces the challenge of restoring economic credibility and political stability, with voters simultaneously approving constitutional reforms. Separately, Afghanistan's Taliban government released three Pakistani soldiers captured during border clashes, while a car bomb in north-west Pakistan, claimed by the Pakistani Taliban, killed 12 people. In South Korea, former president Yoon Suk Yeol received a life sentence for insurrection after imposing

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martial law in 2024. Sara Duterte confirmed her presidential bid for 2028 in the Philippines, and Indonesia announced plans to send 8,000 troops for humanitarian assistance to Gaza, where Israeli airstrikes reportedly killed 12. Iran and America held talks in Geneva amidst an American military buildup and Iran's naval drills in the Strait of Hormuz, with satellite imagery suggesting fortification of an Iranian nuclear site.

Business

Mark Zuckerberg testified in a Los Angeles trial regarding social-media algorithms and teen addiction, admitting challenges in preventing under-13s from using Instagram and stating teens account for only 1% of Meta's revenue. Warner Bros Discovery gave Paramount a week for a final offer while recommending Netflix's takeover deal for most of the company, with a shareholder vote set for March 20th. Bayer proposed a \$7.25bn settlement for Roundup weedkiller claims in

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America, covering present and future non-Hodgkin lymphoma claimants for up to 21 years. Japan's GDP grew by a mere 0.2% annually in late 2025, narrowly avoiding recession, fueling speculation of another interest rate hike by the Bank of Japan to strengthen the yen. The first Japanese investments under last year's trade agreement with America were announced, totaling \$36bn for a natural-gas plant in Ohio, an oil-export facility, and a synthetic-diamond factory. Britain's consumer price inflation fell to 3% in January, the slowest in ten months, but the unemployment rate rose to a five-year high of 5.2%.

The weekly cartoon

No significant coverage this issue.

LEADERS

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Don?t go after the rich to fix broken budgets

Governments are increasingly looking to tax the wealthy to address budget deficits, citing rising inequality and public aversion to broad-based taxes. However, the article argues this approach is flawed and economically damaging. There are insufficient "fat cats" to fund welfare states, with proposals like California's wealth tax yielding only a small percentage of output. While loopholes benefiting the wealthy should be closed, these would generate minimal revenue. Excessive taxation on the rich can also stifle risk-taking, enterprise, and innovation, harming economic growth more broadly. The presumption that the rich do not pay their fair share is largely incorrect, as many rich countries, including America, have highly progressive tax systems and have increased redistribution.

Vladimir Putin is caught in a vice of his own making

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Four years into the Ukraine war, Vladimir Putin faces a dilemma: he cannot win, but fears peace. His armies have made minimal progress, and Russia struggles to recruit and retain quality soldiers due to low morale and increasing financial costs. While Russia's war effort is not collapsing, Mr. Putin's reliance on a Ukrainian collapse has been a losing bet. Agreeing to peace is unlikely to satisfy Russia's territorial ambitions, and President Trump's leverage to force a one-sided deal is diminishing. Peace itself could trigger economic and political instability within Russia, including a deep recession from resource redeployment and discontent among veterans.

Saudi Arabia and the Emirates must resolve their own differences

A growing feud between Saudi Arabia and the United Arab Emirates, two major American allies and the most powerful members of the Gulf Co-operation Council, risks significant consequences beyond the Gulf. Their

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rivalry stems from personal, political, and economic differences, with diverging interests exemplified in Yemen and Sudan. Opaque policies and the use of proxies exacerbate tensions, threatening regional stability and discouraging investment crucial for economic diversification. The two nations are urged to de-escalate, particularly by ceasing to fuel proxy wars, especially given America's perceived neglect of the issue under President Trump.

Why insider trading isn't always bad

Prediction markets, where individuals bet on various outcomes, are rapidly growing, leading to increased scrutiny over informed trading. While a recent criminal case in Israel involved using classified information for profit, the article argues that informed trading in prediction markets is not inherently criminal or unjust, unlike in equity markets. Equity markets aim to provide capital to companies, and insider trading deters ordinary investors, but prediction markets primarily benefit from

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price discovery. This price discovery offers valuable insights to everyone without them having to pay. Regulators should, however, be concerned about contracts where disclosure is harmful, such as military actions, or where traders can affect outcomes, but existing laws and market transparency can address these.

How to improve American legislators? lot

American lawmakers are increasingly disillusioned with their jobs, evidenced by record resignations, low public approval, stagnant pay, and rising threats to safety. The role involves relentless fundraising, constant travel, and performative committee appearances, often yielding little legislative progress. This decline in job satisfaction stems from entrenched partisanship, the demands of social media, and a concentration of power at the top, which disempowers individual members. To improve Congress and democracy, Americans should consider how to make the legislative role more appealing. This includes empowering committees, reforming campaign

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finance, increasing pay and staff support, and voters electing legislators who prioritize lawmaking over performative politics.

LETTERS

Will AI wipe out white-collar jobs?

Two correspondents offered differing views on AI's impact on white-collar jobs. One argued that AI is amplifying human capability rather than replacing it, but expressed concern that AI investment is disproportionately focused on white-collar work, neglecting blue-collar and skilled-trade roles where labor shortages are acute. The other writer contended that optimism about white-collar job security is misguided, explaining how AI, even when not automating entire job roles, can disrupt the economics of tasks, citing personal examples of using AI to replace contractors and perform

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appliance repairs without specialized skills.

BY INVITATION

Dizzyingly high CEO pay is fine. It just needs to be earned

High CEO pay packages, such as Elon Musk's potential \$1trn compensation from Tesla, provoke widespread unease but are justified by two main factors. First, the importance of talent has grown with company scale; a 1% improvement in a \$40bn firm is worth \$400m, making a \$19m package seem less excessive. Second, executive pay motivates strong performance, particularly when tied to shares that align CEOs with long-term shareholder interests. While complex pay structures with discrete thresholds can create perverse incentives, simple share-based compensation with long vesting periods fosters an ownership mentality. Ultimately, the crucial

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question is not the size of CEO pay, but whether it is truly earned through performance and value creation.

BRIEFING

How four years of war have changed Russia

Four years of war in Ukraine have profoundly reshaped everyday life in Russia, making it increasingly difficult for citizens to ignore the conflict despite government repression. Civilian mobility is hampered by drone defense systems confusing GPS and frequent airport closures due to military concerns and sanctions-induced spare parts shortages. Communications are deteriorating with blocks on YouTube and WhatsApp, and throttling of Telegram, pushing users towards state-controlled alternatives. Economically, while aggregate numbers show low unemployment and consumer confidence, growth is heavily state-dependent, fueled by military

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spending and manpower drawn into the war effort, while the civilian economy struggles with expropriations, rising corporate taxes, and declining new business registrations.

Russia's economy has entered the death zone

No significant coverage this issue.

UNITED STATES

Donald Trump's policies are reshaping American health care

Donald Trump's second term has significantly altered American health care, with consequences for both public health and politics. Major changes include over \$900bn in cuts to Medicaid, the government health program for the poor, and the end of pandemic-era subsidies for the

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Affordable Care Act marketplace, leading to a rise in average premiums and an estimated 14m newly uninsured individuals by 2034. The administration emphasizes "fiscally responsible" changes, but critics warn of increased deaths and absorbed costs for hospitals. Trump has also launched "TrumpRx" for low-priced prescription drugs, which analysts deem to have limited real-world impact. Health Secretary Robert F. Kennedy junior has overseen rapid public-health reforms, including altering vaccine recommendations and dietary guidelines.

The front line in America's child-vaccine battle

West Virginia is at the forefront of America's child-vaccine debate, as its strict mandate?allowing only medical exemptions?faces a state supreme court challenge. Health Secretary Robert F. Kennedy junior is backing the governor's executive order to expand exemptions to include religious objections, turning the

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state into a test case for the administration's influence on vaccine policies. Vaccine hesitancy has surged among Republicans since the pandemic, leading to a significant increase in non-medical exemptions in Trump-voting states. The federal health department has even warned that restricting religious exemptions could jeopardize West Virginia's funding from the Vaccines for Children program.

How dangerous is Donald Trump's endangerment decision?

President Donald Trump terminated the "endangerment finding" on February 12th, a legal determination that underpins federal greenhouse-gas regulation. This 2009 EPA finding concluded that greenhouse gases threaten human health, obligating the agency to regulate emissions. By repealing it, the Trump administration effectively removes the mandate for such regulations, claiming it will save Americans over \$1.3trn by easing burdens on industries and reducing the need for electric

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vehicles. Critics, however, argue the decision ignores long-term costs like increased petrol expenses and predict tens of thousands of premature deaths from worsened air pollution.

The Trump administration wants to put antifa on trial

The Trump administration is pursuing terrorism charges against nine individuals arrested after a violent protest at an immigrant-detention facility in Texas, aiming to classify "antifa" as a militant enterprise. This trial comes after previous attempts to label protesters as terrorists backfired elsewhere. Prosecutors must prove that all defendants, not just the shooter, intended to help murder an officer or vandalize property to secure terrorism convictions. Defense lawyers argue the individuals were motivated by empathy for detainees, though evidence suggests some planning and weapon possession. The case represents a political opportunity for the administration to frame antifa as a terrorist organization,

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despite widespread understanding of it as an amorphous social movement.

Americans are unleashing their anger on food-delivery robots

Thousands of food-delivery robots are now operating on American streets, promising efficiency for "last-mile" errands and promoting energy conservation. Companies like Serve Robotics, Coco, and Starship Technologies have rapidly deployed these AI-powered machines, which use cameras and sensors for navigation and are visible examples of AI replacing human jobs. Despite their potential benefits, these robots face public disdain, with viral social media videos showing pedestrians assaulting them. This animosity, rooted in a broader American concern about AI, has led to calls for bans and boycotts, although companies are attempting to mitigate the backlash by giving robots names and "courteous" programming.

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The crummiest job in Washington?congressman?is getting worse

The job of an American congressman is increasingly seen as miserable, leading to a record 60 members stepping down after the midterms. This decline is attributed to longer hours, stagnant pay, heightened security threats, and diminished power. Lawmakers endure constant fundraising, extensive travel, and performative committee hearings that yield little legislative output, with Congress passing the fewest laws since the Civil War. The political environment is marked by extreme partisanship, where bucking party lines risks electoral defeat, and power is concentrated in party leadership, leaving individual members feeling disempowered.

Different ideas about faith are dividing Republicans over Israel

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The Republican Party is experiencing a growing internal division over Israel, fueled by differing interpretations of Christian faith and America-first politics. A social-media influencer on a religious liberty commission sparked controversy by rejecting the link between anti-Zionism and antisemitism, claiming Catholic opposition to Zionism. This dispute highlights how, as Donald Trump's influence evolves, older anti-Israel tropes are resurfacing within the Republican movement. While Christian Zionism historically underpinned much Republican support for Israel, some figures are now using faith as a rallying cry to question or reject Israel's right to exist.

THE AMERICAS

Nicaragua has so far dodged the fate of Cuba and Venezuela

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Nicaragua, often called the "tropical North Korea," endures intense repression under President Daniel Ortega and his "co-president" wife, Rosario Murillo, whose rule has evolved from revolutionary rhetoric to a focus on the clan's welfare. Since 2018, the government has brutally suppressed dissent, jailed opponents, and stifled civil society, leading to an exodus of 800,000 Nicaraguans. The regime increasingly controls the economy, with Chinese firms displacing Western ones in sectors like mining, boosting gold exports and sanctions evasion. Despite increasing repression and close ties with China, the Ortega-Murillo regime has faced limited external consequences, though President Trump's rhetoric and targeted American measures signal rising uncertainty.

Peru ousts a president under the shadow of Chinese meddling

Peru's interim president, José Jerí, was impeached by Congress after only four months in office, becoming the country's eighth president in a decade. The

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impeachment followed public revelations of clandestine meetings with a Chinese businessman, sparking conflict-of-interest questions. The "Chifagate" scandal drew scrutiny to Chinese influence in Peru, coinciding with Donald Trump's efforts to reassert US dominance in the region. Jerí's government had made moves to distance itself from China, including reconsidering a Chinese naval visit and opting for US-made F-16 jets over Swedish Gripen aircraft.

The battle to save South America's skull-crushing big cat

Governments and landowners across the Americas are increasingly committed to preserving jaguars, South America's largest cat, after years of indifference. Deforestation has more than halved the jaguar's range, threatening their populations through habitat fragmentation and inbreeding. International organizations and governments are now working to create wildlife corridors to connect fragmented territories

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and implement standardized monitoring methods to mitigate conflicts with landowners. Ecotourism is proving to be a significant ally, demonstrating that living jaguars are economically more valuable than dead ones, encouraging local communities to protect them.

ASIA

The flaws in India's AI plans

Despite hosting a global AI summit and promoting itself as an emerging AI superpower, India's ambitions are largely "fanciful." India lacks advanced manufacturing for critical AI chips and lags in compute power, relying heavily on a recent data-center boom. While a Stanford study ranks India third in "AI vibrancy" due to its tech workforce and digital infrastructure, other metrics place it outside the top ten, with limited skilled AI researchers and paltry government R&D spending. India's strategy

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focuses on becoming an "adoption capital" for AI, emphasizing open-source technology, affordable access, and application-focused solutions, particularly in voice-driven AI and solving developing-world problems like education and telemedicine.

Can Bangladesh's old guard build a new democracy?

Tarique Rahman's Bangladesh Nationalist Party (BNP) swept Bangladesh's first competitive election since 2008, securing over two-thirds of parliamentary seats. This victory follows the student-led "monsoon revolution" that ousted former prime minister Sheikh Hasina in 2024, with voters also endorsing constitutional reforms to strengthen democratic checks and balances. Rahman, a scion of a political dynasty, faces the dual challenge of democratic renewal, including integrating disillusioned protesters and the Islamist opposition, and economic stabilization. Economically, Bangladesh aims to trim red tape, increase its tax-to-GDP ratio, and attract foreign

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investment as it prepares to leave the "least developed countries" group. The new government also seeks a dignified reset in its relationship with India, its powerful neighbor.

South Korea is still haunted by its disgraced ex-president

South Korea remains divided by the toxic legacy of ex-president Yoon Suk Yeol, who was sentenced to life imprisonment for insurrection after imposing martial law in late 2024. His former People Power Party (PPP) is split between "Yoon Again" loyalists who defend his actions and "Yoon Never Again" conservatives who seek to sever ties with the disgraced leader. This internal strife, fueled by far-right online commentators, has weakened the party's public standing and allowed the left-leaning Democratic Party a freer hand. Despite widespread public disapproval of Yoon's martial law declaration, the dominant "Yoon Again" faction continues to alienate broader voters, signaling ongoing

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challenges for the conservative movement.

India's pollution is becoming an economic roadblock

India's air pollution crisis is a pervasive, year-round problem, expanding geographically beyond Delhi to major cities like Kolkata and Mumbai. Caused by growing motor vehicle ownership, poor traffic management, and extensive construction, it leads to 1.7m annual deaths and an estimated 3% loss of GDP. Despite these severe costs, the government downplays the issue, cutting funding for pollution control and disputing the link between pollution and health. However, the economic impact is becoming concrete, affecting consumer spending, business talent attraction, and tourism, forcing companies to cite pollution as a factor in declining sales and flight cancellations.

Could One Nation soon become Australia's most popular party?

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Australia, once thought immune to right-wing populism, now faces the surging popularity of Pauline Hanson's anti-immigrant One Nation party, which has surpassed the traditional centre-right opposition coalition. The Liberal Party, leading the coalition, recently ousted its leader, Sussan Ley, amid panic over its historical low standing and the bleeding of supporters to One Nation. The Nationals, a coalition partner, are particularly threatened as they vie for the same rural voters. While the Liberals' new leader, Angus Taylor, signals a shift to the right on immigration, this risks alienating progressive urban supporters who have increasingly backed independent "teal" candidates.

A nasty spate of shark attacks in the Sydney area

A recent surge in shark attacks around Sydney, including a fatal incident last month, has led to mass beach closures and calls for a reintroduction of shark fisheries. This year has seen an unusually high cluster of attacks,

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potentially exacerbated by Sydney's wettest day since 1988, which washed nutrients and debris into waterways, attracting prey and creating murky conditions. Experts emphasize that beachgoers need to better understand the risks of swimming in sharks' natural habitat, which are intensifying due to climate change warming oceans and increasing extreme weather events.

CHINA

Dubai's crazy rich Chinese

Wealthy Chinese individuals and firms are increasingly relocating to Dubai, seeking a safe, low-tax jurisdiction amidst a stagnant economy at home and Western financial sanctions. Dubai has seen a significant net inflow of dollar-millionaires, with Chinese investors contributing a disproportionately large share of growth in its offshore financial center. The city offers a tailored

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lifestyle for Chinese expats, from schools to hospitals, and welcomes foreign investment without the stringent oversight seen elsewhere. Dubai's pragmatic foreign policy, straightforward residency process, and opportunities in its booming property market and tech sector are key attractions for Chinese money.

Why the IMF's newest report finds that the yuan is undervalued

The IMF's latest report concludes that China's yuan is undervalued by approximately 16%, the largest misalignment since 2011, making it a global economic problem. This undervaluation stems from China's weak economic recovery post-property bust, leading to declining industrial prices and weak wage growth at home. These domestic conditions enhance the competitiveness of Chinese goods abroad, contributing to a large current-account surplus that alarms trading partners like America and the EU. The IMF proposes that China boost domestic spending on rural pensions,

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healthcare, and property market support, which would stimulate the economy, reverse deflation, and reduce the trade surplus, benefiting both China and global trade balance.

China now fills the world's luxury hampers

China is rapidly becoming a leading producer of luxury foods traditionally associated with Western gastronomy, such as sturgeon caviar, truffles, and foie gras. The country's varied geography and innovative, large-scale farming methods, exemplified by Kaluga Queen's year-round caviar production, are driving this success. While traditional purveyors are fighting to maintain market share and perception, Chinese products are gaining acceptance among top chefs globally. China is also introducing its own luxury items, like "Lincang nuts" and specific teas, to lists of geographically protected foods.

Why American allies are flocking to see Xi

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Jinping in Beijing

In recent months, numerous leaders from formal American allies, including France, Canada, and Britain, have visited Beijing, signaling a shift towards diversification in their foreign relations amidst uncertainty caused by Donald Trump. While these visits have been criticized at home for yielding few immediate gains and deepening reliance on China, Beijing views them as a significant diplomatic breakthrough and a sign of America's diminished reliability. China has so far exercised relative restraint in demanding concessions, content with the symbolic projection of its great-power status and the stabilization of relations, which buys time for technological development and helps its green-tech companies establish assembly sites in the West.

MIDDLE EAST & AFRICA

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Why the Gulf's most powerful countries are at odds

Saudi Arabia and the United Arab Emirates are embroiled in a deepening spat, marked by accusations, strained relations, and state-backed propaganda. This feud, a mix of political and personal rivalries, has reshaped the war in Yemen, where Saudi Arabia bombed an Emirati weapons shipment. Their disagreements stem from differing approaches to regional stability, support for various factions, and views on political Islam and Israel. Businesses are experiencing bureaucratic obstacles, and concerns are rising that the competition could exacerbate other conflicts in the Horn of Africa and Syria.

Libya has no good options for leaders

The death of Saif al-Islam Qaddafi, son of Libya's late dictator, has highlighted the country's bleak political landscape, with his funeral drawing large crowds

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nostalgic for a united state. Despite being indicted for crimes against humanity, Saif was Libya's most popular public figure, embodying a yearning for stability amidst predatory militias and decaying public services. However, he lacked the means to seize power, and no obvious successors exist, with Muammar Qaddafi's other sons largely in exile. Libya's current power-brokers, the Dbeibas and Haftars, continue to obstruct elections and extract oil revenues, benefiting from the prevailing disorder.

A book fair in Damascus is a window on the new Syria

The Damascus International Book Fair this month suggested a cautious opening for intellectual space under Syria's new rulers, a stark contrast to the censorship of the Bashar al-Assad era. The fair featured a diverse range of titles, including works by Charles Darwin and Stephen Hawking, alongside contemporary literary fiction and political treatises. While ministers attended

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and publishers from Jordan and Saudi Arabia set up stalls, major Western publishers were largely absent. Asser Khattab, a returning journalist, plans to open an independent bookshop to foster critical thinking, but still faces challenges with sanctions and sourcing controversial books.

The global triumph of Nigerian fashion

Nigerian fashion, with its flamboyant styles and vibrant textiles, is achieving global recognition, gracing red carpets and going viral on TikTok, driven by a large and growing diaspora. Historically, Nigerian artisans integrated foreign techniques, but now local techniques like beadwork and adire are finding international markets. Technological innovations, such as softer damask for headties and mass-produced resistance-dye fabrics, have made these styles more accessible. However, while events like Lagos Fashion Week attract international attention and Nigerian designers showcase abroad, the trend has not yet translated into significant

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economic gains for Nigeria due's to a struggling power industry and logistical challenges.

EUROPE

How a four-year onslaught has changed Ukraine

Four years after Russia's invasion, Ukraine has transformed, proving more resilient than expected against a superior adversary, though at immense cost. Border guards like those at Vilcha, who miraculously survived the initial onslaught, epitomize the shift from conventional defense to a high-tech war dominated by drones. While Kyiv is no longer at risk, Ukraine faces severe challenges, including conscription difficulties, high desertion rates, exhausted soldiers, and a crippled economy due to Russian aerial attacks. A vast corruption scandal and the impossibility of wartime elections are

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fracturing political unity, with President Zelensky's leadership facing questions.

How Germany fell out of love with China

Germany's Chancellor Friedrich Merz is set to visit Beijing with business leaders, signaling a departure from predecessors' approaches as Germany's mood towards China darkens. Concerns range from China's support for Russia in Ukraine to cyber-attacks and espionage. Merz aims to "derisk" Germany from Chinese dependencies, particularly regarding choke-points like rare earths and chips, and address the wildly unbalanced trade relationship. German exports to China have plummeted, while surging imports from Chinese firms, accused of benefiting from state subsidies and an undervalued yuan, are challenging German industries at home and in third countries. This "China shock 2.0" is causing fears of deindustrialization, though German industry itself is divided on the approach, with some multinationals doubling down on "in China, for China" strategies.

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Poles have split and soured on America

Poland, traditionally Europe's most pro-American country, has seen a significant decline in positive sentiment towards the United States during Donald Trump's second term. Despite increased defense spending and purchases of American military equipment, Poles' perception of good relations has plummeted to its lowest since 1988. The pro-American consensus has fractured due to internal polarization, with President Karol Nawrocki (backed by the populist-right Law and Justice party) supporting Trump and Prime Minister Donald Tusk (centre-right) asserting Polish independence from American dictates. This political stand-off, exacerbated by the Trump administration's backing of populist parties in Europe, has paralyzed Polish politics.

Serbia's protesters learn it's hard to topple a president

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Serbia's student-led movement has been demonstrating against President Aleksandar Vucic for 15 months, but maintaining momentum is proving difficult. The protests, sparked by a deadly train station canopy collapse blamed on corruption, initially drew hundreds of thousands but have since dwindled. Vucic retains significant advantages, including control over most media, and has responded by firing academics and officials who support the movement. While the president's system shows cracks, with a trial against the culture minister for illegal land rezoning offering hope, divisions within the pro-European and pro-Russian protest movement and a lack of collaboration with established opposition parties hinder its effectiveness.

That irritating feeling that France was right

European leaders at the Munich Security Conference felt a disquieting vindication of France's long-standing skepticism about America's dependability, amplified by Donald Trump's rhetoric. French leaders, particularly

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Emmanuel Macron channeling Charles de Gaulle, have consistently advocated for "strategic autonomy" in Europe, building independent military and energy capabilities. While often mocked, France's position appears prescient as other European nations grapple with the implications of a potentially hostile America. However, historical factors?such as France being "too soon" in its calls, not being "credible" due to domestic spending habits, and its "tone" alienating allies?have hindered wider European adoption of Gaullist principles.

BRITAIN

Britain is the closest the world has to an AI safety inspector

Britain?s AI Security Institute (AISI), established after the 2023 Bletchley Park summit, has become a global model for AI governance, earning praise for its technical

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skill and diplomacy. The institute, initially led by a venture capitalist and now by an ex-GCHQ official, rapidly recruited top talent to test advanced AI models for vulnerabilities in critical domains like cybersecurity and biology. AISI plays a crucial role in providing the government with vital knowledge, shaping internal practices of leading AI labs, and projecting Britain's soft power internationally, as it chairs a global network of AI safety institutes. However, it functions primarily as a technical research body and is not a regulator, relying on voluntary access to frontier models and lacking the capital to build its own.

The Scottish government's new bonds will waste taxpayers' money

The Scottish National Party (SNP), leading Scotland's government, plans to issue "kilts" bonds on the private market if re-elected, despite analysts projecting higher costs than borrowing from the British government. Currently, Scotland benefits from a redistributive block

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grant from Westminster and borrows at a favorable rate. The SNP argues that direct bond issuance offers greater borrowing flexibility and boosts Scotland's investment profile. However, its own analysis indicates higher costs due to administration fees and a market premium over gilts. Critics also note that credit ratings for kilts depend on Westminster's backing, and that the SNP's real aim is political, to demonstrate readiness for independence, which could conversely lead to higher borrowing costs if independence becomes a likely outcome.

How to oust a prime minister

History provides useful lessons for Labour MPs plotting to oust Sir Keir Starmer, emphasizing that successful regicide requires open, collective action rather than waiting for discrete interventions. Mutineers must choose the right moment, often after a significant electoral setback, but avoid periods of national emergency unless the leader is clearly culpable. Prime ministers are often vulnerable due to distractions of

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governing, being cocooned from their peril, and accumulating resentments from past decisions. Crucially, a leadership contest or confidence vote, even if technically won, can mortally wound a leader, particularly if high-level resignations spark a stampede.

North London is suffering a measles outbreak

North London is experiencing a measles outbreak, with 61 cases so far this year, raising alarm due to the disease's high contagiousness. Measles vaccination rates across England have been declining, with London being particularly affected; only 69% of five-year-olds are fully vaccinated against measles, significantly below the national average and recommended 95%. While misinformation is often blamed, a 2025 report by the Royal College of Paediatrics suggests that access to services, including travel costs and limited appointment availability, plays a larger role. These issues are exacerbated in poorer, diverse areas of London, which

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correlate with lower immunization rates.

Plaid Cymru is on the cusp of power

Plaid Cymru, the Welsh nationalist party, is a favorite to take control of Wales's devolved government in the upcoming May 7th elections, positioning its leader, Rhun ap Iorwerth, to become First Minister. This rise is attributed to Welsh voters' dissatisfaction with the Labour government and a growing alignment between national identity and broader cultural and political values. Plaid has successfully drawn leadership of the progressive, Welsh-identifying bloc from Labour, which struggles to maintain a distinct Welsh identity under an unpopular Downing Street government. While ap Iorwerth prioritizes health, cost of living, and economic development and is pragmatic about an independence referendum, much of the party's platform relies on securing more funding and powers from Westminster.

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INTERNATIONAL

The Robin Hood state is coming for the rich

Despite rising pre-tax income inequality in much of the rich world since the 1980s, tax codes have become significantly more progressive, largely offsetting this trend. America now redistributes twice as much as in the 1960s, and most G7 countries have seen post-tax inequality fall or remain stable since 1990. While historical top tax rates were higher, the rich often avoided paying, whereas today's effective tax rates on high earners have markedly increased. Governments are increasingly dependent on the wealthy for revenue, using these funds to cut taxes for others and expand social transfers, including pensions and health insurance.

Donald Trump's envoys failed to reassure Europe

Donald Trump's envoys, Secretary of State Marco Rubio

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and Pentagon Undersecretary Elbridge Colby, attempted to reassure European allies at the Munich Security Conference, but failed to restore trust. Rubio's speech, though less caustic than previous administration remarks, emphasized MAGA values and dismissed climate concerns, while Colby advocated for European conventional defense with continued American nuclear protection. European leaders, however, remained deeply anxious, interpreting Trump's actions, such as his desire to buy Greenland, as undermining alliances. Concerns also arose over the muddled logic of pushing potent conventional weapons that could provoke Russia, and the administration's support for Putin-friendly hard-right parties in Europe.

1843

He was a Texan dad who had never left America. Then he got deported to Laos

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Khamphat Paneboun, a 43-year-old Texan dad, was unexpectedly deported to Laos, a country he had never visited, as part of Donald Trump's immigration crackdown on individuals with criminal convictions. Paneboun, a green-card holder who had served two years in prison for aggravated assault in 2004, had agreed to a deportation order years prior, believing Laos wouldn't accept him. Despite turning his life around, marrying, raising four children, and excelling in his warehouse job, he was detained during a routine check-in in 2025 and subsequently deported. This personal story highlights the broader impact of Trump's policies on Lao-Americans, many of whom are facing similar fates despite having established lives in the US.

BUSINESS

**China's humanoids are dazzling the world.
Who will buy them?**

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China's humanoid robotics industry is bustling, with its companies like Agibot and Unitree dominating global deliveries and developing a deep supply chain. Despite impressive displays, such as sword-brandishing humanoids at the Spring Festival Gala, the market for functional humanoids beyond entertainment remains limited, with few performing actual work. The Chinese state is the primary driver of demand, with local governments heavily subsidizing manufacturers and setting up centers for robot deployment and data collection. However, concerns are growing among executives and investors that the industry is expanding too quickly without sufficient real-world demand, risking a potential bubble if mass production outpaces utility.

Beware China's shrinking car market

China's vast car market is expected to shrink again after years of growth, potentially hitting local carmakers hard and intensifying an already fierce price war. Forecasts predict a decline of 5-9% in annual sales this year,

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attributed to the scaling back of EV subsidies and tighter restrictions on dealers boosting sales numbers. This domestic slowdown is set to drive even greater vehicle exports from China, with a projected 10-15% expansion in 2026, reaching up to 7m vehicles. This flood of Chinese exports will further pressure incumbent carmakers worldwide, many of whom are already struggling with large write-downs on EV investments.

Giorgio Armani's bizarre will has caused a rift at his fashion label

Upon his death, Giorgio Armani's will revealed a complex succession plan, mandating the sale of a significant stake in his company to specific buyers within set deadlines. This has created a rift on the board, with some prioritizing the sale while others focus on reviving the fading luxury brand amidst a market downturn. Armani's fashion business has struggled in recent years, becoming reliant on royalties, making a respectable valuation for the sale challenging. The

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named suitors?EssilorLuxottica, L'Oreal, or LVMH?each present complications, as Armani's will stipulates the foundation retain control, and their business models may not align.

The case for workplace inefficiency

The article argues for the strategic value of "workplace inefficiency," drawing parallels to the biological concept of "pronking" in gazelles. It suggests that deliberately costly actions can serve as powerful signals in professional settings. For instance, a handwritten thank-you note, despite being less efficient than a text, signals greater gratitude due to the effort involved. Similarly, paying full attention in a meeting, or offering candid feedback, despite perceived inefficiencies or risks, signals commitment and authenticity. As AI automates many tasks, human actions that demonstrate effort and genuine care may become increasingly valuable, even if they appear "inefficient."

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Why MAGA brands have been a flop

Brands catering to the "MAGA faithful," such as PublicSquare and Rumble, have largely struggled to become thriving businesses, despite a conservative movement aiming to build a "parallel economy." These brands often fail because price, quality, and convenience still outweigh political alignment for most consumers, and political positioning can deter suppliers. While MAGA brands have flopped, the movement has been highly effective in disrupting mainstream brands through boycotts, as seen with Bud Light. Companies that depend heavily on conservative customers are particularly vulnerable, leading many brands to avoid political statements altogether.

India is in the midst of a data-centre investment boom

India is experiencing a significant data-centre investment boom, with installed capacity nearly tripling since 2020

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and major conglomerates like Adani Group pledging \$100bn by 2035. This surge is driven by a government push for data localization, with regulations mandating financial and personal data storage within the country. Government incentives, including a tax holiday for foreign owners and state-level subsidies for electricity, further fuel growth. India also offers lower costs for electricity, land, and construction compared to many other countries, attracting American hyperscalers like Alphabet and Microsoft to invest heavily in AI infrastructure within the nation.

Could the next big gambling destination be in the Gulf?

The United Arab Emirates is making a significant push into the gambling industry, with a 350-meter-tall casino under construction in Ras al-Khaimah and the issuance of online betting licenses. This move, despite Islam's prohibition of gambling, aligns with the UAE's strategy to diversify its economy and attract wealthy visitors and

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expatriates. Casino operators like Wynn Resorts are investing heavily, anticipating substantial gross gaming revenue from the high-spending tourist demographic and affluent foreign residents. However, Emirati rulers are treading carefully, implementing stringent regulations and high capital requirements to rebuild credibility as a trusted financial hub after being grey-listed for insufficient control over illicit money flows.

Welcome to the era of anarchic antitrust

Competition enforcement in America has entered an "anarchic antitrust" era, marked by chaos following the resignation of DOJ antitrust chief Gail Slater and the diminishing influence of populist antitrust ideas. President Donald Trump is liberally using antitrust apparatus to pursue political policies, investigating diverse industries and intervening in major mergers. Well-connected lobbyists hold increased power, as seen in controversial deal approvals where national security arguments overrode antitrust concerns. Concurrently,

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individual states are developing their own antitrust regimes, leading to a fragmented and unpredictable system of authority over major corporations.

FINANCE & ECONOMICS

How big is the prize of reopening Russia?

Despite Kremlin promises of \$12trn-worth of deals to the Trump administration for sanctions relief, the actual economic prize of reopening Russia is likely a small fraction of that figure, with China already cornering available opportunities. Russia's strategy involves enticing Western firms with access to cheap energy, vital minerals, and its consumer market. While some Western firms, particularly European oil majors, show interest and have done preparatory work, the complex web of nearly 23,000 sanctions, potential congressional opposition, and lingering uncertainty about Russia's

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political stability make large-scale, long-term investments highly risky. Moreover, Russia's economic landscape has transformed, with Chinese firms now dominating imports and domestic sectors.

The EU is thrashing out a more muscular set of economic policies

Facing geopolitical threats, EU leaders are urgently pursuing a more muscular set of economic policies, combining traditional liberal approaches with protective measures. This initiative, "One Europe, One Market," aims to lighten regulation, accelerate trade agreements, and complete the single market. Novel additions include promoting "European champions" through competition law and implementing "Buy European" clauses in public procurement and subsidies. These protective measures, however, face resistance from smaller member states concerned about increased costs and alienating allies. While the settlement looks like a mix of useful, potentially harmful, and inconsequential measures,

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industrial production is edging up, and some countries are thriving under the current liberal model.

Prediction markets are rife with insider betting

Prediction markets are increasingly susceptible to insider betting, as evidenced by a recent criminal case in Israel where individuals allegedly used classified information to profit from bets on military actions. While platforms like Polymarket and Kalshi have seen numerous instances of seemingly informed trading, the legality of such activities varies depending on regulatory oversight. For regulated platforms, current rules on insider trading for "commodities" (which include prediction market bets) are less stringent than for "securities." Regulators face a dilemma: banning informed traders could hinder price discovery, which provides valuable information to the public, but failing to address it undermines market fairness.

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The financialisation of AI is just beginning

Investment in AI data centers is surging, with five American tech giants projected to spend \$700bn this year, surpassing oil and gas exploration. However, graphics processing units (GPUs), central to AI, are largely absent from sophisticated financial markets. Innovators like OneChronos and Ornn aim to "financialize" compute by launching markets for GPUs and derivatives. This could enable risk allocation and unlock capital, similar to how oil or housing markets are structured. Overcoming obstacles like rapid depreciation of advanced chips and regional price variations due to data center proximity is crucial. The development of such financial instruments could accelerate AI industry growth by lowering borrowing costs and allowing companies to focus on operations rather than asset obsolescence.

Donald Trump's schemes to juice the economy

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Donald Trump's administration is employing subtle economic strategies to stimulate the economy ahead of midterm elections, moving beyond the visible "One Big Beautiful Bill Act." These "backdoor" stimulus efforts include gutting the tax-enforcing powers of the Internal Revenue Service (IRS), which will likely reduce tax revenues by billions and disproportionately benefit wealthy individuals with complex tax affairs. The administration is also rolling back regulations that determine tax applications, allowing companies to pay less tax by narrowing levies on share buy-backs and nullifying the Corporate Transparency Act. These measures, while potentially providing a pre-election sugar rush, risk a nasty inflationary hangover and dangerous economic distortions, especially if combined with protectionist trade policies.

Did America's war on poverty fail?

A new paper challenges conventional wisdom about America's "War on Poverty," presenting evidence that

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deprivation has fallen dramatically since the 1930s. Using a comprehensive poverty measure, researchers found that the poverty rate dropped from 49% in 1939 to just 4% in 2023, with even greater progress for black children. However, the study suggests that the pace of poverty reduction was no faster after President Lyndon Johnson's programs began in the mid-1960s than before, questioning whether the welfare state was truly necessary. It indicates that pre-1960s poverty fell due to rising market incomes, whereas post-1960s reductions were primarily driven by increased government benefits, raising questions about welfare dependency.

SCIENCE & TECHNOLOGY

How ICE's new software tools could speed up deportations

America's Immigration and Customs Enforcement (ICE)

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is urgently deploying powerful new AI software, ImmigrationOS, developed by Palantir, to streamline deportations and meet the White House's goal of a million annual removals. This technology, originating from military intelligence software, aims to unify disparate data sources—including vehicle, phone, utilities, police, and social media data—into a single platform for "targeting packages." While officials like John Sandweg express concerns about sweeping up law-abiding individuals and the opaqueness of Palantir's AI, ICE is also acquiring data through subpoenas, court orders, and purchases from data aggregators to bypass data-sharing restrictions in "blue states" and "sanctuary cities."

The Human Exposome Project will map how environmental factors shape health

The ambitious Human Exposome Project aims to systematically map how environmental factors influence human health, mirroring the Human Genome Project's success for genetics. This new discipline, "exposomics,"

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will examine all physical, biological, psychological, social, and chemical exposures from conception to grave, a task far more complex than gene sequencing due to the vast and disparate data involved. Researchers plan to use AI to process large datasets, identify correlations with disease, and model toxic properties of molecules. Europe is leading the way in funding and coordination for exposomics, with existing pilot projects and new initiatives.

Brain-like computers could be built out of perovskites

Perovskites, materials with unique electronic and optical properties, are emerging as a promising component for neuromorphic computers, which aim to process and store information like the human brain. Unlike conventional computers, neuromorphic systems eliminate the separation between memory and processor units. Halide perovskites can function as memristors, devices whose electrical resistance switches between high and low

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states, mimicking neurons and synapses. Researchers are developing artificial synapses using silver electrodes and combining memristors with capacitors to replicate neuronal firing. A prototype network could be built as early as next year.

Can the shingles vaccine slow ageing?

A growing body of research suggests that the shingles vaccine, particularly Shingrix, may meaningfully slow aspects of aging beyond its primary role in preventing shingles. Recent studies in Australia, New Zealand, Wales, and Ontario found that shingles vaccination reduced the risk of developing dementia or mild cognitive decline by an estimated 20% over a seven-year period. Additionally, research indicates vaccinated individuals over 70 show significantly lower levels of inflammation and better overall healthy-aging scores. The exact mechanism is still unclear, but possibilities include the vaccine fighting off continuous damage from the dormant chickenpox virus or providing a broader

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immune system boost.

CULTURE

Gisèle Pelicot's horrifying rape case changed the law and minds

Gisèle Pelicot's memoir, "A Hymn to Life," recounts her horrifying ordeal after discovering her husband had drugged and raped her, and facilitated her rape by other men, over nine years. Her decision to make the case public, arguing that "shame has to change sides," captivated global attention and led to a landmark change in French law, broadening the definition of rape to include acts committed without consent. Pelicot, portrayed as an accidental heroine, battled not only her violators but also societal misconceptions about sexual assault. Her story, part of a trend of women's painful narratives gaining readership, explores profound

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questions of memory, trust, and the nature of abuse within relationships.

Addicted to your phone? Try ?bricking? it

Youngsters are increasingly turning to "anti-tech tech" devices like the "Brick" to combat digital overload and phone addiction. The Brick, a grey cube that blocks apps on a smartphone, claims to reduce screen time by three hours daily and has seen a nearly 600% increase in app downloads. This trend is part of a broader movement, including other app-blocking tools, "dumb" phones, and "offline clubs" that prohibit phone usage. Concerns about data privacy and misinformation also fuel this desire for digital detoxes, although the paradox remains that many of these anti-screentime movements gain traction and communicate through social media.

As ?How to Make a Killing? shows, the inheritance plot is back

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The inheritance plot, a staple of fiction, is re-emerging in today's unequal age, as evidenced by the film "How to Make a Killing," a remake of "Kind Hearts and Coronets." The film follows an outcast who systematically murders relatives to inherit a fortune, satirizing the combustible mix of money and family. The story resonates in an era of "great wealth transfer" where expiring baby-boomers are passing on trillions, intensifying the "inheritors vs. inherit-nots" divide. This theme is reflected in various contemporary fiction and reality TV shows, which lampoon the mania generated by lucre and families, often sympathizing with protagonists who earn their fortunes through cunning, rather than inherited wealth.

Why understudies are seeing their wages rise

Understudies, often called "the bedrock of Broadway," are gaining increased recognition and higher wages due to their indispensable role in theatrical productions.

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These performers learn multiple lead roles, serving as an insurance policy against show cancellations that can cost hundreds of thousands of pounds or dollars per night. Understudy rates are rising faster than those of standard performers, with American unions securing a 30% increase for additional swing responsibilities. Social media accounts, podcasts, and viral videos now celebrate their demanding work, highlighting their talent and readiness to step in with little notice.

The world's most common vegetable is enjoying a great year

Germany, the largest potato producer in the EU, is experiencing a "Kartoffel-Flut," or potato flood, with its biggest harvest in a generation due to ideal growing conditions. This abundance has led to potatoes being given away at distribution points across Berlin and inspired a recipe challenge for diverse potato dishes. The potato, a calorie-dense and versatile vegetable, became a global staple after its discovery in the Andes and has

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played a significant role in human history, famously inspiring Frederick the Great of Prussia to mandate its cultivation to prevent famine.

Was Vladimir Putin's tyranny inevitable?

Mikhail Fishman's "The Successor," a biography of Boris Nemtsov, a liberal politician murdered in 2015, prompts the unsettling question of whether Vladimir Putin's tyranny was inevitable. Yeltsin had once considered Nemtsov, a pro-Western believer in capitalism and democracy, as his successor. Nemtsov, who launched Russia's first privatizations as governor of Nizhny Novgorod, epitomized a path where post-Soviet Russia could prosper. However, his political career in Moscow faltered amidst Yeltsin's chaotic administration, eventually clearing the way for Putin, who capitalized on rising oil prices, reined in regional barons, and systematically destroyed oligarchs who challenged his growing power.

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ECONOMIC & FINANCIAL INDICATORS

Economic data, commodities and markets

No significant coverage this issue.

OBITUARY

Jesse Jackson made a black president possible

Jesse Jackson, the activist and civil-rights leader, who died aged 84, was a trailblazer who significantly paved the way for the first African-American president. Driven by a transformative vision for America where the disinherited and disrespected were central to national politics, he twice ran for president in the 1980s, becoming the first African-American to seek a major party's nomination. Despite being overlooked for higher office, his sustained efforts in voter registration and

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community programs, like PUSH, laid the groundwork for future political change. Jackson's oratory and "Rainbow Coalition" metaphor, emphasizing unity and diversity, foreshadowed Barack Obama's successful 2008 campaign.