The Economist

Where next for Iran?

Meet Nvidia's challengers

How to save South Africa

Britain's election surprise

MAY 25TH–31ST 2024

Cash for kids

Why policies to boost birth rates don't work

The Economist

May 25th 2024

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The world this week

The world this week

Politics

May 23rd 2024

Iran's president, Ebrahim Raisi, and its foreign minister, Hossein Amirabdollahian, were killed in a helicopter crash. The country's supreme leader, Ayatollah Ali Khamenei, named a caretaker president ahead of elections on June 28th. Mr Raisi was a leading contender to succeed Mr Khamenei as supreme leader. His death makes it more likely that Mr Khamenei's son, Mojtaba, will replace his father.

The **International Criminal Court's** prosecutor announced that he was seeking arrest warrants for the Israeli prime minister, Binyamin Netanyahu, and defence minister, Yoav Gallant, as well as three leaders of Hamas. Joe Biden, the American president, called the Israeli warrants "outrageous"; his government may work with Congress to impose sanctions on the ICC. Mr Netanyahu's opponents, who have threatened to leave his government if he does not change course in Gaza, rallied round him too.

Ireland, Norway and Spain said that they would formally recognise a **Palestinian state**. Israel responded by recalling its ambassadors to the three countries and described the announcement as "a reward for terrorism".

South Africa's Constitutional Court barred Jacob Zuma, a former president, from standing for office in the general election on May 29th because of a criminal conviction. This may benefit the ruling African National Congress, which had been losing support to Mr Zuma's new party, known as MK, currently polling at 11%.

Rwanda is to deploy another 2,500 soldiers to **Mozambique**, bolstering its force fighting against Islamic State jihadists. The insurgents have been gaining ground in recent weeks as South Africa has withdrawn troops sent there as part of a mission by SADC, the regional bloc.

America is to withdraw all its forces from **Niger** by September 15th, after its negotiators failed to secure an agreement to continue counter-terrorism operations there. Relations between the two countries have soured since a coup overthrew Niger's elected government last year.

Congo said it had thwarted an amateurish putsch attempt by about 50 armed men, including three Americans. The president, Felix Tshisekedi, was not harmed in the attack on the presidential palace, which was live-streamed by the alleged leader of the plot. The rebel was subsequently killed by the security forces.

A Tory wet


Reuters

In pouring rain outside 10 Downing Street, Rishi Sunak, the British prime minister, called a **general election** for July 4th. The Conservative Party has been in power since 2010 but a series of mishaps have left it far behind the opposition Labour Party in the polls. Mr Sunak, the fourth Tory to hold the job of prime minister within five years, is gambling that he can pull off an improbable comeback.

The Infected Blood Inquiry, an investigation into **Britain's** "worst treatment disaster in the history" of the National Health Service, presented its final report. The inquiry looked into the administration of contaminated blood products to patients in the 1970s and 1980s. More than 30,000 people contracted hepatitis C and HIV, and over 3,000 have died to date. Evidence of infections had been destroyed; repeated government assurances about the safety of treatment were wrong. Sir Brian Langstaff, who headed the inquiry, said the "disaster was no accident".

Police in Britain investigated the unexplained death of a man who had recently been charged with **spying for Hong Kong's** intelligence services. Matthew Trickett, a former Royal Marine, was one of three men to be indicted and was on bail. He was found dead in a park. The Chinese embassy in London has accused Britain of a "malicious fabrication and unwarranted accusation" against Hong Kong.

Georgia's governing party lashed out at America, claiming it was disrespecting the will of the Georgian people by opposing a new law that requires NGOs and media groups that receive at least 20% of their funding from abroad to register as foreign agents. The American Congress is considering imposing sanctions for stifling democracy on the politicians behind the bill.

Nine people were arrested in **Poland** for allegedly helping Russian intelligence services to plot acts of sabotage. A Polish judge recently defected to Belarus. Donald Tusk, the prime minister, has created a commission to investigate Russian and Belarusian activities in Poland.

Moldova signed a defence and security pact with the European Union. The country hopes to join the EU by 2030. Bordering Ukraine, it has been a strong supporter of its neighbour's fight against Russia and has complained about Russian interference in its domestic politics. There is increasing speculation that the EU will begin **accession** talks with Ukraine and Moldova before the end of June.

Marine Le Pen, the leader of the **French** National Rally, announced that her party was making a "clean break" from the far-right Alternative for Germany (AfD) in the European Parliament and would no longer sit with the party. This follows recent comments from Maximilian Krah, the AfD's lead candidate for the European elections, that the Nazi SS "were not all criminals".

Emmanuel Macron visited **New Caledonia** amid an outbreak of violence over a new law that expands voting rights for French citizens who live in the Pacific-island territory. Six people have died in the rioting. A state of emergency has been declared and hundreds of extra French security personnel deployed to tackle the unrest.

Lai Ching-te was sworn in as the new president of **Taiwan**, the fifth democratically elected person to hold the job. In his inauguration speech Mr Lai called on China to "stop intimidating Taiwan politically and militarily". China's government said Mr Lai's remarks had sent "dangerous signals".

Thousands of people protested outside **Taiwan's parliament** against a contentious series of proposals from opposition parties to curb the president's powers. Mr Lai's Democratic Progressive Party lost its majority in parliament in January's election to the opposition Kuomintang (KMT) and Taiwan People's Party (TPP).

To Lam became the new president of **Vietnam**. Mr Lam, until recently a minister for public security, is associated with a crackdown on corruption. He faced criticism when a video of him being fed gold-leaf-garnished steak in London in 2021 went viral while Vietnam was under lockdown.

Nine people were killed at a political rally in northern **Mexico** when the stage collapsed. Meanwhile the presidential candidates held their final debate before the election on June 2nd. Claudia Sheinbaum, the leftist ruling party's candidate, is the front-runner.

Luis Abinader easily won another term in the **Dominican Republic's** presidential election. Mr Abinader enjoys approval ratings of 70%, in part by taking a tough position against migrants crossing the border from neighbouring Haiti.

In **Haiti** the new governing council said the national police force would lead a security mission that will try to restore order after months of violence involving gangs, who in effect control the country. **Kenya** is supposed to contribute 1,000 troops to the mission. Its president, William Ruto, held talks with Joe Biden in Washington, where they discussed Haiti.

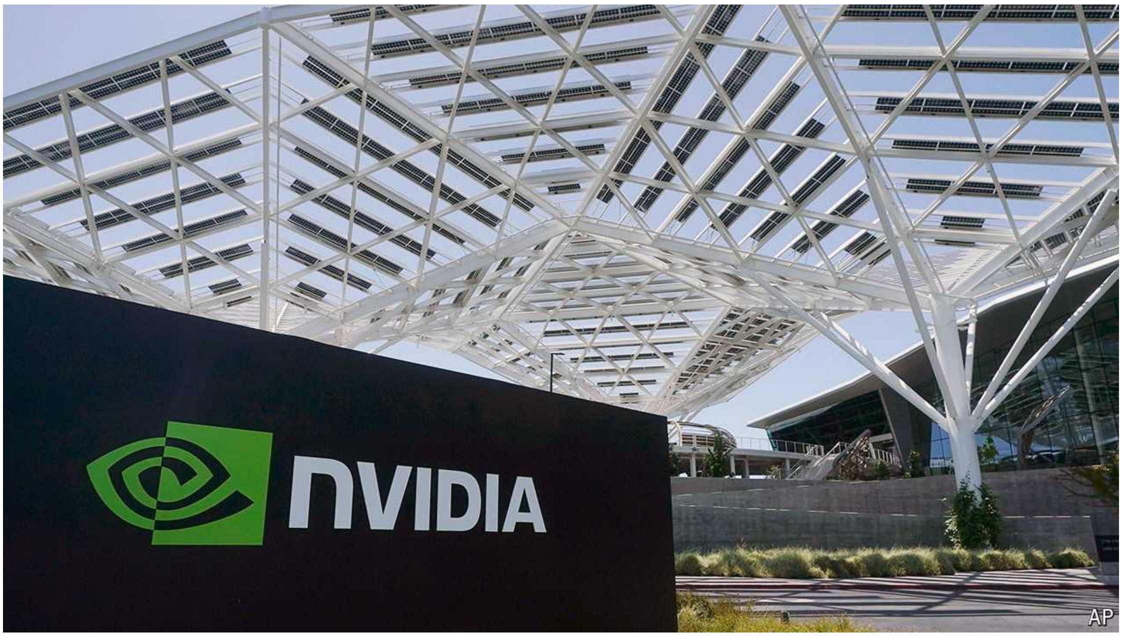
And don't come back

Javier Milei's visit to **Spain** upset the Socialist government. The **Argentine** president spoke at a national-conservative rally, where he described the wife of Pedro Sánchez, the prime minister, as "corrupt" (there are claims of corruption against Begoña Gómez, but Madrid’s public prosecutor has said there is no evidence). Mr Milei also refused to meet the king. Spain withdrew its ambassador from Buenos Aires—permanently, it said.

The world this week

Business

May 23rd 2024



The demand for chips to power artificial-intelligence services from the likes of Meta and Microsoft helped boost **Nvidia's** revenues to $26bn in the latest quarter, a 262% increase, year on year. Net profit soared by 628% to $14.9bn. The company promises more to come. It will soon start to ship its new Blackwell chips, which cost more than $30,000 each.

Non-performance pay

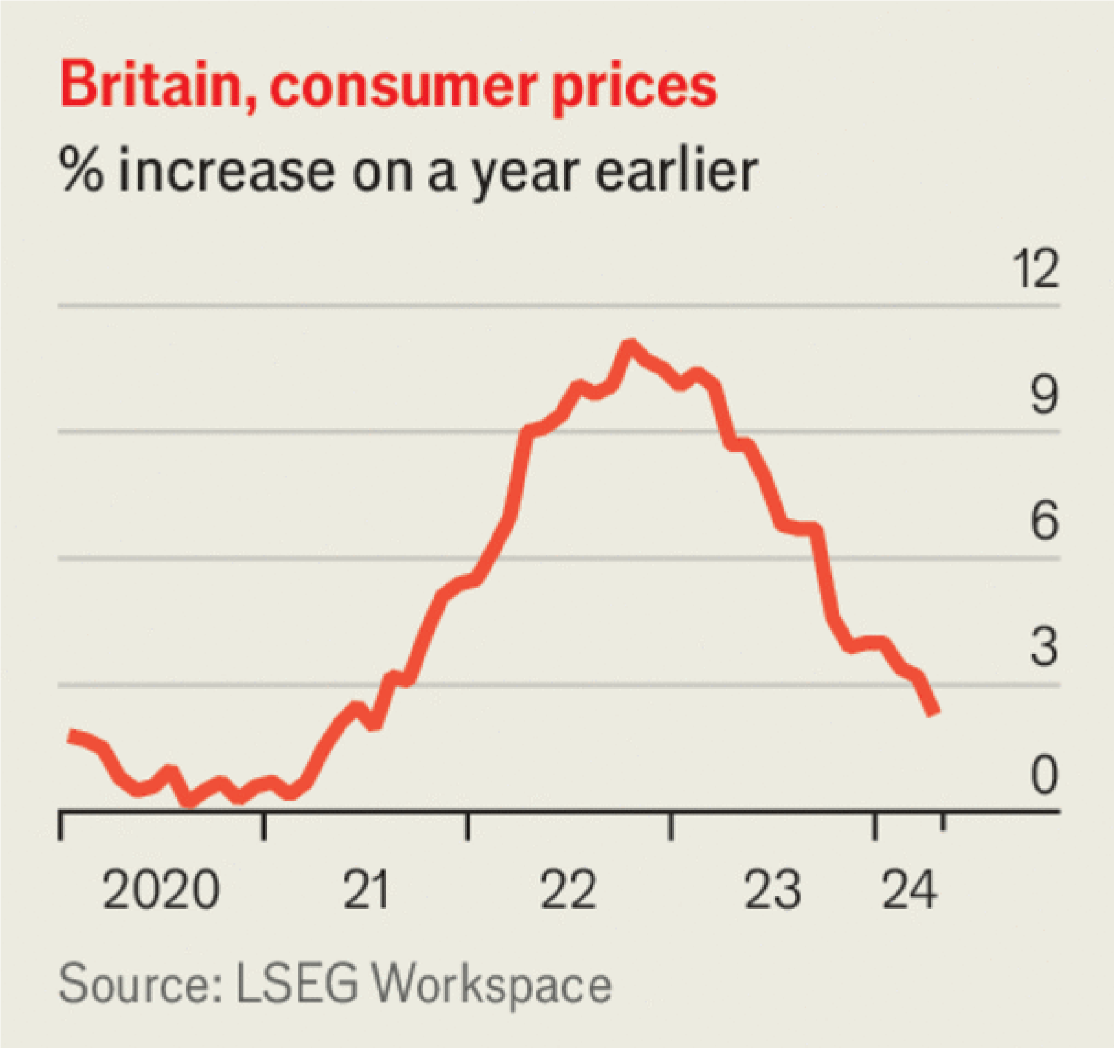
Around a third of **Boeing's** shareholders voted against the pay package awarded to Dave Calhoun, who is stepping down as chief executive at the end of the year amid a litany of safety concerns about the company's aircraft. Mr Calhoun's total remuneration has increased by 45%, provoking anger among some investors. Boeing's share price is down by more than 25% since the start of this year.

A 73-year-old man died and dozens of passengers were injured on a Singapore Airlines flight that encountered extreme **turbulence**. Deaths from turbulence are very rare (the deceased man reportedly had a heart condition) and big aircraft are unlikely to be brought down by severe weather.

A court in St Petersburg froze assets belonging to Commerzbank, Deutsche Bank and UniCredit, three **European lenders**, in a lawsuit brought by a subsidiary of Gazprom, Russia's state gas company. The assets totalled nearly €800m ($866m), more than half of which are owned by UniCredit. Europe's banks have been slow to leave Russia, even though it is subject to heavy sanctions. The European Central Bank has urged them to speed up their departure because of the risks involved.

Shareholders in **Shell** overwhelmingly backed the company's new climate strategy, which lowers its target for reducing carbon emissions by 2030 and abandons a goal for 2045, but still aims for net-zero emissions by 2050. Some 22% of investors voted against the policy, around the same proportion as similar green rebellions in 2022 and 2023. A resolution put forward by Follow This, an NGO which co-ordinates shareholder pressure on environmental issues, was also defeated.

America's Justice Department readied its long-expected antitrust lawsuit against **Live Nation**. The department, in effect, wants to revoke the merger in 2010 between Live Nation and Ticketmaster, claiming it has created a monopoly in tickets for large entertainment events.



The Economist

Britain's annual **inflation** rate fell sharply in April, to 2.3% from 3.2% in March, and is now at its lowest level in three years. But the drop was less than analysts had forecast, which dampened expectations that the Bank of England might cut interest rates in June.

This isn't just any strategy

Marks and Spencer reported a quarterly profit that exceeded forecasts and announced its first shareholder dividend since 2019. For years the British retailer struggled with falling sales and market scepticism about its prospects, but in 2022 it unveiled a turnaround strategy, closing failing stores and investing more in its popular food supermarkets.

Walmart's share price continued to climb after it reported bumper quarterly earnings and raised its annual sales and profit forecast. The retailer's market value rose above $500bn for the first time.

Janet Yellen, America's treasury secretary, defended Joe Biden's new **tariffs** on a range of Chinese imports, including duties of 100% on electric cars, as "strategic and targeted steps". Speaking in Frankfurt, Ms Yellen called on the European Union to join America in curbing cheap Chinese exports in green-tech, which she said undermine Western innovation and jobs. She also denied that America's huge subsidies for its green manufacturers amounted to protectionism. The EU has so far taken a softer approach to China, but it is expected soon to slap duties on Chinese EVs, the makers of which receive state handouts.

Klaus Schwab is to retire as head of the **World Economic Forum**, which he founded in 1971. His replacement as chairman of the WEF, which organises the annual Davos summit, is expected to be Borge Brende, the WEF's president.

Ivan Boesky died, aged 87. As one of Wall Street's leading investors in the 1980s Mr Boesky helped fuel a takeover boom, until it all came crashing down. He pleaded guilty to insider trading and was eventually sent to prison in 1987. The character Gordon Gekko in Oliver Stone's film "Wall Street" was inspired in part by him, giving audiences the immortal strapline that "greed is good." Mr Boesky's actual words, from a speech to business-school students, were reportedly "I think greed is healthy. You can be greedy and still feel good about yourself". By all accounts, he was loudly applauded.

The world this week

KAL’s cartoon

May 23rd 2024

Dig deeper into the subject of this week’s cartoon:
[Rishi Sunak’s election call makes no sense, but is good news]
[The Economist’s prediction for the next Parliament]
[The Conservatives’ world has disappeared. Don’t tell Rishi Sunak]

KAL’s cartoon appears weekly in The Economist. You can see last week’s here.

This week's covers

How we saw the world

May 23rd 2024

WE have two covers this week. In most of the world we consider why baby-boosting policies won't work. As birth rates plunge in rich countries, many politicians are keen to pour money into policies that might lead women to have more children. Yet all these attempts are likely to fail, because they are built on a misapprehension. The bulk of the decline in the fertility rate in such countries is among younger, poorer women who are delaying when they start to have children, and who therefore have fewer overall. Focusing on these women as a group would be bad for them and for society. Teenage pregnancies are linked to poverty and ill health for both mother and child. Targeted incentives would roll back decades of efforts to curb unwanted teenage pregnancy and encourage women into study and work. Most economies will therefore have to adapt to social change, and it falls to governments to smooth the way.

Leaders: Why baby-boosting policies won't work
Finance and economics: Can the rich world escape its baby crisis?

In the Middle East and Africa we concentrate on South Africa. The more or less peaceful transition from apartheid to multiracial democracy in 1994 demonstrated what can happen when political enemies show courage and imagination. Now, though, the question is whether the country can reverse its decline after almost a decade of grotesque graft. In elections on May 29th voters are unlikely to throw out the African National Congress, a party still associated by many with liberation itself. So the next five years will test whether South Africa's young institutions can withstand yet another assault from predatory politicians, and whether its opposition can reinvent itself. Despite all the difficulties, the country still has a fighting chance.

Leaders: How to save South Africa
Briefing: Next week’s election is South Africa’s most important since 1994

Leaders

Leaders | Cash for kids

Why paying women to have more babies won't work

Economies must adapt to baby busts instead

May 23rd 2024

As birth rates plunge, many politicians want to pour money into policies that might lead women to have more babies. Donald Trump has vowed to dish out bonuses if he returns to the White House. In France, where the state already spends 3.5-4% of GDP on family policies each year, Emmanuel Macron wants to "demographically rearm" his country. South Korea is contemplating handouts worth a staggering $70,000 for each baby. Yet all these attempts are likely to fail, because they are built on a misapprehension.

Governments' concern is understandable. Fertility rates are falling nearly everywhere and the rich world faces a severe shortage of babies. At prevailing birth rates, the average woman in a high-income country today will have just 1.6 children over her lifetime. Every rich country except Israel has a fertility rate beneath the replacement level of 2.1, at which a population is stable without immigration. The decline over the past decade has been faster than demographers expected.

Doomsayers such as Elon Musk warn that these shifts threaten civilisation itself. That is ridiculous, but they will bring profound social and economic changes. A fertility rate of 1.6 means that, without immigration, each generation will be a quarter smaller than the one before it. In 2000 rich countries had 26 over-65-year-olds for every 100 people aged 25-64. By 2050 that is likely to have doubled. The worst-affected places will see even more dramatic change. In South Korea, where the fertility rate is 0.7, the population is projected to fall by 60% by the end of the century.

The decision to have children is a personal one and should stay that way. But governments need to pay heed to rapid demographic shifts. Ageing and shrinking societies will probably lose dynamism and military might. They will certainly face a budgetary nightmare, as taxpayers struggle to finance the pensions and health care of legions of oldies.

Many pro-natalist policies come with effects that are valuable in themselves. Handouts for poor parents reduce child poverty, for instance, and mothers who can afford child care are more likely to work. However, governments are wrong to think it is within their power to boost fertility rates. For one thing, such policies are founded on a false diagnosis of what has so far caused demographic decline. For another, they could cost more than the problems they are designed to solve.

One common assumption is that falling fertility rates stem from professional women putting off having children. The notion that they run out of time to have as many babies as they wish before their childbearing years draw to a close explains why policies tend to focus on offering tax breaks and subsidised child care. That way, it is argued, women do not have to choose between their family and their career.

That is not the main story. University-educated women are indeed having children later in life, but only a little. In America their average age at the birth of their first child has risen from 28 in 2000 to 30 now. These women are having roughly the same number of children as their peers did a generation ago. This is a little below what they say is their ideal family size, but the gap is no different from what it used to be.

Instead, the bulk of the decline in the fertility rate in rich countries is among younger, poorer women who are delaying when they start to have children, and who therefore have fewer overall. More than half the drop in America's total fertility rate since 1990 is caused by a collapse in births among women under 19. That is partly because more of them are going to college. But even those who leave education after high school are having children later. In 1994 the average age of a first-time mother without a university degree was 20. Today, about two-thirds of women without degrees in their 20s are yet to have their first child.

Some politicians may seize on this to aim baby-boosting policies at very young women. They may be tempted, too, by evidence that poorer women respond more to financial incentives. But focusing on young and poor women as a group would be bad for them and for society. Teenage pregnancies are linked to poverty and ill health for both mother and child. Targeted incentives would roll back decades of efforts to curb unwanted teenage pregnancy and encourage women into study and work. Those efforts, along with programmes to enhance gender equality, rank among the greatest public-policy triumphs of the postwar era.

Some illiberal governments, such as those of Hungary and Russia, may choose to ignore this progress. Yet they face a practical problem, because government incentives do not seem to bring lots of extra babies even as spending mounts. Sweden offers an extraordinarily generous child-care programme, but its total fertility rate is still only 1.7. Vast amounts of money are needed to encourage each extra baby. And handouts tend to go to all babies, including those who would have been born anyway. As a result, schemes in Poland and France cost \$1m-2m per extra birth. Only a tiny number of citizens are productive enough to generate fiscal benefits to offset that kind of money. Due to low social mobility only 8% of American children born to parents without bachelor's degrees end up getting such a degree themselves.

Older, but wiser

What, then, can governments do? High-skilled immigration can plug fiscal gaps, but not indefinitely, given that fertility is falling globally. Most economies will therefore have to adapt to social change, and it falls to governments to smooth the way. Welfare states will need rethinking: older people will have to work later in life, for instance, to cut the burden on the public purse. The invention and adoption of new technologies will need to be encouraged. These could make the demographic transition easier by unleashing economy-wide productivity growth or helping care for the old. New household technologies may help parents, rather as dishwashers and washing machines did in the mid-20th century. Baby-boosting policies, by comparison, are a costly and socially retrograde mistake. ■

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Leaders | July 4th celebration

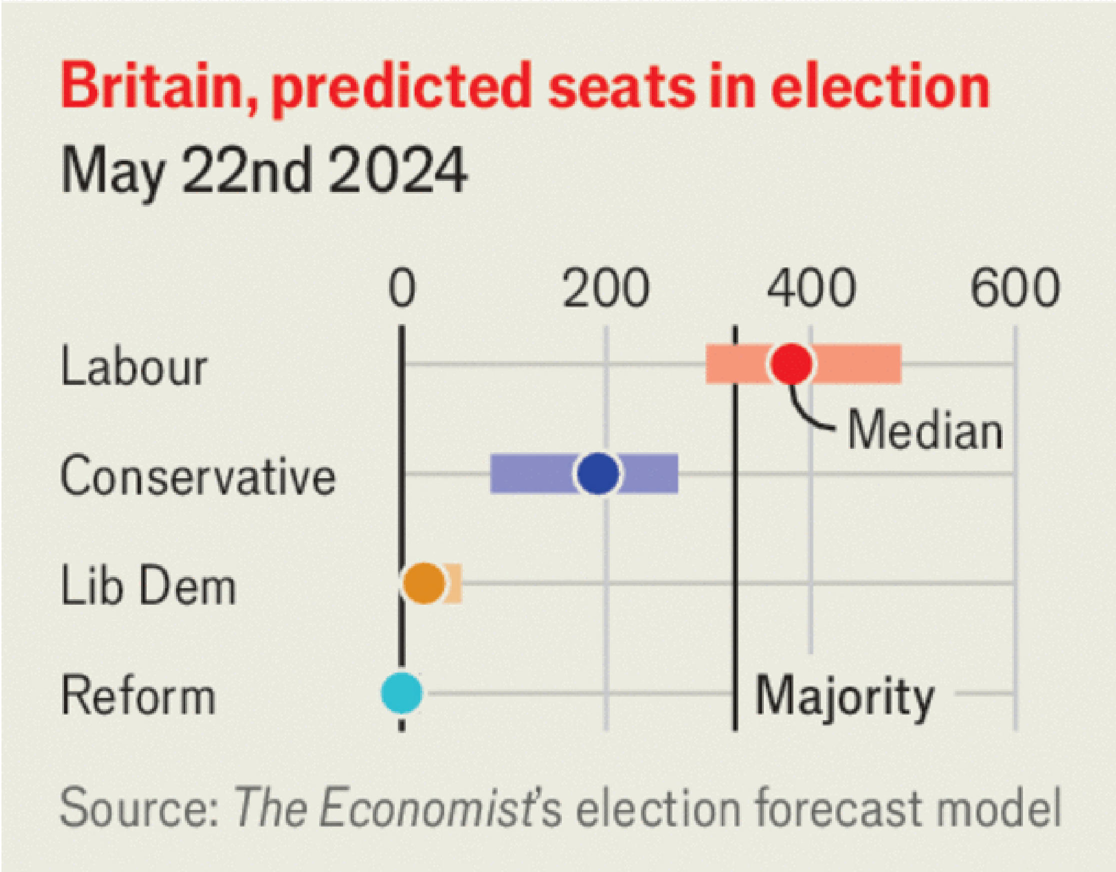
Rishi Sunak's election call makes no sense, but is good news

Whether an act of political genius or lunacy, Britons should welcome it

May 22nd 2024

An old axiom of British politics is that the Conservative Party is ruthless in its pursuit of power. Lately it has seemed relentlessly focused on losing it. It has purged talented MPs who did not toe the ideological line on Brexit, a cause that a majority of voters now think was wrong. In Boris Johnson, it picked a leader manifestly unsuited for high office. In Liz Truss, it installed the shortest-lived prime minister in British history and the person who shredded the party's reputation for economic competence. Now, after taking a long, hard look into the electoral abyss, it has gone ahead and jumped.

On May 22nd Rishi Sunak, the current prime minister, announced that the next general election will be held on July 4th. Mr Sunak could have waited until the end of the year to call a vote. Given the enormous poll lead enjoyed by the Labour Party, the hope that things might somehow improve seemed to most observers like the Conservatives' only reasonable strategy. Our prediction model currently gives them a chance of less than 1% of winning the election. Instead, Mr Sunak has opted to try his luck.



The Economist

Whether this decision is an act of political genius or lunacy—and *The Economist*'s money is on lunacy—Britons should welcome it. The approach of the election has distracted the government and distorted politics for months. The prospect of a transfer of power to Labour has excited endless speculation about who might lead the Tories after Mr Sunak, and encouraged would-be contenders in a future party-leadership campaign to hawk ever-more-outlandish ideas. Mr Sunak himself has repeatedly chopped and changed in advance of the election, positioning himself first as an improbable candidate of change and more recently as a figure of continuity.

See our other coverage of [Britain's election](), including our [poll tracker](), updated daily

Electoral considerations have warped the government's priorities. Mr Sunak's greatest energies have gone into an ill-conceived scheme to deport asylum-seekers to Rwanda, a plan that is now unlikely to materialise. Sounding tough on small boats crossing the English Channel might help him ward off the threat on his right flank from Reform UK, an insurgent party that dislikes mass immigration, but it is not the main priority for the country or the electorate. To be fair to Mr Sunak and Jeremy Hunt, the chancellor of the exchequer, they have restored much of the economic credibility lost by Ms Truss and avoided the temptation to dangle egregious sweeteners in front of voters. Even so, an early election does helpfully remove any possibility of a final irresponsible tax-cutting splurge.

It also brings forward the prospect of a period of political stability. The Labour Party is not guaranteed to win the election: the campaign to come will subject its leaders to closer scrutiny than any they have received to date . Big question-marks hover over Labour's interventionist instincts and how it might handle the difficult trade-offs that actual power would bring, most obviously over tax and spending. But Britain's deep-rooted problems—ailing public services, insufficient housing, stagnant productivity and more—cannot be solved by a Conservative government that is consumed by factionalism, incapable of building things and dogmatic about issues that might help the economy grow faster, including a closer relationship with the European Union. The Tories could have waited another six months to face the voters. Six weeks is better for Britain. ■

Leaders | Lawfare v warfare

The war-crimes case against the leaders of Israel and Hamas is flawed

Politics and diplomacy, not courts, are the key to ending violence and starting two-state talks

May 23rd 2024

The GAZA war is a diplomatic disaster for Israel, a military quagmire and a human tragedy. In has stepped Karim Khan, prosecutor of the International Criminal Court (ICC), who has accused Israeli and Hamas leaders of war crimes. He believes he is creating moral clarity, asserting the primacy of international law and thereby delivering justice. On all three counts he is likely to be disappointed.

On May 20th Mr Khan asked ICC judges to issue five arrest warrants. Two target the brains behind Hamas's atrocities: Muhammad Deif and Yahya Sinwar, holed up in Gaza; a third is for Ismail Haniyeh, its political chief, who is in Qatar. Mr Khan also asked for warrants for Binyamin Netanyahu, Israel's prime minister, and the defence minister, Yoav Gallant, whom he accuses of inflicting starvation, murder and extermination.

The gravity of the claims and the fact that some countries dispute the legitimacy of the ICC make it essential that its prosecutor should meticulously calibrate his accusations and follow due process. Instead Mr Khan has pursued maximal claims against the two Israelis and short-circuited procedure.

The Economist believes Israel has very probably breached the laws of war by failing to meet its obligations under the Geneva Convention of 1949, to provide food and medicine to civilians under its occupation "to the fullest extent of the means available to it". After October 7th several ministers also threatened retribution and collective punishment. However, it is a leap to go from this to asserting there is an intentional, systematic criminal scheme to starve civilians. That is the jump Mr Khan's allegations make, and as a result they are both more serious and contestable.

Mr Khan has stretched procedure by requesting charges against the two men. He is right that the ICC has jurisdiction because, although Israel is not a party to the ICC statute, the Palestinian territories are. However, the ICC should prosecute only when states are "unwilling or unable to do so genuinely". Israel is a democracy with an independent judiciary. Its Supreme Court is hearing a petition on aid to Gaza. Were the government to fall, as is likely, its successor would probably appoint a judge-led commission of inquiry into the war. These mechanisms may ultimately fail, and have sometimes failed in the past, but Mr Khan cannot simply bypass them. Israel must have a chance to prove that this time they will work.

The charges against the Hamas bosses and the Israelis are formally separate, but Mr Khan has chosen to wrap them up in a single package. His request for warrants against Hamas could have come soon after October 7th, but he delayed for nearly eight months. He argues that his actions show how all five men are equal before the law. But bundling them together also signals that democratically elected leaders whose state has been attacked belong in the company of terrorists.

The best explanation for Mr Khan's approach is that he believes that, for international law to be seen as more than a tool of the West, he had to be seen to intervene and be willing to prosecute both sides. But even if the judges issue warrants, they are unlikely to try the cases, because all five men are beyond the reach of ICC signatories.

At some level, the ICC works by consensus, which means it must navigate international politics. Support for it around the world is already fragile.

America, China and India are not parties; Russia withdrew in 2016 and wants to discredit it, because President Vladimir Putin has been indicted. Now America has said it has no confidence in this latest, flawed, request for warrants. President Joe Biden called it “outrageous” and Antony Blinken, secretary of state, said he will consider imposing sanctions on the court.

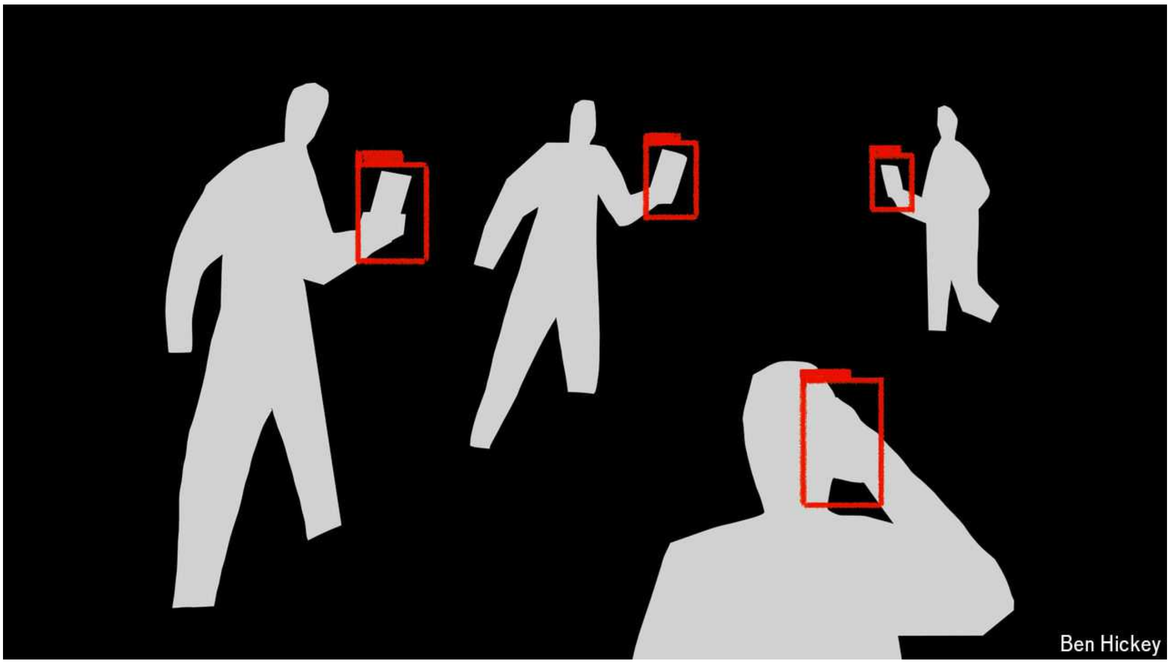
There are silver linings. Mr Sinwar and Mr Haniyeh may be excluded from a future Palestinian state’s government, which would probably be a signatory to the ICC. Although a divided Israel has united around Mr Netanyahu, which does not help peace today, the episode may eventually weaken him, because it shows his disastrous strategy has unnecessarily exposed the country to ignominy and legal risk. A change of Israel’s government is essential to reset the war and open a path to peace. It is politics and diplomacy, not courts, that are the key to curbing violence and reviving two-state talks. ■

Leaders | Security alert

Hacking phones is too easy. Time to make it harder

Regulators have avoided the problem for too long

May 23rd 2024



In the mid-1960s enterprising hackers realised that if they blew a particular toy whistle down the phone, they could trick the network into routing their call anywhere, free. When phone networks got wind of this, they changed how the system worked by splitting the channel carrying the voice signal from the one managing the call. One result was the Signalling System 7, which became a global standard in 1980. SS7 stopped "phone phreaks", as they were known. But the system, built when there were only a handful of state-controlled telecoms companies, has become woefully inadequate for the mobile age, leaving dangerous vulnerabilities at the heart of international phone networks. It is time to fix them.

For more than 15 years experts have known that SS7 (or, occasionally, a later system called Diameter) could be abused to locate a phone user, intercept their text or voice data, or send texts or spyware to a device. Russia has exploited SS7 to track dissidents abroad. In 2018 the United

Arab Emirates is thought to have used it to find and then abduct a fugitive princess. Earlier this year an American cyber-security official told the Federal Communications Commission (FCC), a regulator, that similar attacks had taken place in America.

Much like the internet, SS7 was built on the basis of trust, not security. That was reasonable when the protocol was introduced and only a few telecoms companies could access it. Today, many thousands of such firms can do so, the vast majority of them private. The complexity of the networks has also increased. Handsets roam from the jurisdiction of one provider to another, requiring a handover. Text messages are routinely used for vital transactions: think of the SMS authentication codes in global banking. And providers in one country can use SS7 to connect to others—the Emirati attack in 2018 appears to have involved the Channel Islands, lightly regulated British territories, as well as America, Cameroon, Israel and Laos.

Short of using burner phones and donning a tinfoil hat, ordinary people cannot completely escape the dangers of SS7. One sensible step would be to routinely use end-to-end encrypted messaging apps like iMessage, Signal or WhatsApp for texts and calls. Companies could ensure that codes for two-factor authentication come via an app, rather than SMS text messages, which can be easily intercepted. However, because phones still have to connect to mobile-network towers, these precautions cannot conceal where a caller is.

In March the FCC announced that it was at last exploring "countermeasures" to location-tracking via SS7 and Diameter. Most big American mobile operators have retired SS7. But much of the world still uses it. And Diameter is still vulnerable. These systems can be secured by using filters that detect and block suspicious traffic. Many telecoms firms have resisted this, however. One reason is that filtering is technically complicated and can easily go wrong if important commands are blocked. Another is that firms have balked at the expense. Few want to make it harder or costlier for data to flow from their network into others.

Underlying all this is a collective-action problem. If only a handful of firms deal with SS7 but others ignore it, the system will remain insecure. That is why national regulators need to step in. They have avoided action for too long. ■

Leaders | 30 years after apartheid

How to save South Africa

The rainbow nation needs an alternative to decline under the ANC

May 23rd 2024

In 1994 South Africa provided some of the most joyous scenes of the late 20th century, when it elected Nelson Mandela as its first black president.

The more or less peaceful transition from apartheid to multiracial democracy demonstrated what can happen when political enemies show courage and imagination. Yet as our Briefing this week explains, 30 years later the question is whether South Africa's hard-won democracy can reverse the country's perilous decline. After a creditable first decade, Mandela's African National Congress (ANC) has presided over economic stagnation, rampant crime, failing public services and epic corruption. Most South Africans say they would do away with elections if an unelected government could provide safety, jobs and housing.

When they vote on May 29th, they should throw out a party that has proved unable to govern. But that seems unlikely. Many voters still associate the ANC with liberation itself. So the next five years will test whether South Africa's young institutions can withstand yet another assault from predatory politicians, and whether its opposition can reinvent itself. Despite all the difficulties, South Africa still has a fighting chance.

The ANC's popularity has been steadily declining. Polls suggest it will win less than 50% of the vote for the first time and thus need to form a coalition. The best option for South Africa would be for the ANC to work with the Democratic Alliance (DA), a moderate, liberal party that governs well at a local level. But that, too, is unlikely unless a disastrous result forces its hand. Instead the ANC could reunite with its extremist offshoots, the Economic Freedom Fighters (EFF) and uMkhonto weSizwe (MK), parties that would want to nationalise land, banks and mines, and which sometimes sound as if they hate every white person save Vladimir Putin. Alternatively it could cling to power with a slim majority, or in a coalition with a minor outfit.

Hopes that the ANC might reform itself have repeatedly been dashed. When Cyril Ramaphosa, one of the negotiators who helped end apartheid, became president in 2018, he pledged a "new dawn" after almost a decade of grotesque graft, known as "state capture", under his predecessor, Jacob Zuma. *The Economist* urged South Africans to vote for the ANC the next year, reasoning that a strong mandate would empower Mr Ramaphosa to clean up his own party. He deserves some credit for a few reforms, and for bolstering a justice system subverted by Mr Zuma. But Mr Ramaphosa failed because, ultimately, he put party unity above the national interest. He has pussyfooted around party figures alleged to be corrupt, many of whom are standing for re-election. Power has become so lucrative that people kill to become local ANC candidates. Since 2022 almost 100 people have died in political assassinations.

The consequences of all this have been dire. Mr Ramaphosa has mostly indulged his party's failed statist and racially biased approach to the economy. On average, the unemployment rate has risen by about half a percentage point annually since 1994, to 33%, and is the highest in the world. GDP per person is lower than it was 15 years ago. Policies that, in effect, force companies to give stakes to black-owned firms have deterred foreign investors. Private investment as a share of GDP is a third of what it was in 2008. A bid by BHP, an Australian mining giant, for its London-based rival, Anglo American—minus its South African mines—shows that foreign investors have a dismal view of the country. The World Bank reckons that crime reduces GDP by at least 10%. The ANC has put tariff-free access to America at risk by allying itself with autocrats in Russia and Iran.

After the election the ANC will start looking for a successor to Mr Ramaphosa, who cannot serve as president beyond 2029 and will step down as party leader before then. But that offers little cause for optimism. The next generation of ANC leaders will feel pressure to copy the racial nationalism and populism espoused by the EFF and MK. Recent legislation shows which way things are going. In March parliament approved a bill to allow land expropriation without compensation in the national interest. On May 15th the president approved a law that promises national health care, with no clear way to pay for it, and dramatic restrictions on private health insurance.

If the ANC remains in power, how can South Africa protect itself? Fortunately, it has a feisty press, a vibrant civil society and unbowed judges. Their importance was emphasised on May 20th when the Constitutional Court barred Mr Zuma, who now leads MK, from running for parliament, owing to a criminal conviction in 2021. Honourable people in the ANC must defend the rule of law, as some did at great personal cost during Mr Zuma's presidency. NGOs and activists will have to keep fighting for clean party funding and independent prosecutors.

If the economy and institutions can weather the coming storm, the election in 2029 offers a chance for change and renewal. There is no shortage of ideas for how to fix South Africa. Jobs are scarce partly because labour laws make it expensive to hire and hard to fire anyone. Lowering the cost of transport—which can be equivalent to more than half of low-wage workers' net pay—would make getting a job more attractive. Granting title deeds to the millions who lack property rights would offer them dignity and assets. Paying private chains to run failing state schools would help the 80% of ten-year-olds who cannot understand what they read.

After the ANC

Yet saving South Africa is not just about clever policies; it is also about winning elections. The moderate opposition parties need a new vision as bold as that of 1994. They must explain how growth helps people more than a zero-sum fight over a stagnant economy, and demonstrate that better government in opposition-run regions benefits everyone who lives there. Above all they must ensure that they appeal to the black majority. If South Africa wants to inspire the world again, it must show that a failing democracy can redeem itself. ■

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Leaders | The new brains trust

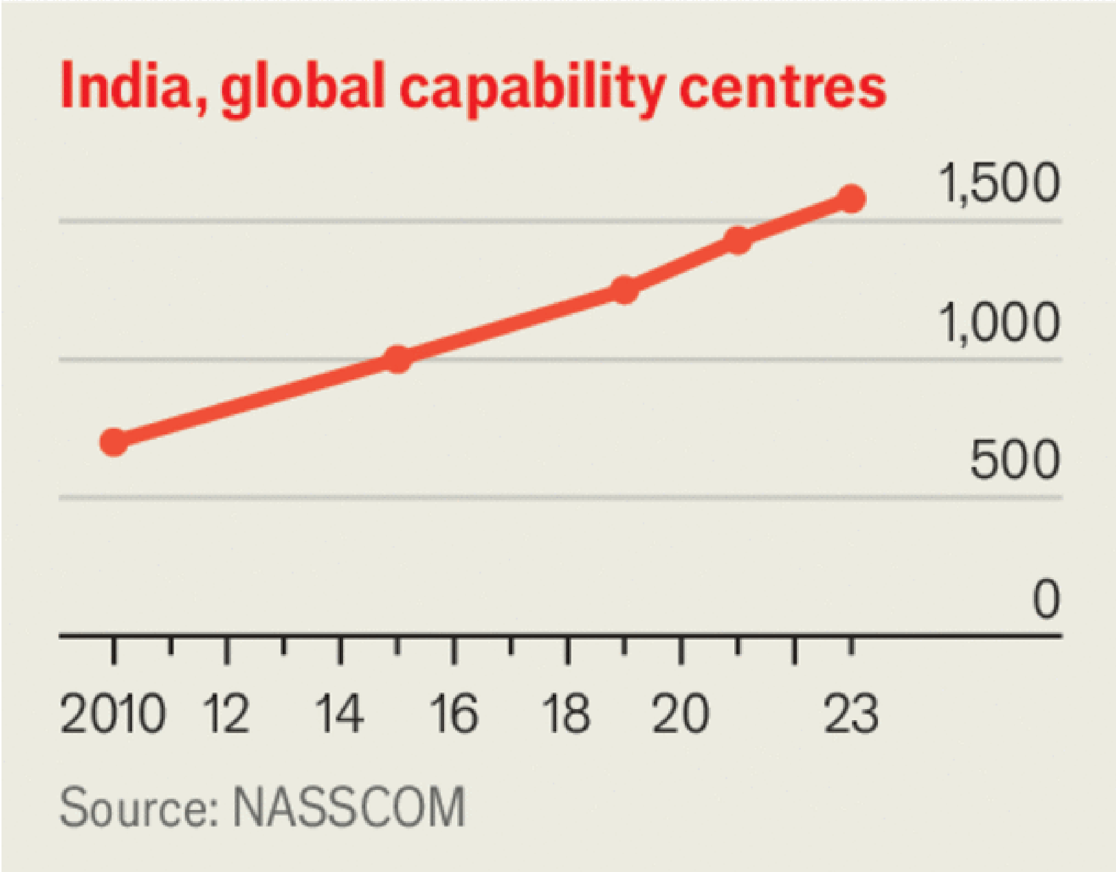
What India’s clout in white-collar work means for the world

In time its tech firms could be as formidable as China’s manufacturers

May 23rd 2024

India HAS long been seen as the world’s “back office”. Tata Consultancy Services (TCS), an IT firm now worth $170bn, undertook its first project for an American client in 1973, reworking the accounting software of a hospital in Detroit. The rise of “global capability centres”, where multinational companies carry out complex tasks, from design to research, is increasingly making that view out of date. The question is whether GCCs will themselves be superseded, too, as India creates some world-beating global companies of its own.

Back-office firms still matter to India. The IT sector is a juggernaut, generating about $250bn in annual revenues, or 7% of GDP. But GCCs are increasingly important, too. The country now hosts some 1,600 of them. Amazon’s biggest office in the world is in Hyderabad. A fifth of Goldman Sachs’s staff are in India, as are a fifth of the world’s chip designers. New GCCs are opening at a rate of roughly one a week.



The Economist

It is hard to be sure how much GCCs matter to the Indian economy, because they feature in companies' internal accounts. However, they are thought to employ some 1.7m of its IT sector's 5.4m workers, with salaries over four times the national average. By one estimate, they create about $120bn in value and are growing by 11-12% a year. If so, GCCs already represent over a third of India's services exports, which would make them its biggest export category after IT services themselves.

The shortfall is in India's own roster of global companies. If it could create them, it would capture more of the rents from global trade. However, excluding professional-services firms like TCS, the country's biggest companies, from HDFC Bank to Reliance (energy, retail, telecoms), are mostly domestically focused. Although India's startup scene is promising, few of its software firms matter outside the country.

One reason to hope this will change is that GCCs themselves are a launchpad for entrepreneurs, and their growth looks sure to continue. Remote work has made it easier for firms to collaborate at a distance. Foreign companies may want to keep work involving intellectual property in-house. In addition, India is the world's largest producer of tech talent after China. In the past the first destination for graduates from the famed Indian Institutes of Technology was a desk in the West. Today, although much outsourcing and GCC work is routine, demanding and better-paid jobs are increasingly tempting India's most talented graduates to stay at home.

China offers a comparison. In the 2000s a lot of foreign investment went into Chinese manufacturing. This gave its people experience of working at the global frontier of technology. A decade later their expertise strengthened home-grown giants, including BYD, which makes electric vehicles, and Shein, a fast-fashion house. Imagine an Indian chip-design firm built on talent from the Indian arms of Nvidia and AMD.

This evolution faces risks. Just as China's rise triggered a backlash, so might India's services—and, given industrial policy today, at an earlier stage. Trade tensions in artificial intelligence and chip design could spread. The good news is that, in contrast to the "China shock" of the 2000s, the growth of Indian services has been steady, giving the world time to adjust. With enough time, India's home-grown giants could prove as formidable as China's. ■

Letters

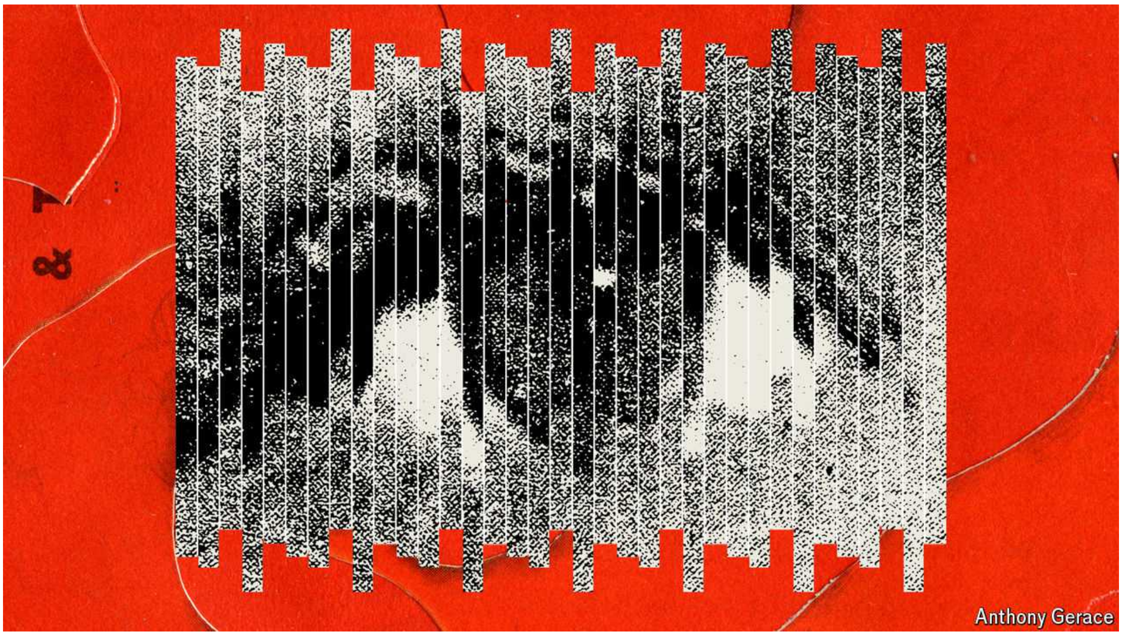
- Letters to the editor

Letters | On disinformation, digital payments, South-East Asia, Italy, Ravel's "Boléro", Tesla cars

Letters to the editor

A selection of correspondence

May 23rd 2024



Letters are welcome via email to letters@economist.com

The disinformation wars

There are many novel ways of producing disinformation, as your articles in the May 4th issue effectively illuminated ("Bad news", "A steep, steep hill"). However, there is nothing new about disinformation itself. In Rossini's opera, "The Barber of Seville", Figaro's cunning use of misinformation is central to the plot. In the military domain, Churchill stressed its importance ("In wartime, truth is so precious that she should always be attended by a bodyguard of lies"). But during the second world war people in many countries were well aware of fakes and listened to the BBC because it was thought to be reliable.

What is truly novel today is the number of people who see messages on social media and non-attributed websites as their only source of news and appear not to assess whether a received message is likely to be accurate. Here is another shortcoming for the education system to remedy.

PROFESSOR TREVOR TAYLOR
Director
Defence, Industries and Society Programme
Royal United Services Institute
London

You suggest that tech firms, NGOS, media outlets and government agencies should co-ordinate to label, muzzle or remove deceptive content. This assumes that these bodies always have an interest in exposing the truth.

The "weather weapon" story of last year's Hawaiian wildfires was quickly and publicly debunked (they were not started by a laser beam). So what did cause the fires? Lightning strikes, arson, climate change, new agricultural practices, electrical power-line failure, inadequate firebreaks, poor firefighting? Surely allowing all viewpoints to be aired and criticised publicly is much more likely to come up with the truth and a solution. If it's left to the "grown-ups" to censor content, then it will not only be disinformation that is removed but inconvenient or embarrassing information as well.

PETER FATTORINI
Skipton, North Yorkshire


Anthony Gerace

Falsehoods have become part of Western self-understanding. The West as a whole suffers from institutionalised muddled thinking, such as in gender theory, and not just among a few marginal academics and lawyers. The problem is not that outsiders are exploiting social media to destabilise the West, it is that the West has destabilised the whole value of truth in journalism, academia and politics. Yanking the West back to recognising the fundamental test of truth (upon which "free speech" should be based) would be the pre-condition for undermining the credibility of disinformation in social media.

DAVID WARBURTON
Berlin

Economics is the key driver of disinformation. Publications carrying alternative facts are highly profitable because they can deliver to their customers (advertisers) a stream of easily persuaded fools. Adtech companies such as Google are only too happy to facilitate the trade, advertisers get an audience that is provably gullible, and everyone makes money. It's just business.

JOHN MARSHALL
Santa Fe, New Mexico


Ricardo Tomás

Digital payments

The Economist's special report on national digital-payment systems (May 11th) suggested that MOSIP is a public version of India's Aadhaar code. The MOSIP team wishes to clarify that Aadhaar is a closed-source, proprietary software, while MOSIP is a unique, open-source technology that was not set up through the imitation of any existing technology. The piece also described countries adopting MOSIP as "piggybacking on India's success". Such phrasing diminishes the efforts sovereign countries are making towards digital transformation and autonomy, and undermines MOSIP's core principles of customisation and vendor-neutrality.

Moreover, the adoption of MOSIP does not directly result in the establishment of payment rails. It enables the establishment of good digital ID systems, bringing down the cost and effort of eKYC (electronic "Know Your Customer" processes), leading to better financial inclusion, which can then become a basis for faster payments. Our focus remains, as always, on empowering global populations with technology that will allow ease of access to rights and services through open-source, human-centric technology.

MEGHNA DAS
Head of communications
MOSIP
Bangalore

Hypocrisy on Gaza

The support from South-East Asia's Muslim leaders for Gaza (Banyan, May 11th) is pure grandstanding for a domestic audience. Neither Indonesia nor Malaysia has done much to help the Rohingya, a horrifically persecuted Muslim minority in Myanmar, their own backyard. Unlike Gaza, the Rohingya have a credible claim of genocide. Unlike the Rohingya, Gaza has a government-in-waiting that doubles as an internationally recognised terrorist organisation. Indonesia's president-elect, Prabowo Subianto, accused Western countries of a double standard when it comes to Gaza (By Invitation, May

4th). Sadly, his position is a cover for his own country's failings. This continues a tradition of Muslim leaders using Israel as a punch bag to prop up their own governments.

ILYA GURIN
Mountain View, California

Italy's leftish turn

It is a historical fact that the intellectual establishment and mainstream media in post-war Italy leans left, including broadly the national broadcaster, whatever the government of the day ("Meloni and the media", April 27th). It is not for nothing that Antonio Gramsci, who theorised the weaponisation of culture to spread communism, was born here. And so was Umberto Eco, who recognised Italy's perennial strife with his theory on eternal fascism.

This is a country where left-wing "engaged" citizens look down upon the rest with so much disdain. Giorgia Meloni, the prime minister, rightly refuses to be drawn into this trite blame game, which would not end whatever she might say. It is time to stop this debilitating fight about the past and put our energies to more productive use looking to the future. And if free speech is about diversity of opinion, then overcoming the groupthink generated by our intolerant echo chamber may not be a bad thing to bring about more discerning citizens.

Rest assured that Ms Meloni's Italy is not and never will be Viktor Orban's Hungary.

BRUNO GEDDO
Milan

Arousing music

Your retrospective piece on Ravel's "Boléro" did not mention its hilarious use in Blake Edwards's "10" ("Can't get you out of my head", May 4th). "Boléro" played in the background during Dudley Moore's sex escapades in the film, introducing a new generation to Ravel's work and its supposed aphrodisiacal effect.

ALAN MARGOLIS
Philadelphia

Brett Ryder

Repairing a Tesla

Schumpeter asked if Tesla can be both "a metal-basher" and a tech firm (April 27th). As someone who's had an unfortunate brush with a car-park wall, I can tell you that Tesla body parts, being mostly aluminium, cannot be bashed and must be replaced. Three months on, the problems of Tesla's supply chain are clear, but that's another story.

PHIL RHYS THOMAS
London

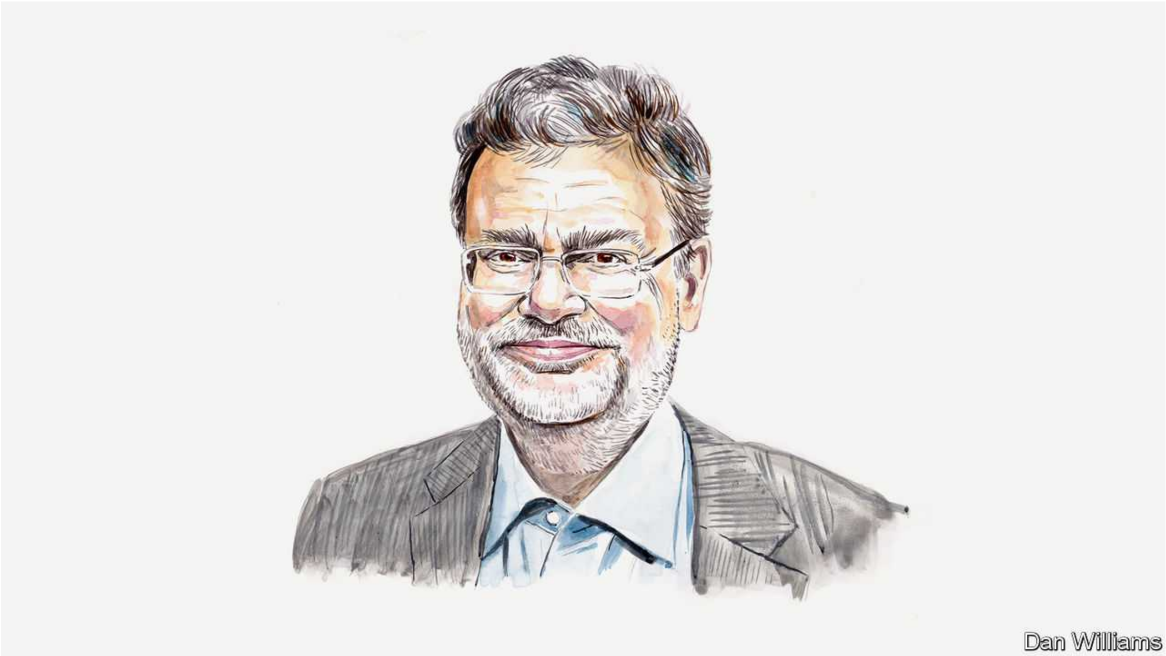
By Invitation

By Invitation | Israel, America and the ICC

Powerful states are finding it harder to dodge legal challenges, says Marc Weller

The law professor believes the ICC's creeping jurisdiction is part of a broader trend

May 23rd 2024



LAW IS A leveller. It allows the weak to defeat the strong. An issue is decided according to agreed standards, not relative power. And these standards supposedly apply equally to all. Moreover, the ruling of an independent court can be enforced through the institutions of the state.

In the international arena, the rules have traditionally been different. While states are also supposedly equal in the eyes of international law, international decisions have depended largely on power relations. There is simply no mechanism to determine which state is acting in accordance with international law and which is not, unless the parties to a given dispute have consented to it. Strong states fiercely defend the sovereign freedom to claim to be in compliance with their obligations in the absence of any binding mechanism to verify that assertion.

The proposed indictments by the International Criminal Court (ICC) against Prime Minister Binyamin Netanyahu of Israel and his defence minister, Yoav Gallant, challenge this principle. A confirmation of charges by an authoritative body of this kind fundamentally changes the dynamics of the situation. There is no longer a claim matched by a counterclaim put by the other side, but an apparent truth. Israel's claim that it applies humanitarian law in an exemplary way, already dented by the finding of the International Court of Justice (ICJ) that a plausible case of genocide can be made against it, will now be far more difficult to defend.

This explains the shrill responses of Israel and America to the application for arrest warrants by the ICC's chief prosecutor, Karim Khan. Mr Netanyahu attacked the chief prosecutor for having committed "a moral outrage of historic proportions". President Joe Biden chimed in, objecting, like Mr Netanyahu, to any suggestion of equivalence between Israel and Hamas.

True, the prosecution also applied for warrants for three of Hamas's leaders. But Mr Khan did not assert in any way that the terrorist outrage of October 7th is somehow equivalent to Israel's war in Gaza. Had he not addressed both the initial attack and the response, he would have been accused of bias, acting in relation to one but not the other. Instead, the prosecution is insisting on the obvious fact that all must comply with the basic rules of humanitarian law, even if provoked by unspeakably vile acts of terrorism.

Beyond the rhetoric, what really incenses both Israel and America is revealed in a more measured comment by Antony Blinken, America's secretary of state. He objected that the ICC "has no jurisdiction over this matter".

America, like Israel, chose to stay away from the Rome Statute. An international treaty only binds the states that have become a party to it. Hence, the argument is that the ICC, a creature of that statute, cannot concern itself with a situation affecting a non-member like Israel.

The ICC ruled in 2021 that Palestine can be regarded as a party to the Rome Statute. Hence, jurisdiction extends to acts committed on Palestinian territory, and those committed by Palestinian nationals abroad. Accordingly, acts by Israeli soldiers in Gaza or the West Bank are subject to ICC jurisdiction, as are outrages committed by Palestinian subjects on Israeli territory.

America successfully applied tremendous pressure on the ICC to drop an investigation into the conduct of its own military personnel in Afghanistan, which had acceded to the Statute in 2003. Conversely, America applauded the ICC when it announced a prosecution against Vladimir Putin and an associate in connection with the war in Ukraine. There, the situation is similar. Russia did not sign the Rome Statute but Ukraine has accepted that it applies in relation to its own territory. Hence, the ICC could hear cases about atrocities committed by soldiers of a non-party state in Ukraine.

This trend towards ever-increasing jurisdiction is reflected in other ICC decisions. For instance, the court is pursuing members of the junta in Myanmar in relation to the forced displacement of Rohingyas, a Muslim minority group, even though Myanmar has not signed the Statute.

Many Rohingyas have been pushed into Bangladesh. The ICC claims jurisdiction over the junta's acts against Rohingyas in Myanmar, daringly arguing that the offence had at least its final effect in Bangladesh, which is a state party to the Statute. Oddly, America has not protested loudly against this arrogation of power by the ICC.

Similarly, the ICJ, which addresses cases between states rather than crimes by individuals, has increasingly made itself available for cases brought by so-called third parties claiming to act in the international public interest.

Recently, the Gambia was allowed to bring an action for genocide against Myanmar. There is no real connection between the two countries on this issue. But the court has accepted that any state can defend fundamental rights enjoyed even by foreigners living in other states, provided the states concerned are under its jurisdiction on the issue in question. Similarly, South Africa took on the mantle of defending the international laws of humanity when it obtained an interim order against Israel before the ICJ earlier this year, requiring compliance with the UN's Genocide Convention and the delivery of humanitarian aid to Gaza.

Now, where the ICC is concerned, America, like Israel, insists that third states have no power to construct an international court that exercises legal powers over its citizens without their consent.

However, under the doctrine of universality, any state has the power to pursue the gravest international crimes through its own courts, even if committed by foreigners on foreign territory. Hence, in the 1990s, for instance, several states started trying Nazi war criminals uncovered on their territory. Now, the 124 member states of the Rome Statute, and the ICC itself, are asserting that the court is merely exercising collectively the powers that each member state enjoys individually to help enforce the international legal order.

Some years ago African members of the ICC threatened to withdraw from the Rome Statute. Several of them, including South Africa, refused to comply with arrest warrants against the then president of Sudan, Omar al-Bashir. They claimed, somewhat unjustly, that the court was biased against their continent, given the fact that virtually all of its cases concerned situations in Africa.

Ironically, now it is precisely states like South Africa and the Gambia that deploy the mechanisms of international law in situations where the Western defenders of the international "rules-based system" prove hesitant to see them applied. The space where America and Israel—and for that matter Russia or Myanmar—can act without international legal challenge is shrinking.■

Marc Weller is professor of international law and international constitutional studies at the University of Cambridge. He has served as an adviser on peace negotiations in numerous countries, including Kosovo, Myanmar and Sudan. The views expressed are his own.

By Invitation | European security

Olaf Scholz on why Vladimir Putin's brutal imperialism will fail

Germany's chancellor says Europe needs more military muscle

May 23rd 2024

EARLIER THIS month, outside the small Lithuanian town of Pabradė, alongside Lithuania's president, Gitanas Nausėda, I witnessed German Boxer tanks roaring over a sandy plain. Less than 10km from the border with Belarus, deafening mortar shells were being fired. Bushes and trees were cast in thick layers of smoke. And yet the contrast could not have been greater compared to the time when Adolf Hitler's Wehrmacht marched into Lithuania 83 years ago and turned that country and the other states of Central and Eastern Europe into "bloodlands"—a term aptly coined by Timothy Snyder, a historian. This time, German troops came in peace, to defend freedom and to deter an imperialist aggressor together with their Lithuanian allies.

It is at moments like this that you realise how far Europe has come. Former foes have become allies. We have torn down the walls and iron curtains that separated us. For decades, we even managed to banish war between our peoples to the history books. Because we all adhered to a few fundamental principles: never again must borders be changed by force. The sovereignty of all states, large and small, has to be respected. None of us should ever have to live in fear of our neighbours again.

By attacking and invading Ukraine, Vladimir Putin has shattered every single one of these principles. I called this assault on Europe's peace order a *Zeitenwende*, a historic turning-point. Even in his public statements, Mr Putin leaves no doubt about his motivations: he wants to restore an imperial Russia, first by subjugating Ukraine and Belarus into puppet states. Nobody, except—perhaps—Mr Putin himself, knows where and when this ruthless pursuit of imperialism might end. But we all know that he has no qualms about turning yet another country into a bloodland.

And yet, Mr Putin's brutal imperialism will not succeed. Today, the European Union and its members are by far Ukraine's biggest financial and economic supporters. Germany alone has already committed €28bn ($30bn) in military assistance, second only to the United States. But we must not forget that Mr Putin is in this for the long haul. He believes that democracies like ours will not be able to sustain supporting Ukraine for what might be years to come.

Proving Mr Putin wrong starts at home—by maintaining broad public support for Ukraine. This means explaining, again and again, that assisting Ukraine is an indispensable investment into our own security. It also means addressing the concerns of those who are afraid that the war might spread. That is why it is important to be crystal clear that NATO does not seek confrontation with Russia—and that we will not do anything that could turn us into a direct party to this conflict. So far, this strategy has kept support in Germany high; in fact, it keeps increasing. So Mr Putin should take it seriously when we tell him that Germany will support Ukraine for as long as it takes.

The most fundamental promise any government owes its citizens is to provide for their safety and security, in all of its dimensions. Without security, everything else is nothing. In Germany, we changed our constitution to establish a €100bn fund in order to rebuild and modernise our army. Our goal is to turn the Bundeswehr into Europe's strongest conventional force. As of this year, and in the future, we will be spending 2% of GDP on defence. For the first time since the second world war, we will permanently station a full combat brigade outside Germany—in Lithuania. The soldiers we saw in Pabradė are only the vanguard. And we will contribute a German division in higher readiness to NATO, as well as other significant air and maritime assets. These are unprecedented, tectonic shifts in Germany's security and defence policy.

And we are not alone. Sweden and Finland joined NATO, making the alliance even stronger. Many allies now honour NATO's 2% pledge on defence spending. What I witnessed in Pabradė holds true across all of Europe: NATO allies and European partners are standing together, closer than ever before.

For decades, NATO has been the ultimate guarantor of peace and security in the Euro-Atlantic area. It still is and must continue to be so in the future.

Europeans can and will have to contribute more to the transatlantic burden-sharing. This is true regardless of the outcome of the US presidential elections in November. I therefore support President Emmanuel Macron's proposal to have a conversation about the future defence of Europe. I said earlier this year that we must strengthen the European pillar of NATO—and we must strengthen the European pillar of our deterrence. To be clear, there will not be any "EU nuclear weapons"—that is simply unrealistic. There is also no intention to question the sovereignty of the French *dissuasion nucléaire*. At the same time, I welcome the fact that the French president emphasised the European dimension of the French *force de frappe*.

We need to discuss how to get the right mix of capabilities to defend Europe and to deter any aggressor—today and in the future. In addition to nuclear deterrents, we are looking at strong conventional forces, air and missile defence, as well as cyber, space and deep-precision strike capabilities. We are investing in these areas together with our allies and partners, thus also strengthening our European defence industries to meet the challenges emerging from the *Zeitenwende*.

Given how close our countries in Europe are, given the values and interests we all share, I cannot think of any possible scenario in which the vital interests of one of us are threatened without the vital interest of Germany being threatened as well. This is the strongest foundation that NATO's European pillar could possibly have. It reinforces the message shared by all allies, on both sides of the Atlantic: an attack on one of us is an attack on all of us. Nobody should ever dare to attack a single inch of the alliance, as we will defend it together. Whoever dismisses this as lip service should look at what we are doing on the ground. Pabradė might be a good place to start looking. ■

Olaf Scholz is the chancellor of Germany.

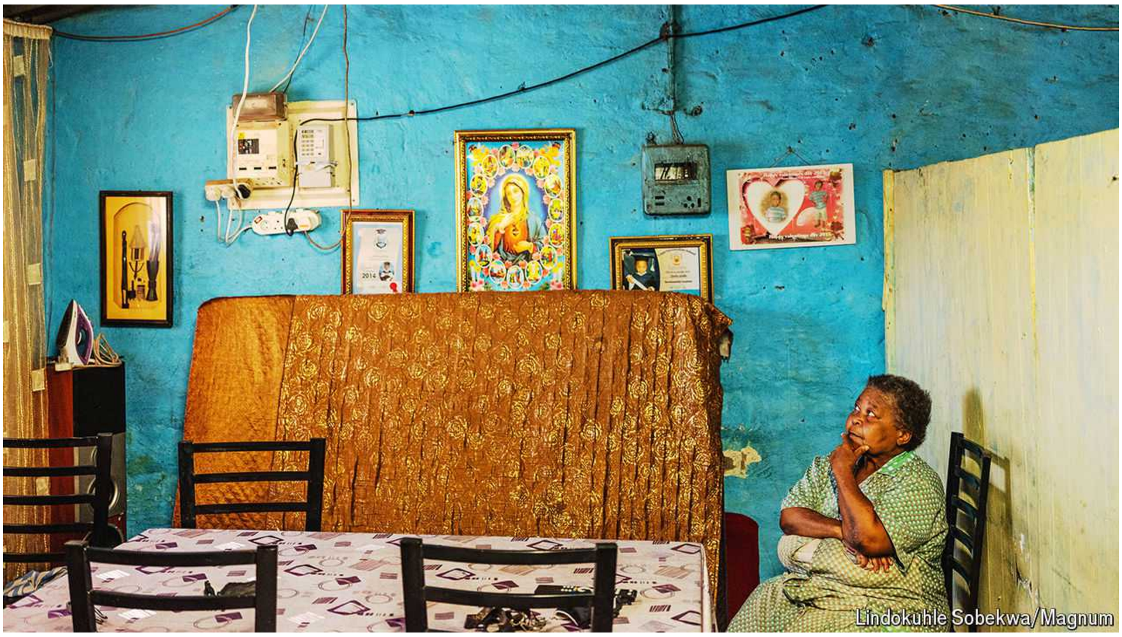
Briefing

Briefing | Dawdling and decay

Next week's election is South Africa's most important since 1994

It may force the country's indecisive leader to make a fateful choice

May 23rd 2024



Lindokuhle Sobekwa/Magnum

Since taking office in 2018, Cyril Ramaphosa has turned indecisiveness into an art form. No matter the problem, South Africa's president will dither about the solution. Six years after pledging a "new dawn" he has yet to get to grips with the country's multiple crises, including record unemployment, the highest murder rate in 20 years and widespread corruption.

So it is troubling that Mr Ramaphosa may soon have to make a momentous choice. On May 29th South Africa will hold national and provincial elections. *The Economist*'s poll tracker suggests the ruling African National Congress (ANC) will win its lowest share of the vote ever, probably falling below 50% for the first time. South Africa's proportional voting system means that it would then need to form a coalition to govern. Potential partners range from thuggish black nationalists to multiracial liberals, making Mr Ramaphosa's decision a fateful one for South Africa, and this election the most important since 1994, when Nelson Mandela became president.

Mr Ramaphosa's options will be determined by how far the ANC's vote share falls. If it ends up closer to 40% of the vote than 50%, it may need to join forces with one of the bigger opposition parties. That presents it with a stark choice between pragmatism and populism. It could opt for a "grand coalition" with its biggest rival, the Democratic Alliance (DA), which campaigns for clean, liberal government. Alternatively Mr Ramaphosa could turn to one or both of the next most popular parties: the Economic Freedom Fighters (EFF) or uMkhonto weSizwe (MK). The first is an ANC offshoot which adores Vladimir Putin, castigates white South Africans and wants to nationalise much of the economy. The second is backed by Mr Ramaphosa's predecessor as president and leader of the ANC, Jacob Zuma, who was jailed in 2021 for contempt of court after ignoring a summons from an inquiry into corruption during his presidency. When he was arrested, his supporters rioted, leading to hundreds of deaths and billions of dollars in damage. Any deal involving the ANC and either of these parties would horrify investors and all those who believe in what Mandela called the "rainbow nation".

Don't go lose it baby

Even if the ANC does well enough in the election to ally with a relatively moderate minor party, Mr Ramaphosa will face a variation on the same dilemma. Thirty years after the end of white rule South Africa is in trouble. Graft is endemic, GDP per person is lower than it was in 2008 and the state is becoming ever less effective. The temptation to resort to ruinous populism to stay in power will only increase. Though the worst outcomes may be averted this time around, South Africa cannot escape fateful choices for ever.

To appreciate the stakes, rewind to when Mr Ramaphosa took over. The new president would speak of "nine wasted years" under Mr Zuma. The implication was that his predecessor's reign was an aberration: that the era of corruption so severe it was dubbed "state capture" was the fault of one man—and could be resolved by another. Yet that was never likely to be the case, given the nature of the ANC, what it has done to the South African state and Mr Ramaphosa's own failings.

Start with the ruling party. The ANC is an ideological mishmash, a blend of communism, socialism, black nationalism, Christianity and other ideas. But the assumptions that the state should be the chief source of development, that the ANC must wield influence over the state and that markets cannot be trusted are shibboleths. In 1997 South Africa ranked 47th of 123 countries in the Economic Freedom Index, a ranking by the Fraser Institute, a Canadian think-tank, based on the size of the public sector, the extent of regulation and so on. By 2021 it had slipped to 94th, just ahead of Nicaragua. The institute's survey of the attractiveness of mining jurisdictions places South Africa, once the commodities giant of the continent, in 62nd place out of 86 countries, behind Congo.

Regulations around affirmative action and "black economic empowerment" (BEE), whereby firms must give stakes to black-owned companies and use black-owned contractors, have raised the costs of investment. By one measure —gross fixed capital formation as a share of GDP—private-sector investment is down by a third since 2008. Labour-market regulations more in keeping with France than with a developing country raise the cost of hiring.

The deliberate blurring of the lines between party and state predated and outlasted Mr Zuma. The ANC has a long-standing policy of "cadre deployment", whereby loyalists are appointed to public jobs on the basis of loyalty to the party, not competence. Mr Ramaphosa chaired the ANC committee responsible for this between 2014 and 2019, according to News24, a South African news organisation.

The blend of state and party abetted a culture of entitlement. "The bedrock of state capture was the ANC's ideology," argues Mcebisi Jonas, a former cabinet minister, who says he left Mr Zuma's government to avoid taking part in its corruption. Many in the ANC behave as if the point of power is to acquire the lifestyles once enjoyed only by the white minority. As a spokesperson for Thabo Mbeki, Mandela's successor, declared, "I did not join the struggle to be poor." Both Mr Mbeki and Mandela turned a blind eye to graft.

Under Mr Zuma corruption was grotesque. The largest state-owned firms were robbed of about 57bn rand ($3bn), according to the inquiry whose summons Mr Zuma ignored. The former president used public funds to build a family compound with a swimming pool that he claimed was a justified expense since it was to be used by firemen in case of conflagrations.

Still grazing

Mr Ramaphosa, who was Mr Zuma's deputy, called the ANC "accused number one" over corruption. But how much has changed? Billions of rand in emergency spending during the pandemic broke procurement rules, according to the police. Last month the speaker of parliament resigned after being accused of taking bribes. Local media report that the police are investigating allegations of corruption against Paul Mashatile, Mr Ramaphosa's deputy and potential successor. (Both deny wrongdoing.) In a sign of the lethal competition for party jobs, which come with access to public funds, assassination attempts on politicians and officials claimed the lives of 37 people in South Africa last year, according to ACLED, a conflict-monitoring group. Just 10% of South Africans think the government is doing enough to stop graft, down from 25% in 2018, notes Afrobarometer, a pollster.

A long and bumpy road

Over time, corruption and patronage have corroded the state. Data from the World Bank suggest that the effectiveness of South Africa's government has plummeted since 1996. The result is a bad mix: heavy-handed regulation and administrative incompetence. "It's like a black hole," one adviser to the president says of the national bureaucracy. Local government is even worse: the vast majority of ANC-run municipalities were not given clean audits in their most recent review by a watchdog.

A report published in November emphasised the role of "collapsing state capacity" in South Africa's economic malaise. (Growth has consistently lagged behind other emerging markets: in 1994 South Africa's GDP was almost double that of Malaysia; now it is about 20% smaller.) Because the ANC kept spending after the commodity boom slowed around 2010, debt as a share of GDP has more than tripled, from 24% in 2008 to 75%. South Africa's shocking unemployment rate (33%) has risen by about 0.5 percentage points a year on average since 1994. Entrenched joblessness is the main reason South Africa is so unequal. The richest tenth are about as wealthy as their counterparts in Greece, but the bottom decile is as destitute as the poorest Cameroonians.

State failings are clearest in infrastructure. Last year Eskom, the state-run power company, had to schedule a record number of blackouts because its generation fell so far short of demand. Almost 40% of piped water is lost before it reaches customers. Dysfunctional railways and locomotives mean that

Transnet, the state freight firm, is unable to transport what firms want it to shift. The lost exports amounted to about 1bn rand a day over the past two years.

There is a vicious cycle in which criminals exploit a weak state, further weakening both the state and the economy. CEOs regularly cite mafias as a brake on business. The World Bank reckons that crime costs South Africa at least 10% of GDP annually. Last year South Africa was the seventh most crime-addled country in the world, according to an index compiled by the Global Initiative Against Transnational Organized Crime, an NGO, worse than Honduras, Libya and Syria. Over the past year reports of "tanker mafias" have proliferated: gangs who first sabotage the water network and then sell water from tankers to some of the country's poorest people. Just 15% of murders are solved. No one has been sent to prison for crimes committed during state capture, or for instigating the riots after Mr Zuma's brief jailing (Mr Ramaphosa remitted his sentence). The government spends more money protecting "VIPs" (including politicians) than it does on the Hawks, its equivalent of the FBI.

Mr Ramaphosa's supporters argue that he is an institutionalist trying his best to repair the damage. In 2020 he launched Operation Vulindlela, an effort to overcome bureaucratic inertia in areas like electricity and immigration, supported with money and people seconded from the private sector. Vulindlela has removed regulations restricting private investment in renewable electricity, and so helped reduce power cuts this year. Yet all too often the president has appointed a commission to study an issue rather than fix it. When Mr Ramaphosa tried to appoint a "red tape tsar" it took months for him to start work, partly because of red tape.

The bigger issue is that Mr Ramaphosa has repeatedly prioritised the interests of his party over those of the country. He can sound moderate when speaking but the legislation actually passed by the ANC shows his willingness to indulge the worst instincts of his party. In March, for example, parliament approved a bill to allow expropriation of land without compensation in the "public interest". On May 15th he signed a law creating a vast but unfunded state-run health-insurance scheme. Few details were given about its cost. By one estimate personal income taxes would have to go up by 30% to pay for it. Doctors worry they will go out of business. Medical associations fear their members will soon be joining the many skilled emigrants to have left the country since 1994.

The president's favourability ratings have fallen from an average of 57% in 2019 to 43% this year. This mostly reflects the poor state of the economy. But Mr Ramaphosa has also not properly explained a scandal that broke in 2022, in which hundreds of thousands of dollars that had been stuffed in a sofa were stolen from his game farm. (The president says he had sold some buffaloes to a Sudanese tycoon.)

Soweto blues

No wonder the ANC's support continues to fall. Record shares of South Africans tell pollsters that they are pessimistic about the future, are dissatisfied with democracy and have lost trust in their political leaders. In local elections in 2021 the party lost control of the five largest cities; most urban South Africans now live in municipalities not solely run by the ANC.

The ANC is being kept in office, like many "liberation parties" across Africa, by older rural voters. They are more likely to remember apartheid and depend on welfare payments. A conversation with Nyaniso Mhlabandela, in Qunu, a rural village, is indicative. Asked how life is, he responds with a grim litany: crime, shoddy roads, a lack of jobs and no water for several years. Nonetheless, he explains, "I'm going to vote for the ANC once again…I don't believe that other political parties can bring change. I have no hope in them, I will stick to the one I know."

The way things are going

Apathy also helps the ANC. In 1994, the first election after the end of apartheid, 86% of those eligible went to the polls. In 2019 that share was just 49%. Perhaps only a quarter of those born since apartheid ended will bother to vote this time.

This is an indictment not just of the ANC but of the opposition. In 2006 62% of South Africans told Afrobarometer they trusted the ruling party, but only 29% said the same of its rivals. In 2021 the ANC's tally had plummeted to 27%, but trust in opposition parties was also lower, at 24%. South Africa is quite unusual in having a primary opposition party—the DA—that does not capitalise much on the ruling party's troubles. This is partly a matter of race: black people vote overwhelmingly for the ANC or its offshoots; minorities generally opt for the DA. But the DA's leaders have affirmed the suspicions of the majority by suggesting that colonialism was not all bad and by issuing a campaign ad in which the "rainbow" flag, a symbol of post-1994 South Africa, is burned. John Steenhuisen, the DA's (white) leader, says the idea was to warn voters about how bad an ANC-EFF coalition would be. The party has long been stuck at little over a fifth of the vote.

Some close to Mr Ramaphosa suggest he would rather try to do a deal with the DA than the EFF. He chaired the ANC committee that expelled Julius Malema, the EFF leader, in 2012, so there is little love lost between them. But others in the party would prefer to "bring the family back together", as a party official puts it. Since the EFF will do well in Gauteng, the most populous province, and MK will score in KwaZulu-Natal, the second-largest, a pact involving mutual support at the national and regional level may emerge.

In truth the president is hoping he can avoid making a big call. Most analysts assume the ANC will get around 45%, enough to do a deal with a small party. The ANC may yet eke out a majority by itself. But even if the vote goes well at the national level, elections for the nine provincial governments could result in more of the calamitous coalitions involving extreme parties that plague big cities such as Johannesburg and Durban. If the EFF does end up with a role, at least in Gauteng (home to Johannesburg and Pretoria), disaster awaits. Mr Malema's party admires Zimbabwe's farm invasions. He has urged supporters to sing "Kill the Boer" and declared, "There is an Indian agenda to undermine Africans." He has magnanimously stated, "We are not calling for the slaughtering of white people—at least for now."

uMkhonto weSizwe, named after the ANC's old armed wing, could be worse still. Mr Zuma, now 82, shows no compunction for his record. A proud Zulu, he has drawn on tribalism to appeal to the country's largest ethnic group. The party's manifesto suggests it would like to ditch the constitution. His supporters had threatened violence were Mr Zuma to be banned from standing for parliament—although, when the constitutional court did just that on May 20th, there was no immediate unrest.

The ANC also faces internal turmoil. The constitution limits presidents to two full five-year terms. Mr Ramaphosa's second term will begin shortly after the elections. Soon thereafter the ANC will become embroiled in a succession battle.

Whoever comes out on top, the temptation to peddle pat solutions to South Africa's problems will be huge. Almost a third of 18- to 24-year olds say they would prefer a non-democratic government. Nearly three-quarters of all South Africans say they would ditch elections for a government that could provide security, jobs and houses. Such despondency is fertile ground for populism.

Many in the ANC may see the next five years as a last chance to enjoy the spoils of power. In "Who Will Rule South Africa?", published last year, the journalists Adriaan Basson and Qaanitah Hunter note that, in local government, electoral setbacks have not spurred the ANC to reform. It would be "delusional", they argue, to imagine "nefarious elements in the ANC" will not use "this term of governance as a last-ditch opportunity for self-enrichment".

Unless it changes course, South Africa, not just the ANC, will continue its slow decline. The state is weak, the economy stagnant, the ruling party decadent. Widespread poverty will mean voters consider radical alternatives. The ANC will be influenced more by its populist offshoots. Mr Ramaphosa, as ever, may hope to avoid a defining choice. But dithering is also a decision of sorts—and a bad one. ■

United States

United States | The country road to the White House

Rural white voters in Wisconsin could decide America's election

They are less enthusiastic about Donald Trump than their counterparts elsewhere

May 23rd 2024

The last time Larry Jost, a sixth-generation Wisconsinite, even considered supporting a Republican was at primary school. "I had an 'I like Ike' pin just because I liked the rhyme," he says. His town of Alma, with two main streets, is tucked along the Mississippi between a dam and limestone bluffs. Every Wednesday morning he gathers in his wife's art gallery with members of his book club, including a retired local judge, a carpenter and a farmer. Recently they discussed an anthology of short stories edited by Langston Hughes. "We're the last Democrats in Buffalo County, and that's why we meet back here in Kevlar vests," jokes one member.

Their species became endangered abruptly. In every presidential election between 1988 and 2012, Buffalo County voted for the Democratic candidate. But in 2016 Donald Trump won the county by 22 points and wrested Wisconsin from the Democrats while forging his electoral-college victory over

Hillary Clinton. Mr Trump carried Buffalo easily again in 2020, when he lost Wisconsin to Joe Biden by a mere 20,000 votes out of more than 3m.

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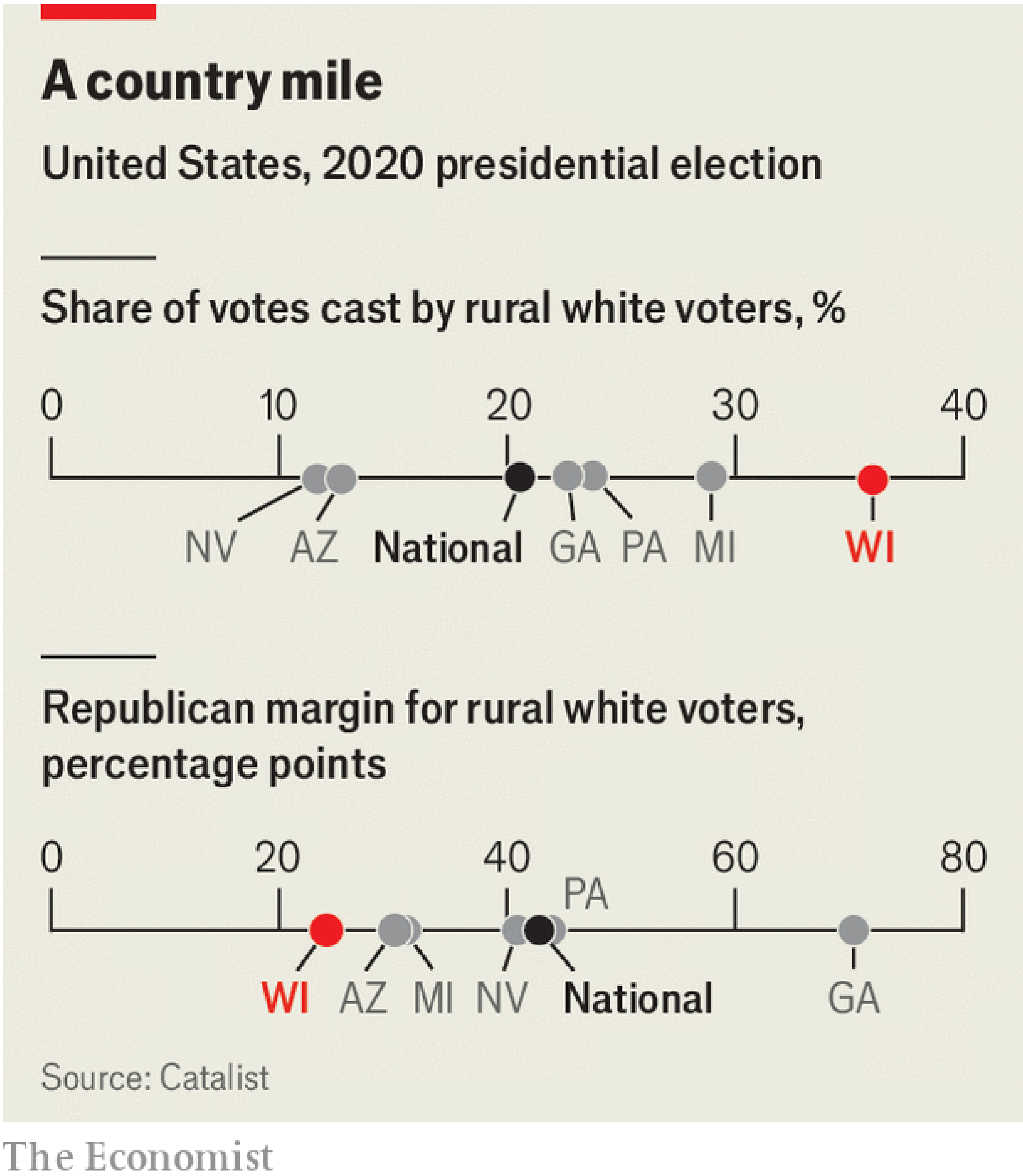
Mr Trump's persistent appeal to rural white voters is fundamental to his strength. He is counting on that support in November, and again Wisconsin looks likely to be a vital battleground. Indeed, as Mr Trump opens formidable polling leads in Nevada, Arizona and Georgia (other swing states Mr Biden won in 2020), Wisconsin's significance has grown. Mr Biden has a narrow lead in some local polls, and his path to re-election may depend on winning all the demographically similar states formerly mislabelled as the Blue Wall: Pennsylvania, Michigan and Wisconsin. Barring surprises elsewhere, if Mr Biden swept those three and won one of Nebraska's split electoral votes, a likely prospect, he would be re-elected—just.

The contest emerging in Wisconsin strikingly complicates the story of Mr Trump's success with rural white voters. Among states that non-partisan analysts rate as toss-ups this year, such voters make up a far greater share of the electorate in Wisconsin (see chart). Yet the Badger State's rural white voters have remained decidedly less Republican than those in other swing states.



In 2020 Mr Biden lost those particular voters by 24 points, compared with 43 points nationally. In Pennsylvania and Michigan Mr Trump won the rural-white vote by 44 points and 31 points respectively. A recent survey by Marquette Law School showed Mr Biden improving slightly with Wisconsin's rural voters over 2020 (although this was more than offset by a decline among suburbanites). Mr Jost and his book-club members, then, may not be so anomalous: the state's Democratic coalition relies heavily on rural white voters.

Why is Wisconsin's liberal vote in the countryside relatively resilient? The most obvious reason is the state's long history as a bastion of agrarian progressive politics, exemplified by the career of Robert La Follette, a three-term governor and three-term senator early in the 20th century who championed progressive taxation and government investment in rural areas. He and his successors in Wisconsin politics, who eventually migrated to the Democratic Party, won backing from agrarian progressives who "thought government was a good thing, because it brought them…rural electrification and utilities and highways", says Barry Burden, a political scientist at the University of Wisconsin-Madison. That outlook persists.

The recent turn to anti-government populism dates to 2010, as the Tea Party wave crested. That year, Republicans flipped all three branches of the state government and Scott Walker, on a mission to take on public-sector unions and their pensions, became governor. Dozens of rural counties that had voted consistently for Democrats backed him. What Mr Walker planted, Mr Trump has reaped.

However, other factors may limit Mr Trump's vote, besides Wisconsin's progressive traditions. The state has small-to-middling university campuses spread throughout its territory. (Mr Biden does best among younger and college-educated rural voters.) And because Wisconsin has a relatively balanced mix of suburban and rural populations, and of university graduates and non-college-educated voters, polarisation in recent years has been pretty symmetrical. In four of the past six presidential elections, the winning candidate's margin of victory in Wisconsin has been less than one percentage point.

Country and midwestern

To Democrats' disgust, Mrs Clinton did not visit Wisconsin once during her 2016 election campaign. Mr Biden and Kamala Harris, between them, have already visited eight times this year. They do not often hold rallies in rural areas, but of the 46 offices the Biden campaign has opened in Wisconsin—more than in any other swing state—nearly half are in rural counties.

Republicans are hoping that despite this outreach, a strong Democratic state party and emotive issues such as abortion rights and the insurrection of January 6th, Mr Trump's personal appeal to rural voters will nonetheless win the day. His victory in Wisconsin in 2016 was the first by a Republican in 32 years, and he achieved it with little campaign infrastructure. The Wisconsin Republican Party remains well-organised and has "gotten very good at turning out votes", notes Mark Graul, a Republican strategist who ran George W. Bush's 2004 re-election campaign there.

Mr Biden's biggest problem is his perceived dreadful performance on the economy and immigration, the issues rural voters—and others—cite as most important. In the Wisconsin countryside, as in much of rural America, the problems are entrenched: declining populations, blighted main streets, dwindling access to health care and abandoned family farms. Charlene, a farmer in western Wisconsin who has a second job as a cleaner to supplement her family's income, says she will be voting for Mr Trump because of his strength on the economy and (oddly) health care. Her son struggled to afford care when he fell ill recently. Because of Republican resistance, Wisconsin remains one of ten states which have yet to expand Medicaid to cover those whose incomes fall just above the poverty line.

Democrats stress their commitment to rural investment. Mr Biden has signed a bipartisan bill that pledges to invest some $1.4bn in Wisconsin to deliver high-speed internet service to under-served areas, partly to tackle rural isolation from the information economy. But the process will be slow. The president may well complain that he does not get enough credit for his economic achievements. But his technocratic policies and pieties about preserving democratic norms do not impress rural voters, who have "a tangible feeling that the political system is broken", says Bill Hogseth, a community organiser in western Wisconsin.

The familiar theme of rural white rage can be overdone. Still, when rural voters hear Mr Trump say that Washington is a mess and they have a right to be angry, his words strike a chord, Mr Hogseth reports. "There's a lot of anger here, and so when you have a candidate who's willing to name that, it's going to get some traction." ■

United States | Corruption trials

What the cases of Robert Menendez and Henry Cuellar have in common

The politics-as-usual defence

May 23rd 2024

A STONE'S THROW from the Manhattan courthouse where Donald Trump has been in the dock, an equally picaresque political-corruption trial is under way with less publicity. Robert Menendez, New Jersey's Democratic senior senator, is charged with bribery and extortion, among other crimes. He allegedly used his influence as chairman of the Senate Foreign Relations Committee to help Egypt and Qatar in exchange for gold bars, a Mercedes and cash. "This was politics for profit," Lara Pomerantz, a federal prosecutor, declared in her opening statement. Mr Menendez, who asserts his innocence and has declined to resign from office, was a "United States senator on the take", she added.

Bribery cases can be hard to get across to a jury if the alleged quid pro quo is subtle or indirect. Mr Menendez's habits of personal finance have provided prosecutors with some useful visual aids. Last week they showed jurors photos of the alleged loot seized from the senator's home: not just the now-famous gold bars, but also wads of cash stuffed into a Timberland boot. Federal agents found more cash in bags and in two of the senator's jackets. The FBI got so flustered counting the money by hand that it had to have two cash-counting machines brought in to tally what turned out to be $486,461.

Mr Menendez has said that, overall, the charges against him have "misrepresented the normal work of a congressional office". His lawyers called him "an American patriot" who was "doing his job". They did not deny some of the unsavoury aspects of his behaviour, but told jurors: "You might not like it, but it is not a crime."

Courts have indeed narrowed the definition of criminal bribery involving public officials in recent years. In 2016 the Supreme Court overturned the corruption conviction of a former Virginia governor, Bob McDonnell, ruling that prosecutors had overreached by criminalising distasteful but legal acts. That case too involved salacious testimony about extravagant gifts. But as the chief justice, John Roberts, wrote in a unanimous opinion: "Our concern is not with tawdry tales of Ferraris, Rolexes and ball gowns. It is instead with…the government's boundless interpretation of the federal bribery statute."

Another Supreme Court decision four years later—involving charges against aides to a former New Jersey governor, Chris Christie—again limited what official acts could be considered criminal. "What's taken hold is this notion that many things that most ordinary people would see as unseemly or corrupt are really just politics as usual," says Daniel Weiner of the Brennan Centre, a think-tank.

Mr Menendez has beaten corruption charges before. He was tried in 2017 on allegations that he traded influence for luxury holidays and gifts. A jury acquitted him on some charges and was unable to reach a verdict on others. New Jersey voters then returned Mr Menendez to office and fellow Democrats rewarded him with his influential committee chair. His rehabilitation has made Democrats appear hypocritical, at best, as they have sought to exploit indictments against Mr Trump for partisan gain.

And Mr Menendez is not the only prominent Democrat in Congress facing corruption charges. On May 3rd federal prosecutors charged a Texas congressman, Henry Cuellar, and his wife with bribery and money-laundering in connection with almost $600,000 they allegedly received from Azerbaijan and a Mexican bank. Mr Cuellar has asserted his innocence and said that his dealings were, in effect, routine: "The actions I took in Congress were consistent with the actions of many of my colleagues and in the interest of the American people."

The charges Mr Menendez faces go beyond bribery. He is also accused of sharing sensitive non-public information with Egyptian government officials. But the meat of the case against him is old-school corruption, including accusations that he exploited his Senate office to help an associate win financial backing from a Qatari sheikh in exchange for cash, gold bars and Formula One tickets.

The trial is expected to last six weeks. Mr Menendez is being tried alongside two New Jersey associates, Fred Daibes and Wael Hana. His wife, Nadine, is also charged as a conspirator (and she has also pleaded not guilty) but her trial has been postponed until July while she undergoes cancer treatment. Her absence from the courtroom and the separation of her trial from that of her husband seems to have encouraged Mr Menendez's lawyers to put the blame on her, saying that much of the cash was found in her closet and that she kept him in the dark about her financial dealings. Throwing one's spouse under the proverbial bus may be low even for a politician; but office-holders deflecting corruption charges by claiming it's "just politics", notes Mr Weiner from the Brennan Centre, is "as American as apple pie". ■

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United States | Off-season offence

How the NFL keeps fans transfixed even when there are no games

The show must go on

May 23rd 2024

Getty Images

Nothing draws an audience quite like the National Football League. The season opener in September 2023 attracted nearly 25m viewers, and in February almost 124m Americans tuned in for Super Bowl LVIII. Yet the NFL is not satisfied with dominating the media for only five months a year. It has developed an uncanny ability to turn ordinary off-season events into spectacles.

Weeks after the season ends the league hosts a televised “scouting combine” for aspiring players to demonstrate their skills. Then comes the draft, when 32 teams recruit the best college talent. Since it was first televised in 1980, the draft has become a three-day extravaganza featuring live music and celebrity guests. Around 775,000 fans attended in person this year, and some 12m Americans viewed the first round. The NFL’s draft has become bigger than some leagues’ championship games.

Dozens of young men becoming instant millionaires naturally makes for good television. More impressive is the NFL's ability to turn the most routine events into social-media phenomena. The release of the annual schedule of matches, which some teams have made into an art form, may be the best example of this prowess.

The Los Angeles Chargers are masters of the genre, publishing elaborate videos to announce their upcoming opponents and mercilessly mock them. This year the team produced a recreation of "The Sims", a popular life-simulation video game. Most of the jokes poke fun at football-related controversies or their opponents' weaknesses.

"We've really been intentional about making it a big moment," says Ian Trombetta, the NFL's senior vice-president of social, influencer and content marketing. "The clubs obviously add a ton to that." One team included man-on-the-street videos collecting opinions about their opponents: "They peaked in 1970" (the New York Jets) or "Home of the cheese" (Green Bay Packers). Another prank-called their opponents' fans. Viewership is up by almost 50% from last year.

The Chargers' video—with more than 40m views since its release on May 15th—has resonated beyond traditional football fans. A kicker for the Kansas City Chiefs, the Chargers' week-four opponent, recently went viral after publicly encouraging women to remain at home and embrace anachronistic social mores. The video depicted him as a Sims character in a kitchen baking a pie.

"We're building an army of young sports fans who are diabolically in love with this franchise because they followed us from the beginning through social," says Jason Lavine of the Chargers' front office. "It would be tough to find another sports team in North America that would be as online as us."■

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United States | The FAFSA foul-up

Time is running out to fix America's student-aid mess

The risk of a sharp drop in college enrolment is rising

May 21st 2024

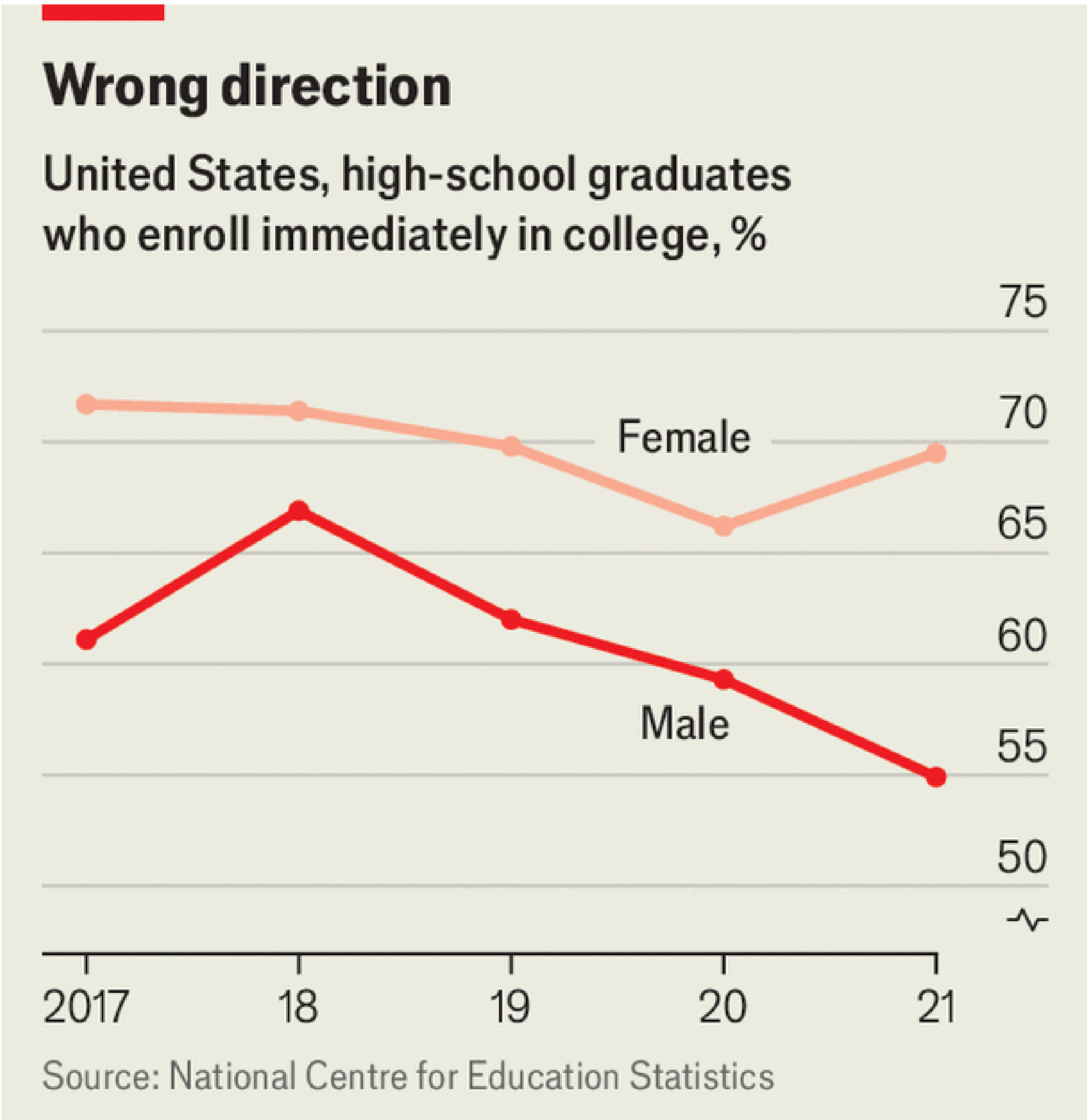
Getty Images

BY EARLY MAY, people heading to college in America have usually settled on an institution and sent the first of several large cheques. This year, a government cock-up has left admissions in a mess. For months youngsters have been struggling to apply for student loans, Pell grants and other financial aid—the result of a botched effort to revamp the system through which these are doled out. The question is no longer whether this will drive down the number of people starting degree courses this autumn, but how sharp the drop will be.

At the heart of the problem lie changes to the Free Application for Federal Student Aid, or FAFSA—the web form that must be completed to qualify for most federal, state and institutional assistance. No tears were shed when, in 2020, Congress blessed plans to simplify it. Its 100 or so questions have long put off low-income students in two minds about higher education, and exasperated everyone else. Yet the new version did not limp online until months after this year's college-application season had started. And it was riddled with bugs.

Colleges have continued to hand out places. But applicants have faced long delays in finding out if they will receive enough aid to afford their courses. Institutions that would usually require applicants to accept offers by May 1st have had to push their deadlines back. The bigger worry is that, frustrated by flaws in FAFSA, many youngsters are abandoning plans for college. By May 10th the number of high-school seniors who had completed an application for aid was 17% lower than at the same point last year.

First-year enrolments could end up anywhere between 2% and 10% lower than would have been the case without the screw-up, reckons Katharine Meyer of the Brookings Institution, a think-tank. Her "reasonable worst-case scenario" would see a fall as bad as the slump in the first year of the pandemic, which separated high-school seniors from college counsellors just as it threw their study plans into chaos. MorraLee Keller of the National College Attainment Network, an NGO, notes that FAFSA hassles could also push up dropouts among existing students, who must fill out a form each year that they wish to take out a loan or bank a grant.



The Economist

College-going rates in America were already moving backwards: between 2018 and 2021 the share of high-schoolers proceeding straight into higher education fell by seven percentage points (see chart). The FAFSA foul-up has marred one of the last years in which demographic trends are in colleges' favour. The total number of 18-year-olds in America will soon start to decline. Missing enrolment targets could be perilous for small private colleges, the least famous of which operate close to the wire. Past experience suggests that community colleges will see the biggest falls.

Months of fiddles have improved the new FAFSA system. But the window for warding off bad outcomes is closing: once America's schools shut for the summer it gets harder to nudge those who are on the fence about higher education to fill out the form. Ashley Logan of I Know I Can, which promotes college access in Ohio, reels off activities her outfit hopes will push up the number of local youngsters who apply for aid—some of this funded with extra cash from the government. But she is “braced” for many to fall through the cracks. ■

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United States | A migration merry-go-round

Fewer migrants are crossing America's southern border

Joe Biden has Mexico to thank—for now

May 23rd 2024

Guillermo Arias/The New York Times/Redux/Eyevine

A FEW STATISTICS regularly released by government agencies set the hearts of America's political establishment aflutter. Monthly inflation figures are eagerly awaited by Democrats who want to demonstrate that Bidenomics is helping the middle class, and by Republicans howling that it is a failed socialist experiment. Jobs figures have much the same effect. Lately, another measure has joined that list: monthly "encounters" of migrants at America's southern border.

Figures released on May 15th show that, after a peak in December of 302,000 apprehensions, the most ever, encounters at the border tumbled by 42% to roughly 180,000 and have stayed relatively flat since January (see chart). That is still high compared with pre-pandemic figures, but it is a marked improvement, and one that President Joe Biden will be thankful for in an election year.

Gracias, Mexico

United States, migrant encounters at the south-west border*, '000

*Since March 2020 monthly totals include apprehensions and expulsions. Prior totals include apprehensions only. Encounters between ports of entry only
Source: US Customs and Border Protection

The Economist

The totals hide big changes in migrant flows. For the first time since the 1990s the area around San Diego, California, had more encounters than any other part of the border, overtaking the region south of Tucson, Arizona. This is due, in part, to a surge in the number of Ecuadoreans journeying north as gang violence has worsened in their country. They are crossing into southern California in greater numbers than anywhere else. San Diego's role as the new centre of irregular migration may also be a product of increased enforcement in Texas, where Greg Abbott, the Republican governor, has fought the federal government to place extra deterrents along the border. These measures (and much tough talk) do not appear to be stopping migrants from crossing altogether. Many are simply trekking westward instead.

Seasonal migration trends do not explain the drop, either. Over the past decade these have broken down. Back when those crossing the border were mostly

Mexicans seeking work, there was a pattern to their movements. Encounters would stay low in the winter around the holidays, increase in the spring, when the weather was still relatively cool in the sweltering south-west, and drop back again in the summer, explains Colleen Putzel-Kavanaugh of the Migration Policy Institute, a think-tank. Now, more families and migrants from places beyond Mexico are crossing, and their movements are less predictable.

Instead, two reasons for the decline stand out. First, migration is becoming ever more responsive to politics, thanks to the speed at which information is shared on messaging apps and social media. While record numbers of migrants were attempting to cross the border in December, the Senate was trying to craft a bill to beef up border security. Among migrants, rumours of a crackdown were flying. That may have caused more people to cross to try to get ahead of new policies.

Something similar happened in 2023 when the administration lifted Title 42, a public-health measure that made it easy to remove migrants to Mexico. "The Biden administration was telegraphing that it was going to heavily crack down at the border, and so migrants began crossing in very large numbers," says Aaron Reichlin-Melnick of the American Immigration Council, an advocacy group. The rapid pace at which migrants get and share information may also be why Mr Biden has kept quiet after the failure of the border bill about any plans he may have to try to stem crossings using executive action.

Limbolands

Second, and most important, Mexico has stepped up its own migration enforcement over the past few months to keep order at its northern frontier. Migrants are stopped short of Mexico's border with the United States or at checkpoints throughout the country and bused south to cities near Guatemala. But Mexico does not have the resources to carry out a mass-deportation scheme. And the "decompression" policy may have unintended consequences. Migrants may turn in greater numbers to smugglers to evade the authorities, and they could attempt more dangerous routes through the desert, or via boats along the Pacific coast.

Mexico's busing scheme may not be sustainable, however. Mexican officials have pledged to help keep encounters at the United States' southern border below 4,000 a day. But that will depend on whether the country has the money to keep up enforcement.

Panamanian data suggest that the number of migrants trekking north through the treacherous Darién Gap is not slowing down—so tens of thousands of migrants may end up in limbo in Mexico. They do not want to stay there. Three-quarters of migrants interviewed in the Panamanian jungle said that if they were delayed on the way to their destination (which, for most, is the United States) they would simply wait and proceed later.

All this means that Mr Biden still has an immigration problem, despite the fall in encounters. Some 12% of registered voters polled by YouGov and *The Economist* say that immigration is the most important issue facing the country, second only to inflation. Senate Democrats may yet make an attempt to revive the prematurely deceased border bill. But Mitch McConnell, the top Republican in the chamber, says Mr Biden's only choice is to "do everything he can do on his own".

If the president does decide to take executive action, which will surely face legal challenges, it may not come until after Mexico's elections on June 2nd. Like many of the migrants in Mexico, American policy remains stuck in limbo.■

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United States | U bet

Some would-be American immigrants are paying to get robbed

Police say this is to get access to visas for victims of crime

May 23rd 2024

From the security-camera footage last July, it looks terrifying. Masked men burst into a liquor store in Bucktown, a wealthy neighbourhood in Chicago, pointing guns. Customers stick their hands up, as one gunman waves his weapon furiously. Suddenly, the employee behind the counter disappears, as shards of glass or liquid fill the screen. He has been shot in the stomach. The robbers flee in a stolen Kia car. "They said, give us all of the money," said Diptesh Patel, the business's owner, in an interview to local TV news.

So far, so normal. Liquor-store robberies are hardly rare in America. Yet according to an indictment unsealed in federal court in Chicago on May 17th, this one was staged: some of the victims (though not the man shot) had paid to get robbed. The robbery was one of 16 that prosecutors allege were organised by the defendants, mostly in the Chicago area, but also in Tennessee and Louisiana. According to the indictment, they were conducted "so that the purported victims of the robberies could apply for U-visas". Six people, four of them Indian nationals, have been charged with conspiracy to commit visa fraud.

The U-visa was created in 2000 by Congress as part of a broader act intended to crack down on human trafficking. It is available to victims of certain serious crimes, and gives the recipient and their immediate family the right to live in America for four years, with a path to a green card. The idea is to make sure that victims without legal status in America co-operate with the authorities.

Police in Houston say that a robbery-murder in January may have been part of a botched attempt to procure a U-visa. Late last year two suspects were charged in federal court in Massachusetts with conducting a string of fake robberies in four states. In 2022 government auditors reported that safeguards against fraud with the U-visa were weak.

Yet it is not easy even for legitimate victims to get a U-visa, says Kathleen Bush-Joseph, of the Migration Policy Institute, a think-tank. To apply, you need a police officer to certify you were a victim of a crime. In 2022 Injustice Watch, an NGO, criticised the Chicago Police Department for refusing about half of applicants. And being certified is only the start. Congress sets a cap of 10,000 visas per year; the backlog of pending applications has reached 354,000. Since 2021 applicants have been able to apply for work permits while they wait to be processed. But even that process is taking years.

Arranging a fake robbery for a semi-legal status that you may not get seems quite a risk to take. But many would-be immigrants are desperate. Some 10m people in America have no path to legal status. "People will take the few avenues that they have," notes Ms Bush-Joseph. ■

Correction (May 23rd): This article was updated to more accurately explain how U-visa applicants can get a work permit.

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United States | Lexington

Politics is the law in Texas

A governor's pardon implies that courts cannot be trusted, just as Donald Trump says

May 23rd 2024

An American military veteran was killed in the street, presumed to pose a threat when he was exercising his right to carry a gun in public. You might expect America's gun-rights advocates to demand justice for the dead man.

But here's a bit of important context: when he was killed, that man, Garrett Foster, was marching in a Black Lives Matter (BLM) protest in Austin, Texas, in July 2020. The person who shot him, Daniel Perry, was sentenced to 25 years in prison for murder. On May 16th Governor Greg Abbott pardoned Mr Perry, saying he acted in line with Texas's "stand your ground" law, which allows people to use deadly force if they feel threatened.

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More context is coming in a moment. To jump to the bottom line: whether or not you believe Mr Perry to be innocent, one lesson of this case, a bitter one, is that to be confident of getting justice under the law in Texas you must have political power. That is not just what Foster's family has concluded. It is what the governor himself implied in voiding the conviction. He said Mr Perry was the victim of a district attorney who demonstrated "unethical and biased misuse of his office" in undertaking the prosecution.

In his proclamation justifying the pardon, Mr Abbott, a Republican, noted that Mr Perry was driving "on a public road" when he "encountered a group of protesters obstructing traffic" who pounded and kicked his car. He did not mention that witnesses testified under oath that Mr Perry accelerated into the protesters after running a red light. Mr Abbott said that Foster approached within 18 inches and "brandished a Kalashnikov-style rifle in the low-ready firing position". He did not mention that Foster was acting legally, under Texas's "permitless carry" law; or that Mr Perry initially said he "believed" Foster would aim at him, not that he did so; or that witnesses testified that Foster, who was 28 and accompanying his girlfriend, a quadruple amputee, kept his gun, a semi-automatic rifle, pointed down, not at Mr Perry, who drew a handgun and fired five times. According to the lead prosecutor, Foster's gun was recovered with the safety catch on and no bullet in the chamber. Foster was white, as is Mr Perry.

The governor did not mention that in the weeks before the killing, as Mr Perry posted racist complaints on social media about BLM ("like a bunch of monkeys flinging shit at a zoo"), he mused about killing rioters or looters. "I wonder if they will let my cut the ears off of people who's decided to commit suicide by me," he wrote, with the errata of the casual poster. He debated with a friend when such a shooting might be justified. "I will also repeatedly say I am in fear of my life," he wrote, explaining how he would defend himself in such a case, as he later did.

In his proclamation, the governor noted that the Texas Board of Pardons and Paroles recommended the pardon. Mr Abbott did not mention that the board acted unusually fast—not waiting for the appeals process—or that he had appointed all its members. He did not mention that he pledged to pardon Mr Perry the day after he was convicted, after Tucker Carlson, then a Fox News host, accused the governor of disregarding the right of self-defence.

Mr Abbott accused the district attorney, José Garza of Travis County, of directing an investigator to "withhold exculpatory evidence" from the grand jury that indicted Mr Perry. The governor did not mention that the judge in the case concluded that this accusation did not merit pursuing. But, then, like district attorneys, judges in Texas are elected, and Travis County includes the liberal city of Austin. The judge is a Democrat. Mark Jones, a professor at Rice University, says Mr Perry's conviction was "in the most liberal county, overseen by a liberal Democratic judge, and overseen by the most progressive prosecutor in the state. Put all those things together, and that's like waving a red flag in front of Republicans."

Mr Abbott issued his pardon at a politically opportune moment, just before early voting began in Republican-primary run-offs in which he is pushing candidates who will support his legislative priorities. For their part, Democrats, who have not won statewide since 1994, have little political reason to make a fuss about the pardon. "The crossover voter is not necessarily wild about BLM protesters," Mr Jones says.

All the more reason the rule of law, and perceptions of justice, should stand apart from politics. Mr Perry was convicted by a jury of his peers, the bedrock unit of the American legal system. The jury weighed all this context, including Mr Perry's claims. That also went unmentioned in Mr Abbott's proclamation. But maybe Texans believe a Travis County jury cannot be fair, just as Donald Trump has insisted a New York jury considering his criminal case cannot be fair to him. Politics, and assumptions about politics, are seeping into every American institution, and so is cynicism about what chance ideals of fairness have against the realities of power.

"Isn't worth it, bro"

Reading through the lengthy court record of Mr Perry's toxic, sad social-media posts, one wonders, pointlessly, what might have happened if he and Foster had had a conversation. Both were military men: Mr Perry, then 33, was serving as an army sergeant at Fort Hood and driving for Uber that night in Austin to make ends meet. Foster was a libertarian, and Mr Perry also claimed to prize freedom. Mr Perry insisted he supported peaceful protest. He seemed, as a Jew, to feel particularly vulnerable to violence.

But probably a talk with Foster would have gone nowhere. Mr Perry's family and friends pleaded with him on Facebook that summer to show more empathy, without much effect, or just to set politics aside. "Isn't worth it, bro," one friend counselled, urging him: "Go to a mountain to a river enjoy the rest of our life."

At least in that moment, Mr Perry seemed to understand. "American politics are horrible," he replied. ■

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The campus is coming for Joe Biden (Apr 24th)

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The Americas

The Americas | The villains are thriving

Criminal gangs are showing their muscle as Mexico's elections loom

The next president must make the country safer

May 22nd 2024

It has been a bloody month for Mexico's southern state of Chiapas. On May 19th a candidate running in next month's local elections was attacked, and five members of his team shot dead. That came days after a mayoral candidate was killed with five others, and an apparent gang shoot-out in which 11 people died.

For *chiapanecos* such news is all too frequent. Murders in their state rose by 60% in the first three months of this year, compared with the same period in 2023. Criminal groups are fighting to control territory for moving drugs and migrants, who enter Mexico from Guatemala through Chiapas. "We used to be a poor-but-safe state," says Francisco Rojas, a candidate for mayor of Tuxtla Gutiérrez, the state capital. Now Chiapas is dangerous, as well as poor. It typifies the insecurity under President Andrés Manuel López Obrador and the government led by his Morena party as his six-year term comes to a close.

Mexico has suffered under violent gangs for many years. But two features stand out today. First, the number of places that criminal groups control has expanded. Second, their influence in local politics has grown. That will mar the vote on June 2nd, when Mexicans will elect a new president, nine governors, all 628 seats in congress and over 20,000 local posts.

Crisis Group, a think-tank, reckons that by 2021 major gangs were operating in a fifth of Mexico's 2,500 municipalities, up from 11% in 2010. That figure is probably higher now. In states including Guerrero, Zacatecas and Michoacán gangs have tightened their grip and act more brazenly. In March Catholic bishops tried to lessen the violence in Guerrero by assigning municipalities to warring groups.

The second feature is the gangs' influence on politics. Local officials are particularly vulnerable to corruption or intimidation: a municipal policeman in Chiapas can earn as little as 5,000 pesos ($300) a month. Gangs shape elections by killing candidates they consider unfriendly. At least 64 candidates, their relatives or political operatives have been killed in this electoral cycle. Last month 200 candidates for local posts in Zacatecas withdrew, causing the national electoral body to launch an investigation. In some cases gangs simply field their own people.

Mr López Obrador, who took power in 2018, is not the only one to blame. Violence worsened after Mexico's transition to democracy in the late 1990s and again after President Felipe Calderón launched his "war on drugs" in 2006. Gangs splintered, multiplied and fought back. They expanded into human-trafficking and mining, spreading from urban to rural areas. Territorial control offers scope to extort from avocado producers and bus drivers, to control the water supply and charge people for it, and even to sell space in the shade.

But Mr López Obrador's focus on poverty, which he sees as the main cause of violence, has not fixed the immediate problem. He kept the army on the streets, a plausible about-turn given the gangs' firepower, but ordered the soldiers not to confront the gangs. This "white flag" didn't work, says Carlos Matienzo of DataInt, a security consultancy. It let gangs spread; violence persisted. With 180,000 murders in the past six years, Mr López Obrador's time in office has been Mexico's deadliest period on record. Disappearances, mostly murders with no body found, are up too.

Impunity is rife. Mr López Obrador dismantled the federal police. Many were corrupt but their officers had been vetted and trained, many by the

FBI. The National Guard, which replaced them, are seconded soldiers not trained in police work. In 2018 the federal police arrested 21,700 people; in 2022 the National Guard arrested just 2,814. The president unhelpfully denies and plays down the violence, at times even calling criminals "respectful people".

He has also weakened security co-operation with the United States, which is keen to stem the north-bound flow of fentanyl and migrants. Few expected Mr López Obrador to hew to the approach of Mr Calderón and his successor, Enrique Peña Nieto, who were cosy with the northern neighbour. But relations are now needlessly combative, says a Mexican official. Insecurity tops voters' list of worries. Xóchitl Gálvez—the main rival to Claudia Sheinbaum, Mr López Obrador's protegée and Mexico's likely next president—has put it at the heart of her campaign.

Ms Sheinbaum, if she wins, will probably be willing to adjust her predecessor's policies. She says she will use nationally many of the same tools she used when she was Mexico City's mayor, when murders in the capital fell. She upped the wages of the city's police, increased their intelligence and investigation capacity and improved co-ordination between them, the National Guard and the attorney-general's office. Ms Sheinbaum will have to move quickly or risk ever more insecurity, in Chiapas and beyond. ■

Correction (May 23rd): *This piece has been updated to correct the number of deaths in Chiapas.*

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The Americas | Lessons learned after Canada's Frankenfires

Canadians are taking dramatic steps to avoid more ruinous firestorms

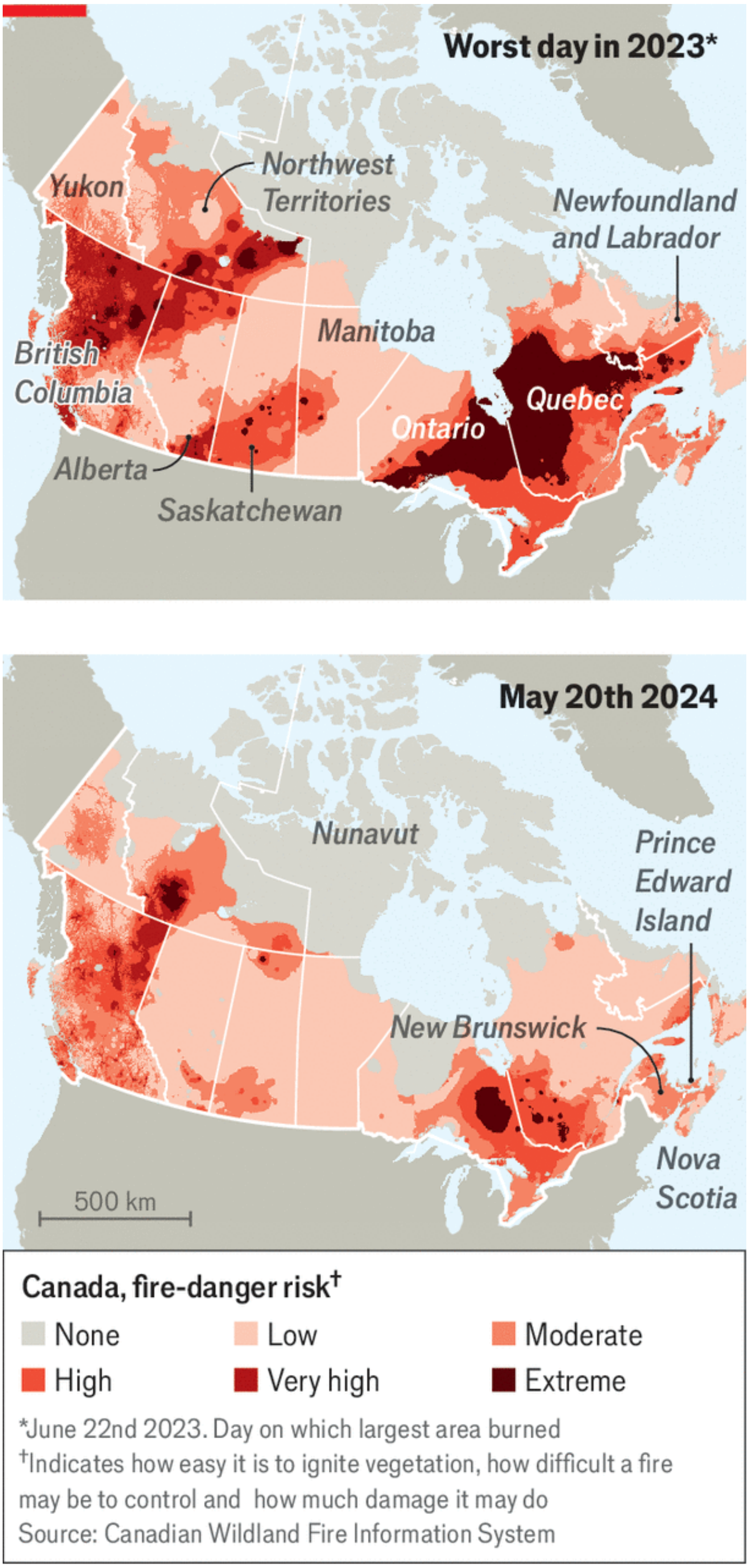
The focus is as much on mitigation and preparation as on suppression

May 23rd 2024

Stumpy, soot-stained foundations of homes, charred fir trees that crumble when touched and the skeletons of petrol stations offer mute testimony to the ferocity of the wildfire that roared through the hamlet of Scotch Creek last year. The smoke from it and myriad other Canadian fires reached Baltimore, Barcelona, Berlin and beyond.

Wildfires scorched 185,000 square km (71,000 square miles) of Canada in 2023, an area bigger than Florida. The resulting pall forced millions indoors during the height of summer. The fires also pumped 1,800 megatonnes of CO_2 equivalent into the atmosphere, dwarfing Canada's total emissions in 2022 of 708 megatonnes. Locals called the blazes Frankenstein fires "that crawl or sprint along like some diabolical monster". "The fires defy models," says John MacLean, chief administrative officer of nearby Columbia Shuswap District. "They are alien to experience."

This year's fire season is already ramping up. On May 14th a blaze raging over 200 square km forced 6,600 residents of Fort McMurray, in north-eastern Alberta, to flee. Oil drillers were on alert, too. The province's tar sands—one of the most polluting sources of oil in the world—produce 3.3m barrels per day (b/d) of crude, equivalent to just over 3% of the global supply. In 2016 a hellish wildfire forced 1m b/d of production offline. Rystad Energy, a consultancy, warns that the worst-case scenario this time could put more than 2m b/d at risk by threatening pits, people and pipelines. Residents have since been allowed to return, and fortuitous rains have curbed the spread of the fire.



The Economist

To fight these alien monsters, Canada’s fire services are mustering drones that drop “dragon-egg bombs”, summoning the long-ignored wisdom of indigenous peoples and heeding the ancient counsel of an admonishing cartoon bear. That means relying on mitigation and preparation, rather than mere suppression, to deal with firestorms that many fear are Canada’s new normal. Bone-dry ground conditions after a season of scant snowfall and spring droughts across Canada’s north mean the floors of the forests are primed with plenty of material to ignite another catastrophic wildfire season.

Smokey Bear, the dour ursine of the United States Forest Service, who for decades told North Americans that “only YOU can prevent forest fires”, has been reincarnated in the form of foreboding-filled fire officials like Dennis Craig. Hired by the resort town of Kelowna after about 200 homes last year were reduced to cinders, Mr Craig was given the newly created title of assistant chief of wildfire mitigation and preparation. Kelowna is one of many towns shifting its resources from fire-suppression to preparation. And the onus is on residents. “We’re delivering a hard message to home-owners this year,” says Mr Craig. “It’s time to start looking at your own properties and changing your behaviours.”

Fire officials have been going door-to-door, urging people to “firesmart” their houses. Requests for their visits have gone up ten-fold, according to city officials. The plans aim to turn buildings and the vegetation around them into firebreaks, rather than fire hazards. Cedar shingles and hedges that often adorn properties need to be ripped out and replaced. Decorative wood mulch is being replaced by gravel. Gutters and vents are having mesh applied to stop sparks from igniting houses. Pine trees are being pruned several metres above the ground, to prevent fires in their crowns acting as launch pads for further blazes. Sprinkler systems are now being installed outside homes, with plans to set them off before fire arrives. Wooden fences that served as ignition routes are being removed. Gardening stores are flogging firesmart-approved trees and shrubs. They are selling out of them.

Technology is buzzing to the rescue as well. Drones equipped with infrared and night-vision cameras are going where it is too dangerous for firefighters to tread. They track hotspots and send guidance to the smartphones of those suppressing fires. Other drones that can cost as much as C$85,000 ($62,000) are now equipped with the “dragon egg” fire suppression technology—ping-pong-sized balls of potassium permanganate injected with ethylene glycol and dropped from the drone to the ground where they ignite. They are used to burn fuel in the path of a wildfire, to stop its spread. Small towns like nearby Vernon are investing in fire vehicles that can master any terrain and scramble up mountainsides or haul sprinkler trailers into remote fire spots.

The cost of all this is being borne by property-owners and taxpayers. Don Iveson, a former mayor of Edmonton who is now climate-investment adviser for Co-operators Insurance, says those who are reluctant to pay now may soon find they have no choice, as houses in wildfire zones are becoming hard to insure. "This is beginning to bite," he says. "It's hard to finance a house if you can't get insurance. We're seeing an impact on property values."

Last year's fires were so bad they have prompted a return to the long-ignored indigenous practice of controlled burns. For centuries leaders of Canada's First Nations performed "cultural burns" in the cool of spring to cleanse the landscape of fire fuels and maintain a careful balance between woods, deer, bears and birds.

"That recreates nutrients, removes pests, cleans out ticks," says George Lampreau, chief of the Simpcw First Nation (pronounced "Seemp", with a lip-pursed exhalation at the end), located in Barriere, British Columbia, 420km (260 miles) north-east of Vancouver. The burns also had the effect of creating firebreaks in the blazes that were started by summer lightning. They fought fire with fire.

Lessons of the tribal past

Cultural burns were outlawed in British Columbia 150 years ago. Punishments could entail a three-month prison term. As burns come back, so does the wisdom of indigenous elders. They work with ranchers and loggers before fire season begins to create firebreaks. Their methods nowadays are both ancient and modern: bulldozers scour away dried grass and undergrowth, along with pristine, towering pine trees, clearing paths through the forest hundreds of metres wide. Fuel canisters resembling elongated coffee pots then drip dollops of flame along the cleared ground. What's left cannot fuel a fire. The corridors act both as bulwarks against wind-swept flames and as corridors through which hoses, helicopters and other fire-suppression equipment can be moved.

Just such a firebreak, as well as the deft work of Chu Chua Volunteer Fire Department squads under Ron Lampreau, helped arrest fires that threatened his community during last year's fire season. "When we first built the firebreak, there were complaints about clear-cutting. After the fire, the complainers said we didn't build the break wide enough."

Mr Lampreau's success has led to funding for him to train "Little Campfire That Could" teams across the country. "We're building big-ass firebreaks," said Mike Westwick, fire-information officer for Canada's Northwest Territories, which are also vulnerable to fire.

Annual wildfire-fighting costs in Canada are running at about C$1.2bn on average over the past decade. Those costs are expected to double by 2040. Some of the fires, like the two largest ones last year in the northern reaches of Quebec and British Columbia, cannot be fought by any means. But that is not necessarily a bad thing, according to Mike Flannigan, research chair of wildfire science at Thompson Rivers University in Kamloops, BC. "Smokey the Bear had two messages: preventing fires is good and fire is bad. That's not true. Fire has always just been natural. It's neither good nor bad." ■

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The Americas | The vote bank in the United States

Mexico’s mighty diaspora punches below its weight in elections

But its participation is steadily increasing

May 23rd 2024

DURING MEXICO’S presidential election campaign in 2000, Vicente Fox, the winning candidate, rode a horse through Chicago’s Little Village neighbourhood. He wore a cowboy hat, true to his roots as a rancher in Guanajuato state. He wasn’t asking for votes—back then, Mexico’s diaspora had no voting rights—but he distributed phone cards and told Chicagoans to ring their families in Mexico and tell them to vote for him. Members of the diaspora were enfranchised in 2005. On June 2nd they will vote in record numbers.

Yet Mexico’s mighty diaspora still punches far below its electoral weight. Roughly 97% of the 12m émigrés born in Mexico reside in the United States. Yet only about 1.5m Mexicans abroad have a voter’s ID card. And of those, a paltry 227,000 have registered to vote in this year’s elections. With Claudia Sheinbaum, the ruling Morena party’s candidate, looking well set to succeed her mentor, President Andrés Manuel López Obrador, the diaspora's vote is unlikely to shift the needle.

Yet their electoral power has been growing fast. In the past century Mexican officials viewed the diaspora as traitors who had ditched their country, says Rafael Fernández de Castro of the University of California in San Diego. Mr Fox was the first candidate to see them as a resource, in part because of the billions of dollars they sent home every year in remittances. The number of registered voters abroad, while low, has risen by 25% since the last presidential election, in 2018.

This year voters can cast a ballot online, by mail or in person at 23 consulates, a third of them in California. Candidates now routinely make trips north of the border. Last year Ms Sheinbaum and Xóchitl Gálvez, her chief rival, both visited Los Angeles, where Mexicans and their descendants make up 34% of the county's populace.

Émigrés tend to vote against the party that was in power when they left Mexico, says Tony Payan of Rice University in Houston. Because so many of them emigrated during the seven-decade reign of the Institutional Revolutionary Party, which finally ended in 2000 with Mr Fox's victory, the diaspora has tended to favour other parties. This should bode well for Ms Sheinbaum.

But the composition of the diaspora electorate is evolving. After a long lull in migration following the global financial crisis of 2007-09, more Mexicans are again crossing into the United States, most commonly settling in California. They may decide to vote against the leader of the country they departed, and his protégée.■

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Asia

Asia | New Caledonia, Old Tensions

Geopolitics helps reignite New Caledonia’s anti-colonial unrest

Emmanuel Macron makes an emergency dash to the troubled Pacific island

May 23rd 2024

THE RECENT sharpening of international rivalries has an impact all over the world—even in far-flung parts of the Pacific. It now seems to have encouraged outsiders to pick at old wounds in New Caledonia. As the French territory was swept by rioting this month, leaving six dead including two policemen, dozens of X and Facebook posts with the hashtag #EndFrenchColonialism alleged: “French police are murderers in New Caledonia”. When Gérald Darmanin, France’s interior minister, first denounced meddling by Azerbaijan, it appeared far-fetched. Then Viginum, an official body in Paris that monitors social-media disinformation, confirmed it had traced the posts to Azerbaijan, a regime close to Russia and angry at French support for neighbouring Armenia. The French pointed to interference not just from Baku but from Moscow and Beijing.

It is a measure of how seriously France takes the troubled nickel-rich islands, and any hint of meddling in its affairs, that Emmanuel Macron, the French president, on May 21st unexpectedly cleared his diary and set off from Paris for Nouméa, the capital. The territory is central to France’s ambition to act as an Indo-Pacific power, not least since the AUKUS deal in 2021 between Australia, America and Britain scuppered a bilateral strategic accord it had signed to supply submarines to Australia. France has been increasingly worried about China's influence in Pacific countries. In the words of Claude Malhuret, a centrist French senator: "China is waiting for New Caledonia to fall into into its hands like a ripe fruit."

The disturbances had already prompted France to impose a state of emergency, for at least 12 days, on May 16th. Hundreds of police and soldiers were flown in. The airport was briefly closed and rioters' barricades had to be removed from the road to the capital. New Zealand and Australia sent military planes to evacuate travellers. To outcries from civil-liberties groups, the French temporarily banned TikTok, a Chinese-owned video app, amid claims that rioters were using it to co-ordinate.

Presidential aides say that Mr Macron, who was initially planning to spend just a day on the island, wants both to show solidarity with residents and to see if he can get rival political groupings to sit down together. The latest flare-up was sparked when the National Assembly in Paris passed a law on May 14th expanding the electoral franchise. At present, French citizens who arrived in New Caledonia after 1998 do not have the right to vote at provincial elections, which legislators in Paris consider discriminatory. Mr Darmanin says it is time to introduce "a minimum of democracy" by unfreezing the electoral rolls and opting instead for a sliding ten-year residence requirement.

Kanak (indigenous) political leaders, however, see the measure as an effort to undermine their political strength. The 1990s agreement to freeze the rolls, they say, recognised that for decades Paris had skewed the electoral numbers by offering big financial incentives to French civil servants to relocate to New Caledonia.

The Economist

The deal was the product of a complicated history of resentment and recrimination. France was once reviled across Oceania: for its decades of nuclear tests on Mururoa atoll; for the bombing of the Greenpeace vessel *The Rainbow Warrior* in Auckland Harbour in 1985; and for its colonial rule in New Caledonia and French Polynesia. The Mururoa tests stopped in 1996 and, after a protracted conflict in the 1980s, France in 1988 reached a political settlement in New Caledonia with the pro-independence Front National de Libération Kanak et Socialiste (FLNKS).

Renewed in 1998 in an agreement known as the Nouméa Accord, the deal promised economic "rebalancing" to stimulate the emergence of a Kanak middle class, devolution of powers from Paris, a power-sharing local executive and, critically, three referendums on independence, originally to be held 15-20 years later. France shed its status as the *bête noire* of colonial powers, and in 2016 Australia and New Zealand welcomed New Caledonia and French Polynesia into the Pacific Islands Forum, membership of which was once reserved for the decolonised.

If written into the French constitution, which requires a three-fifths majority at a joint sitting of the lower and upper houses in Versailles, the new law on widening the electoral franchise would supersede the voting provisions of the Nouméa Accord. In any case, say the French, the three referendums were held, all rejecting independence: by 56.7% in 2018, 53.3% in 2020 and 96.5% in 2021. Pro-independence politicians argue that the third referendum was invalid because the Kanaks, around 40% of the New Caledonia population, did not vote because they were burying their dead from covid-19—hence the big majority. In any case, the Nouméa Accord stipulates that after three referendums won by "no" voters, negotiations must be held between loyalists, the FLNKS and France. Until then, "the political organisation set up by the 1998 Agreement will remain in force."

Before leaving Paris, officials suggested that Mr Macron might set up some form of unspecified "commission" to try to unblock the political stalemate. It now seems unlikely that the vote in Versailles could take place as scheduled in late June. The presidents of both chambers have suggested it should be delayed. Pushing it through now would indeed seem to hark back to the bad old days of French high-handedness. In the 1980s and 1990s, France became deft at brokering agreements between rivals in its distant Pacific territory. But since 2021, it has tilted markedly to the loyalist side. It needs to recover some of the lost spirit of accord. ■

Asia | All-consuming fires

Vietnam’s ruling communists rush to fill the country’s top jobs

Amid an anti-graft drive, they will struggle to restore an aura of calm

May 23rd 2024

THE MONOLITHIC façade erected by one of the world’s most secretive ruling parties is intended to project awesome power, competence and granite-faced consensus. Yet the cracks in the Vietnamese Communist Party’s front of late have been only too obvious to both ordinary Vietnamese and foreign businesses.

In March the state president, Vo Van Thuong, was fired for “violations” and “shortcomings”—words presumed to refer to corruption. Extraordinarily, Mr Thuong had been in place for little more than a year, after his predecessor took the rap for a massive scam involving covid-19 testing kits. Then in April the chairman of the National Assembly, Vuong Dinh Hue, quit, for (also unexplained) “violations” that supposedly harmed the party, the state and himself. And on May 16th the powerful head of the party’s central secretariat, Truong Thi Mai, the first woman to rise so high, resigned on similar grounds. In short order, then, incumbents of three of the land's five most powerful posts have been fired. Such turmoil is unprecedented. It is assumed to be related to a fierce battle against graft being waged by the 80-year-old general secretary of the party, Nguyen Phu Truong. Mr Truong calls this campaign his "blazing furnace".

The downfall of these cadres hints at how corruption reaches to the very top of the party. Deeply embarrassed, it has rushed to restore calm. On May 18th To Lam, the minister in charge of the police and public security, was made state president. On May 20th a National Assembly stalwart, Tran Thanh Man, was made its chairman. And a senior general, Luong Cuong, has been moved to the central secretariat to replace Ms Mai.

The one to wonder about is Mr Lam. Head of state is not the most powerful job (that is Mr Truong's post). But it matters in the conduct of foreign affairs. President Vladimir Putin of Russia was expected to fly to Hanoi after a recent state visit to China; but the trip was cancelled for lack of a head of state to greet him. The presidency is also a potential springboard to the general secretaryship. The three-term Mr Truong will step down at the party's next five-yearly congress in 2026—if his poor health allows him to last that long.

Mr Lam's deputy has been made the interim police minister—until a Politburo-level replacement is found. It is a potent job: Mr Lam was probably behind Mr Thuong's downfall. Should one of his own men replace him, that will strengthen his position. But, says Le Hong Hiep of the ISEAS-Yusof Ishak Institute in Singapore, that would bring with it risks for the country. If he does become general secretary, Mr Lam might use the levers of power to turn Vietnam into a police state, viewing national affairs chiefly through the prism of security. It might even, Mr Hiep suggests, threaten the party's very survival, by shattering all notions of consensus.

If, by contrast, a security minister is appointed from outside Mr Lam's camp, then he might himself become a target for the blazing furnace. The police force, after all, is among Vietnam's most corrupt institutions. And Mr Lam's family, like those of many senior leaders, have their fingers deep in business pies. His brother, for instance, has interests in property, energy and transport. Should Mr Lam have to take the rap for past corruption, then turmoil at the top would break out again.

In other words, a period of uncertainty, in which the fight against graft and fierce jockeying for power grow increasingly conjoined, is likely to last at least until the party congress in early 2026. (The uncertainty would tip into crisis if Mr Truong were incapacitated before then.) Foreign businesses riding an investment boom in Vietnam are right to be concerned, less because the direction of economic policy might change, but rather since political infighting could prove a distraction from policymaking and might only aggravate tendencies towards bureaucratic foot-dragging. Mr Hiep points to delays already in project approvals. Even as the furnace blazes, some of the shine comes off the Vietnam story. ■

Asia | Bangsamoro's moment

In the Philippines a decades-long conflict nears its endgame

Peace in Mindanao matters for regional security

May 23rd 2024

AHOD "AL HAJ MURAD" EBRAHIM spent most of his life waging war against the Philippine government in the jungles of Mindanao, in the country's south. These days the septuagenarian rebel is behind a desk in Cotabato, capital of the fledgling Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). "As revolutionaries we dreamed of having our own government, and now we have it," he marvels.

The guerrilla war between Muslim separatists and the Philippine government is one of Asia's most protracted conflicts. Its resolution is entering a final, fraught phase. In 2014 the Philippine government signed a peace agreement with Mr Ebrahim's Moro Islamic Liberation Front (MILF), then the main rebel group, ending fighting that had killed at least 120,000 people since 1970. The accord mandated the creation of the BARMM as an autonomous region of the Philippines. Its first parliamentary elections are due in 2025.

Lasting calm in Bangsamoro is needed if its nearly 5m residents—and the Philippines as a whole—are to thrive. But it also matters for the wider region.

The conflict, along with a separate struggle against communist insurgents, has long forced the Philippines' armed forces (AFP) to focus on security threats from within the country. Nearly 40% of AFP brigades are in or near Mindanao, reckons Georgi Engelbrecht of the International Crisis Group, a think-tank with headquarters in Brussels. Ground troops have had priority, at the expense of the navy and air force.

Stability in Mindanao would free the AFP to focus more on Chinese maritime pressure around disputed shoals in the South China Sea, which the current president, Ferdinand "Bongbong" Marcos, sees as his country's biggest challenge. Peaceful conditions in the BARMM would mean that the AFP "can be redeployed to focus on external threats", says David Diciano, of the government agency overseeing the peace process. In the short term, that may mean shifting maritime and surveillance assets from Mindanao to the South China Sea. In the long run, it could hasten the switch to modern, less ground-heavy armed forces.

The Economist

The conflict had also been an irritant in relations with the Muslim world, in particular neighbours such as Malaysia and Indonesia. The ceasefire has already helped improve ties. Investors from the Gulf have begun looking more closely at the Philippines; a free-trade deal with the United Arab Emirates is nearing completion.

The roots of Bangsamoro's strife stretch back centuries. The region is home to the Moro, a Muslim people who have chafed at outside rule. Mindanao was integrated into the newly independent Philippines after the second world war, but in the 1960s the government of the dictator Ferdinand Marcos (father of the current president) encouraged Catholic settlement, spurring Islamist revolutionaries to take up arms for independence.

As the seminal vote in Bangsamoro approaches, there is much to be celebrated, not least that the ceasefire with the MILF still holds. Life in Bangsamoro has improved markedly as a result. The poverty rate in the region fell by 20 percentage points between 2018 and 2023.

A new BARMM government has been created. Mr Ebrahim lists new laws and regulations drafted and passed, including codes for the civil service, elections, education and local governance. Japan, which helped broker the peace agreement, has played a vital role in building up the BARMM. At a seminar hosted in Tokyo last year by the Japan International Co-operation Agency (JICA), Japan's overseas-development body, officials from Bangsamoro quizzed Japanese academics on the mechanics of voting, lawmaking and political financing in parliamentary democracies.

A generation of civilian leaders is on the rise. The mayor of Cotabato, Mohammad "Bruce" Matabalao, the son of a rebel fighter, is an international-development specialist. His style is technocratic—trim grey suit, Apple watch and frameless glasses—and he speaks of bringing citizens free Wi-Fi and app-based public services.

This is a big change from a decade ago, when security was dire and electricity intermittent, even in the capital. "No one was on the streets after 6pm," notes Ochiai Naoyuki, a JICA official with long experience in the region. Nowadays the city is bustling after dark. "We want to help build the community in a modern way, to show that conflict is in Bangsamoro's past," says Yusop "Yed" Dimaporo, an entrepreneur with several cafés in Cotabato.

In rural MILF strongholds, former fighters seek new lives. Some have joined the security forces: last month Mr Marcos watched the graduation of the first class of former insurgents in the Philippine police. At Camp Darapanan, a MILF jungle base south of Cotabato, others have taken up farming. "Before we thought about how to win battles, now we think about how to develop our economy," says a former commander. His brigade commanders now run co-operative farms.

Yet the peace process is incomplete, leading some politicians and civil-society groups to suggest delaying elections and extending the term of the transitional government again (the covid-19 pandemic caused the first delay). The disarmament and reintegration of MILF fighters into civilian life lags behind schedule: only 26,000 of 40,000 combatants have completed the “normalisation” process. The central government wants the final tranche disarmed before the elections, whereas the MILF wants the government first to fulfil promises of economic aid. The MILF also looks warily at other local clans, many of which have amassed large private armies. “What will happen to us if we give up our arms but they don’t?” says Akmad “Toks” Brahim, a senior MILF leader.

For those who have given up the gun, reintegration into civilian life can be hard. “The jungle is easy: you just have to use this,” Mr Brahim quips, miming a gun with his thumb and index finger. “But in the office you have to use this,” he adds, tapping his head. Bangsamoro remains the poorest region in the Philippines. The Philippine police have welcomed just a handful of MILF men into their ranks. Cash assistance to former fighters is meagre and vocational training is often divorced from local realities. One foreign aid worker recalls a former fighter who was assigned to a course in baking, given an electric oven and sent home to a village without electricity.

Large-scale clashes between the MILF and the government have ceased and are unlikely to restart, but a different kind of violence is surging. Private firearms are widespread. Power struggles between local clans are spilling into shootings and armed stand-offs. Radical jihadist groups that reject the peace deal are much weakened, but remain active and have sought to exploit the moment: in December a group affiliated with Islamic State bombed a church in Marawi, a city that militants took over for five months in 2017, killing four and injuring dozens more.

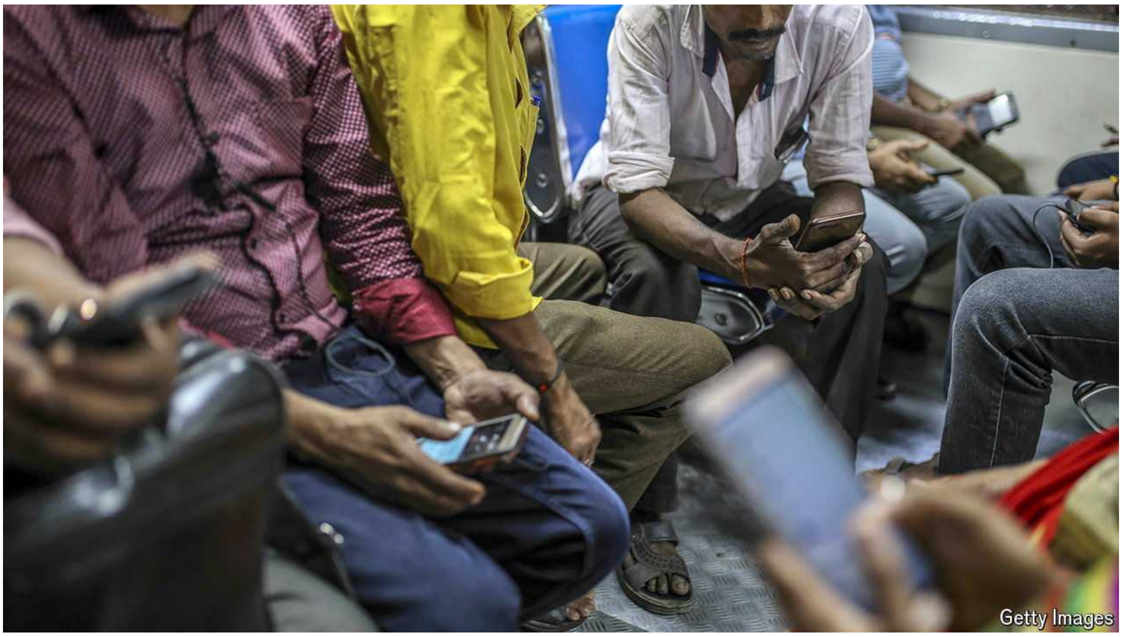
No wonder, then, that the AFP does not feel confident enough to leave Bangsamoro’s security in the hands of the police and local forces alone. “At this stage it’s premature to leave, but the problem is that tensions outside are also rising,” Mr Engelbrecht notes. Parallel crises in the South China Sea and Mindanao would be the Philippines’ biggest nightmare. ■

Asia | An unruly corner

India’s YouTubers take on Narendra Modi

In one corner of India’s internet, dissent survives. For now

May 23rd 2024



“IF IT WEREN’T for YouTube, I would be out of this profession,” confesses Ravish Kumar, a veteran broadcaster and winner of the prestigious Magsaysay award, regarded as Asia’s version of the Nobel prize. Long an anchor at NDTV, one of the few sober news channels in India, Mr Kumar left in late 2022 when it was acquired by Gautam Adani, an Indian billionaire known for his close ties to the country’s prime minister, Narendra Modi. These days Mr Kumar is an independent journalist with a channel on YouTube, with over 10m subscribers and 20m views a week. The video-sharing site has become a refuge for independent voices, from sidelined journalists to political satirists.

Take Dhruv Rathee, a 29-year-old YouTuber, who has emerged as a leading figure of online dissent. With around 20m subscribers, his channel is among India’s most popular. A recent video in which he argued that India had slipped into dictatorship was viewed 32m times in just one month. Other seasoned journalists, formerly national-TV anchors, like Punya Prasun Bajpai, Abhisar Sharma and Ajit Anjum, host shows with large audiences. Adding edge on the digital front are satirists such as Neha Singh Rathore, a folk singer, and Kunal Kamra, a comedian.

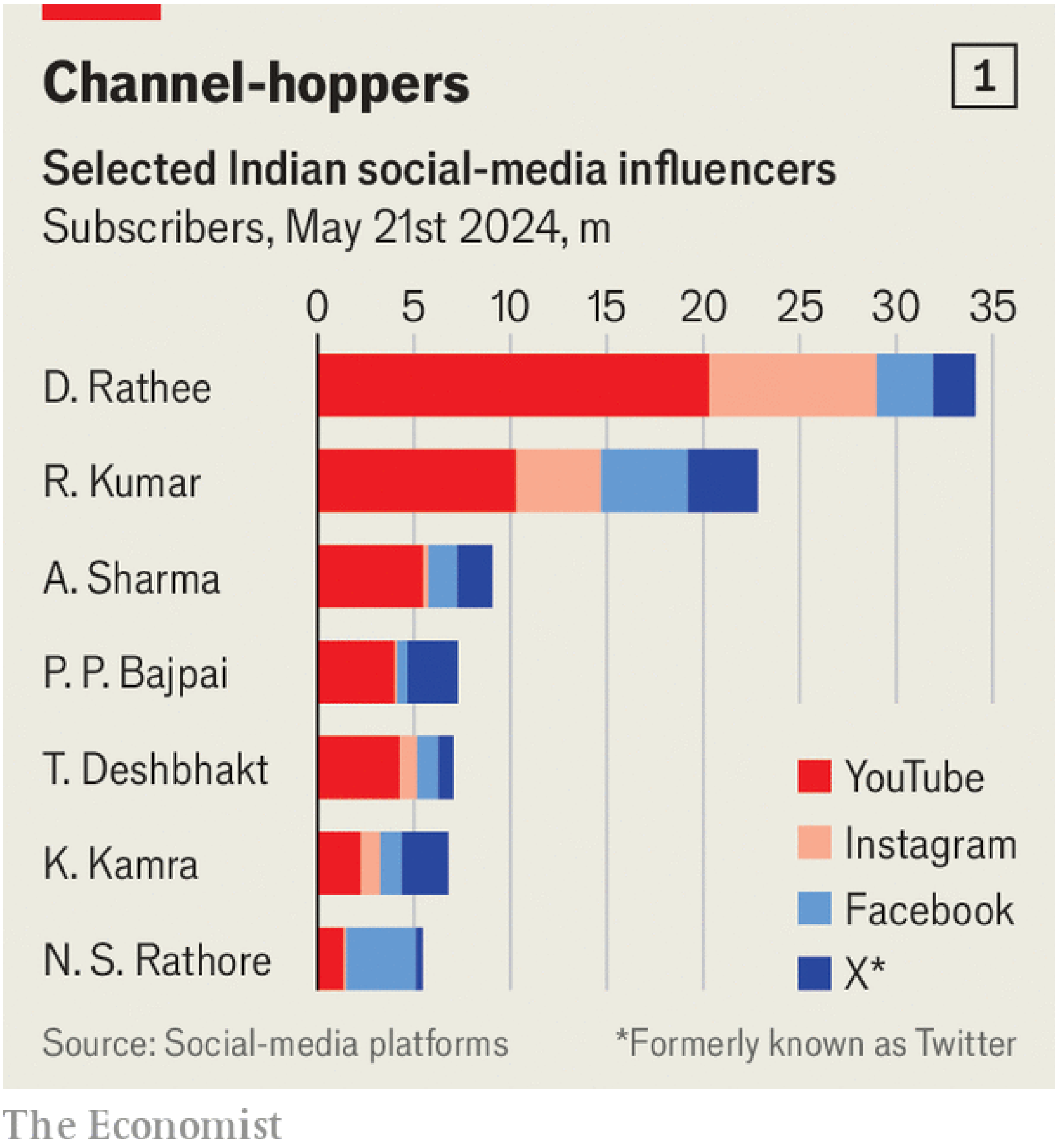
[*Read more of our coverage of the Indian election*]

On paper India has a lively media scene with around 400 news channels and 20,000 daily news publications in over 20 languages. But press freedom in India has been in retreat for a while, and under Mr Modi the decline has accelerated. According to an annual index of press freedom by Reporters without Borders, an international watchdog, India's ranking dropped from 140th among 180 countries in 2014, the year Mr Modi was elected, to 159th in 2024.

The ownership of prominent media groups is concentrated. Reliance Industries, a conglomerate controlled by Mukesh Ambani—another billionaire friend of Mr Modi—controls more than 60 media outlets in India. As the industry has consolidated, the space for critical reporting has shrunk.

Other social-media platforms like Facebook and WhatsApp are popular, but for those shunned by mainstream platforms, YouTube is the natural choice (TikTok has been banned in India since 2020). YouTube has more than 460m users in India, attracting four out of five adult internet users.

India's YouTubers owe their success to three factors. First is a mastery of the medium. Mr Rathee's videos are typically 20-30 minutes long, presented as detailed explainers on a particular topic. His commentaries are accompanied by slick animations, charts and newspaper clippings. He often links Mr Modi to corruption scandals and controversies, something mainstream outlets assiduously avoid. He is not afraid to be provocative. A recent video compared Mr Modi's oratory to Hitler's. And he mixes political videos with ones about travel and other topics of more general interest. One of his more popular videos covered the sinking of the *Titanic*.



Second is their sophisticated use of social media. Though YouTube is their main platform, the online dissenters have built up large followings elsewhere. Mr Rathee has nearly 12m followers on Instagram and Facebook combined, and Mr Kumar around 9m (see chart 1).

The final reason is simply demand. As Abhinandan Sekhri, co-founder of Newslaundry, a media-monitoring website, points out, the dominant Bharatiya Janata Party still wins only just over one-third of the national vote. A big majority does not want “hyper-partisan content”. Most Indian news channels offer very similar fare. Debates are unnuanced shouting matches.

Independence brings its own limitations. For one, it can be a lot of work. Mr Rathee’s success has allowed him to have a team of 15 to help him research and produce his videos. But Mr Kumar spends almost 15 hours a day writing, refining and shooting his videos. With scant resources, most independent broadcasters rely on secondary sources for their information. And despite their impressive online growth, their audiences are tiny in comparison with traditional news channels'. Nor can they boast of influence. Mr Kumar rues that the government has stopped noticing them "as if we do not exist".

Even so, it is trying to rein them in. Over the past year it has passed laws that overhaul much of how India's internet is governed. A new broadcast bill is in the works to regulate cable television and includes language on monitoring news on online platforms. Independent digital-news outlets have formed an advocacy group, but individual YouTubers will face the government's wrath on their own.

The government is also trying to silence its critics at source. Google reports that last year it received over 2,100 requests from it to remove content from YouTube (see chart 2). In April Bolta Hindustan, a Hindi news channel, was suspended for violating Google's terms and conditions. The channel's owners claim (and Google denies) that the suspension was in response to a government notice. That same month "National Dastak", another news channel, also faced disruption. A spokesperson for Google said that it has since reinstated Bolta Hindustan and that "only one video" from National Dastak was blocked. But creators are always worried about government action or their channel being banned for breaking YouTube's terms of service.

Still, those on the fringe are plucky. In early May Shyam Rangeela, a 29-year-old comedian who regularly posts videos mimicking Mr Modi, announced his intention to stand for election against the prime minister in his constituency in Varanasi. His candidacy was stalled for unclear reasons. But he has vowed to fight on. Mr Modi, on the brink of a third term, may find that keeping dissenters in check is harder than he thought. ■

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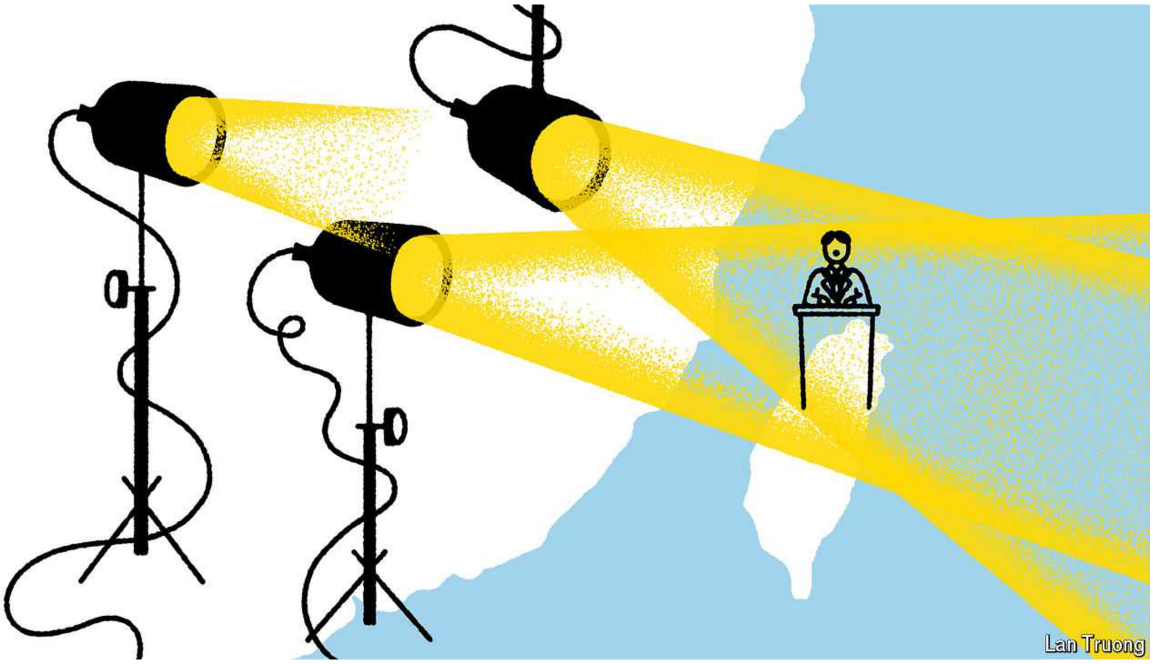
Asia | Banyan

Lai Ching-te aims to strengthen Taiwan but maintain the status quo

It's already proving tough

May 20th 2024



THOUSANDS GATHERED in front of Taipei's presidential office on May 20th to celebrate the inauguration of William Lai Ching-te, Taiwan's fifth democratically elected president. Among them were 400 supporters from his home-town, Wanli. "Everyone is very proud," said one of them, Chen Kuo-lung. In the past the small fishing community on Taiwan's north coast was known only for its tasty crabs. "Now we've also produced a president," boasted Mr Chen, adding that China has suppressed Taiwan to make it *momowuwen*, "obscure and unknown", as Wanli used to be. He hopes Mr Lai can do for Taiwan's profile globally what he has done for Wanli's at home.

Indeed, Mr Lai promised during his campaign to follow his predecessor, Tsai Ing-wen, in trying to make the country "the world's Taiwan, rather than China's Taiwan". But Ms Tsai's calm insistence on affirming Taiwan's sovereignty infuriated China's Communist Party. Over the past eight years

China has cut off engagement with Taiwan's government, blocked Chinese tourism to Taiwan, stepped up military drills around the island, banned many imports from Taiwan and poached almost half of its diplomatic allies, so that only 12 governments still recognise Taiwan's.

Chinese officials have called Mr Lai a troublemaking separatist. More accurately, he is a pragmatic moderate, who hopes to strengthen Taiwan without provoking China. Taiwan, he said in his inaugural speech, is a democratic "pilot for peace", adding that his government would maintain the status quo. He did not call for any constitutional change or referendum on Taiwan's independence, but repeated a formula coined by Ms Tsai, that the Republic of China (ie, Taiwan) and the People's Republic of China are "not subordinate to one another". He called on China to stop intimidating Taiwan and re-engage with it.

That stance reflects Taiwanese public opinion. Polls there show 80% support for cross-strait exchanges on the principle of reciprocity. And a large majority favour keeping Taiwan's status quo for now or for ever. At the inauguration, Chang Kuan-ying, a 60-year-old dentist, who was at high school with Mr Lai, said he was proud of him but hoped Taiwan could seek peaceful dialogue with China "so that cross-strait tensions will not continue". Mr Chang's worries are shared by many: a recent study by National Taiwan University found that more than half of Taiwan's people believe war could break out in the next five years.

Mr Lai also called for Taiwan's people to have "no delusions" about China's intention of annexing the island. Taiwan will bolster its defences and ties with other democratic countries, he said. Its strategy to achieve this includes becoming a key supplier of sensitive technologies such as AI, drones, satellites and military equipment, in addition to the advanced chipmaking industry that Taiwan already dominates. "Let Taiwan become the democratic world's MVP [most valuable player]," he said.

China was not impressed. Its foreign minister, Wang Yi, condemned Mr Lai, saying "separatists" like him will be "nailed to a pillar of historical shame". And on May 23rd China announced two days of military exercises near Taiwan. It has also focused on amplifying Mr Lai's domestic challenges. Chen Binhua, spokesman for China's Taiwan Affairs Office, said that Mr Lai's views made him a "traitor to mainstream opinion within the island". Mr Lai was elected with only 40% popular support, and his party lost the parliamentary majority it enjoyed throughout Ms Tsai's tenure. In April Taiwan's main opposition Nationalist Party, or

Kuomintang, sent a legislative delegation to China to meet senior officials. Since then it has been calling for Taiwan's national-security laws to be revised. Senior officials and Taiwanese civil society are worried.

In his speech Mr Lai called for political parties to co-operate in the national interest, while hinting at the danger of Taiwan's pro-unification parties working with China to subvert democracy: "All our political parties ought to oppose annexation and protect sovereignty." On May 17th six parliamentarians ended up in hospital after a brawl in the chamber over the opposition parties' attempts to push through a reform package that would expand parliament's powers. On May 21st thousands of protesters gathered outside Taiwan's parliament to demonstrate against the opposition parties. Mr Lai has hardly begun his new job and already the pressure is on. ■

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Narendra Modi ramps up the Muslim-baiting (May 16th)
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Meet the maharajas of the world's biggest democracy (May 2nd)

Also: How the Banyan column got its name

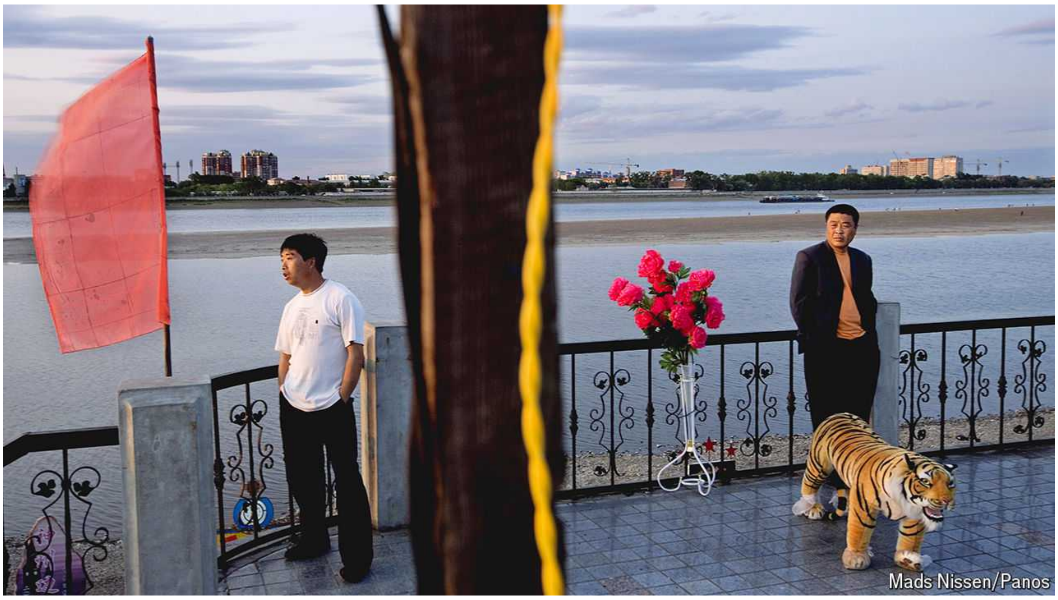
China

China | A tale of two Chinas

Even Xi Jinping is struggling to fix regional inequality

Will China's vast hinterland ever catch up with its wealthy coast?

May 21st 2024



TO UNDERSTAND WHAT China's leaders care about, look at where they travel. Earlier this month Li Qiang, the prime minister, spent three days in Xinjiang, a poor area in western China where he ordered local authorities to boost incomes and employment. At the same time Mr Li's deputy, Ding Xuexiang, went to Shenyang, a city in China's north-eastern rustbelt. Mr Ding called for the region's "revitalisation". Two weeks before all that, the supreme leader, Xi Jinping, presided over a symposium in the city of Chongqing where he heralded a "new chapter" in the development of China's western region.

China's leaders are trying to fix a problem that has dogged the country for decades: how to spread wealth more evenly. GDP per person in the west and north-east, which make up most of China's land mass and hold a third of its population, is 70,870 yuan ($9,800) and 60,400 yuan, respectively. Along the coast it is 124,800 yuan. China's richest provincial-level unit, Beijing, is four times wealthier than its poorest, Gansu (see map). And the richest areas are pulling further ahead.

China is hardly the only country struggling with regional inequality. India's economy is driven by its relatively rich southern and western regions, which leave parts of the north and east in the dust. British politicians talk of "levelling up" neglected areas. China's leaders, though, have unique concerns. They worry about the security and stability of the hinterland, which contains most of China's natural resources. And they are embarrassed that such gaping inequality exists in their socialist country. Mr Xi, after all, has promised to create a more egalitarian society under the banner of “common prosperity”.

Today's uneven picture dates back to the reforms of Deng Xiaoping in the late 1970s. China's former leader set up special economic zones along the coast that were free to experiment with market activity. The policy was a resounding success and expanded to other parts of the coast. "Let some people and some regions get rich first," said Deng. He promised that the rest of China would catch up eventually.

As the years went on, the coast became prosperous by making cheap goods and shipping them abroad. But China's hinterland remained poor. Some worried that the growing disparity could lead to unrest. One influential scholar, Hu Angang, wrote that China might go the way of Yugoslavia, a socialist country that had broken up in the early 1990s. So in 2000 China launched the "go west" strategy to help its western provinces. In 2003 a similar plan was unveiled to revitalise the north-east.

At the heart of the campaigns were big infrastructure projects. Since the go-west strategy was introduced, some 40,000km of railways have been laid in western China, more than the total length of track in Japan. Officials also built roads, bridges and airports. Many of these efforts were tied to the Belt and Road Initiative, an ambitious attempt to recreate the ancient Silk Road trade route that linked China with Central Asia and Europe.

Officials have given inland areas cash as well as concrete. Whereas coastal provinces largely rely on taxes they raise themselves, those in the west and north-east are showered with funds from the central government. Last year they received 5trn yuan, making up over half of the budget in some provinces. Wealthy cities have been paired with poor inland ones and told to assist them directly. For example, some food-processing companies in Shanghai are pressed to buy agricultural goods from Zunyi, 1,700km to the west.

For a time these policies helped to bridge the gap between regions. In the 15 years after the go-west plan was put in place, GDP per person in western provinces rose from just 35% of coastal levels to 54%. In the north-east, it rose from 62% to 71%. Abject poverty is now rare in the hinterlands. But in the past ten years regional inequality has remained sticky—or got worse. Today residents of western provinces earn about 57% as much as those on the coast. North-easterners earn 48% as much. Many locals seem to have given up on the north-east. Its population shrank by 10% between 2010 and 2020 because of low birth rates and emigration.

Provinces in the landlocked interior cannot trade their way to riches as easily as those on the coast did. China's poor neighbours—such as Mongolia, Kazakhstan and Kyrgyzstan—have relatively little demand for its goods. For all the talk of reviving the Silk Road, it is still cheaper to send products to Europe by container ship than by train. So most exporters would rather invest in factories near ports.

The situation inside China does not help. Tongwei, a dusty county in Gansu province, has had a high-speed railway station linking it to the coast since 2017. But the railway does not bring in new business, explains Li Hongwei, who sells refrigerators and televisions in the county seat. Instead, he says, young people use it to travel to find jobs in eastern cities. A study from 2020 backs him up. Researchers at the Nanjing University of Finance and Economics and the University of Cambridge looked at 285 cities with high-speed rail connections in China. It found that, while big cities benefited because the railways brought in more workers, small cities saw “insignificant” economic effects.

That is not to say that China’s spending on infrastructure has been a complete waste. The country’s inland areas were in need of public investment when the go-west policy was introduced. But the government has also ignored market signals, squandering money on vanity projects. Some 200km north-west of Tongwei, city planners have spent over a decade constructing Lanzhou New Area. Its skyscrapers and factories are built on bulldozed hills and supplied with water from three reservoirs dug for the purpose. It features a replica of the Parthenon. Officials insist people are flocking to the city. But many flats are still empty, say locals.

Put your Han up

All this worries China’s leaders, who—like over 90% of the population—belong to the Han ethnic group. Most members of ethnic-minority groups live in the country’s hinterland. Officials doubt their loyalty and fear they may try to secede. Economic development, the officials reckon, will keep them happy and bind them to Beijing. But the government’s cultural and security policies often alienate minority groups. And even its development efforts risk generating more anger than gratitude. For example, nomads on the Tibetan plateau have been forcibly settled in villages. Mongols have been turfed off northern grasslands to make way for mines. And the government has encouraged Han citizens to migrate to the interior. That’s good for development, but one suspected aim is to dilute minority populations.

A clear goal is to make China’s 22,000km of land borders more secure. To this end the government has encouraged people to settle in areas around the borders, which are generally poor. Many of the families living in these places were exempted from the “one-child policy” (which was rolled back in 2016) and given cash subsidies. Border towns have been ordered to build more industrial parks, tourist attractions and libraries.

China’s inland areas are important not just because of the risks they pose, but because of the riches they hold. Most of the country’s rare-earth elements are dug up in the north-east. Oil and coal is found in the west. Parts of that region also offer strong winds, dependable sunlight and swift rivers that can generate power. China has built the world’s biggest network of ultra-high-voltage energy lines to transport electricity from the west to the east.

But all this natural wealth may actually be holding inland regions back. Some places are suffering from a kind of “resource curse”, says Andrew Batson of Gavekal Dragonomics, a research firm. Their economies have become so dependent on digging things up that too little capital and labour have flowed to higher-value sectors, such as manufacturing or services. Part of the problem is that the state-owned firms leading the development push tend to focus on resource-intensive industries.

Experts suggest doing more to tempt private firms to invest in the west and north-east: not always easy, because local governments there tend to be more bureaucratic and corrupt than those on the coast. China could also focus less on hard infrastructure and more on the softer sort. Government spending per high-school student in the west is just 60% of that in the east. Of China's top 100 universities, only 16 are in the west. The predictable result is less dynamism. China's eastern provinces and cities have five times as many high-tech firms as the hinterland.

The risk to Mr Xi and the Communist Party is that as economic growth slows, poor areas will be hit hardest and regional inequality will rise even faster. So the government has continued to pour resources into western and north-eastern provinces. Two decades ago such efforts were compared to "making water flow uphill", according to the memoir of a former official. That has not discouraged party leaders, says David Goodman of the University of Sydney. "Communist parties thrive on the belief they can change nature." ■

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China | Study buddies

The number of American students in China is going up again

But it pales in comparison to the number of Chinese students in America

May 23rd 2024

ON HIS VISIT to China last month Antony Blinken, America's secretary of state, spent time talking to students at New York University's Shanghai campus. Both countries, he said, needed to develop "rising generations who know each other, who know about each other and, hopefully, who understand each other". For America that has become more difficult. The number of American students studying in China fell from a high of around 15,000 in the 2011-12 school year to a low of around 300 during the covid-19 pandemic.

The good news is that the number has been creeping back up again, to around 800 today. And there are signs that both sides want to see it rise higher. When China's leader, Xi Jinping, visited San Francisco in November he announced a plan to bring 50,000 young Americans to China through exchange and study programmes over the next five years.

Lately there has been a flurry of activity. American institutions such as Harvard, Princeton and Purdue are launching new initiatives or restarting old ones in China. Jean Oi, the director of Stanford's China programme, says her school resumed its activities in the country with a seminar last summer. Now it has a group of 20 students there for a quarter of the academic year.

Much of the action is happening at the university level, but some new ventures involve secondary-school students. They might visit China for a conference or a tour. Such programmes, even if not that ambitious, are important, says Rory Truex, a professor at Princeton. "At this point any China experience is good experience for American students," he says. And it could always lead to more. Mr Truex notes that his own career as a China specialist began with an eight-week summer programme while in university.

Although things have loosened up since China ended its "zero-covid" restrictions in late 2022, suspicion and paranoia on both sides continue to limit engagement. Mr Blinken's words are encouraging, but the State Department warns against travel to China because of arbitrary law enforcement, among other things. The department has also not reinstated the Fulbright exchange programme with China, which Donald Trump suspended. China's incessant warnings about foreign spies aren't helping. Some Western academics with a history of researching sensitive topics are forgoing travel to the country.

Chinese students, in contrast, are still going to America in droves. There are nearly 300,000 of them in the country. But some are also nervous. They have heard the stories of Chinese academics hounded by American authorities. Cong Cao of Nottingham University says he knows Chinese students who have declined generous scholarship offers. They "are afraid of going to the US for fear of being locked up in 'small black rooms' at American airports".

Yet the exchanges are "even more important as things get more tense", says Ms Oi. American and Chinese students who find common ground today may grow up to become leaders who keep the Sino-American rivalry in check. America might also take a more tactical view of things. The result of the current situation, warned Mr Truex in a recent article, is "a serious and overlooked knowledge asymmetry" which gives China "the upper hand in understanding its strategic rival". ■

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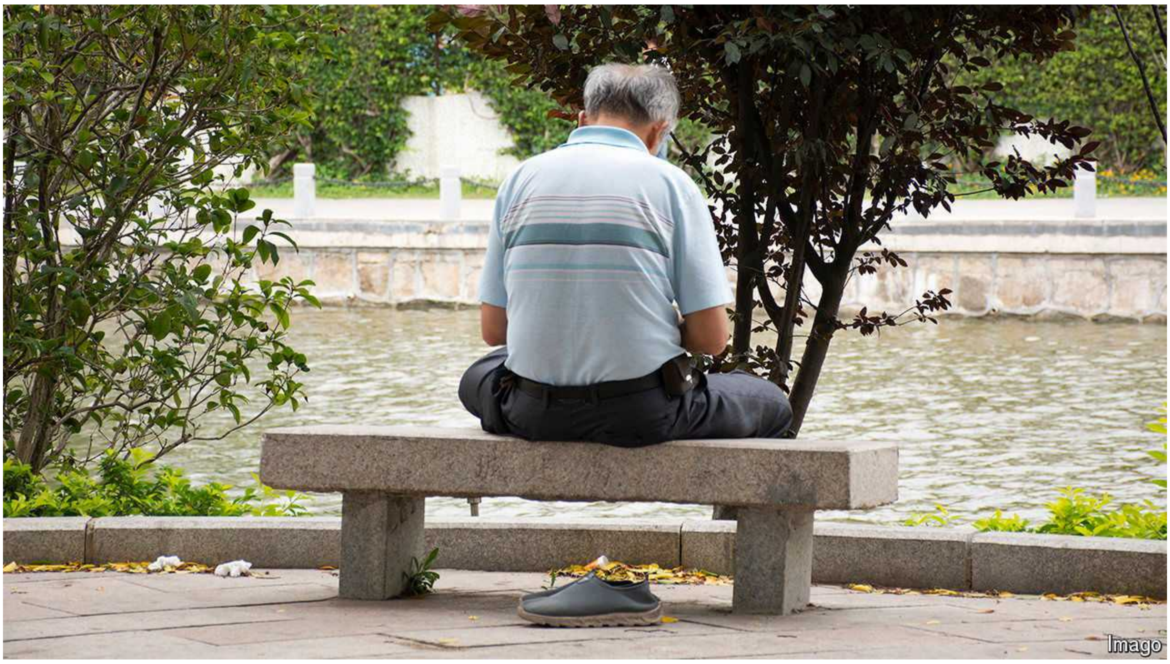
China | One way to stay spry

Why Hong Kong is sending its old people to Guangdong

Gardens and bigger rooms await

May 23rd 2024



Yee Hong Heights, just outside the city of Shenzhen, looks more like a mountain retreat than a care home. Its 260 residents can wander through gardens fringed with palm trees. But the classes on how to use an iPad are perhaps more important. Some 70% of the residents come from Hong Kong. The training allows them to talk with their children back in the city.

More and more Hong Kongers are living out their twilight years in Guangdong, the province where Shenzhen is located. Around 89,000 people aged 65 or over were "usually staying" in the region last year, according to official data. That's 32% more than a decade earlier. Hong Kong's government is behind the rise. In 2014 it launched a scheme that covers living costs and cross-border transport for old people needing care who opt to move to Guangdong. It pays for most of the Hong Kongers at Yee Hong Heights.

All of China is ageing, but the situation in Hong Kong is particularly bad. At 86 years, the city's life expectancy is the second highest in the world. By 2050 one in three of its residents will be over 65. The ageing population is putting pressure on care homes, which already have a shortage of beds. The average wait time for a government-subsidised spot is 16 months. Without exporting the elderly, the city's future looks decidedly grey.

The central government backs Hong Kong's efforts. It wants to develop the Greater Bay Area, which encompasses Macau, Hong Kong and much of Guangdong. Part of the plan involves deepening co-operation in care services. Whereas space in Hong Kong is limited, Guangdong has a surplus of housing, which older Hong Kongers might fill. If they spend their pensions in Guangdong, it would help the economy, too.

The central government is also keen to blur the boundary between the mainland and Hong Kong, which long operated with much autonomy. A harsh security law passed in March is the latest sign of China's tighter grip on the city. Officials in Beijing are eager to show that they can provide solutions to problems that Hong Kong cannot fix on its own.

Regardless of the government's motivations, old people should benefit. Care homes in Guangdong are often surrounded by nature. Many have doctors on site. And the rooms are much bigger than those in Hong Kong's facilities. Care is also cheaper on the mainland. Applicants to Yee Hong Heights are usually offered a bed within a month, says Mandy Lau Shuk-yin, a manager there. After they arrive, she says, "they don't want to go back to Hong Kong."■

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Middle East & Africa

Middle East & Africa | The battle for control of Iran

The death of the president changes the power dynamic in Iran

The supreme leader's son may be the beneficiary

May 21st 2024

Had the supreme leader, Ayatollah Ali Khamenei, looked a touch less steely when delivering his eulogy, more Iranians might have believed the demise of his president was just an accident. Even Mr Khamenei's officials contrasted his perfunctory manner towards the deaths of Ebrahim Raisi and Hossein Amir-Abdollahian, Iran's foreign minister, in a helicopter crash on May 19th with the supreme leader's uncontrollable sobbing after the assassination of his top commander, Qassem Suleimani, four years ago.

The rescue efforts compounded Iranians' suspicions. First responders in the Red Crescent were stunned that rescue workers had to proceed on foot. Nor could they believe the delays they faced reaching the site. Strange, too, thought many in Iran, that the two helicopters escorting the president returned safely to Tabriz. The initial reports spoke of fog and "a hard landing". But the helicopter, according to the rescue team, had exploded.

Mr Raisi's chief of staff, who was part of the convoy, claimed that the skies had been clear.

Mr Khamenei has every interest in downplaying this crisis. He is old and obsessed with who will succeed him. Iran's population of almost 90m is exhausted by the many and ever more frequent shocks that disrupt their country. To prove his left hand is still steady at the wheel (his right was paralysed in an assassination attempt in the 1980s), Mr Khamenei swiftly named a caretaker president and a new foreign minister. Shops stayed open. The currency briefly tumbled but then recovered. "They're showing it's business as usual," says a university lecturer in Tehran.

Mr Khamenei has a history of falling out with his presidents, so conspiracy theories of an inside job were inevitable. Even so, the thinly disguised relief of some around him has surprised Iranians. Of all Mr Khamenei's five presidents, Mr Raisi was considered the most loyal. Many had tipped him to be the next supreme leader.

For decades Mr Khamenei had groomed him as the yes-man at the heart of his deep state. He was an obedient politician, cleric and *sayyid*, or descendant of the Prophet. Critically, he had no son to set up a rival dynasty. And his lack of charisma and nous seemed to lessen any threat to the power of Mr Khamenei and his son, Mojtaba, who manages his father's powerful *bayt*, or household. "When you went to see [Mr Raisi], he'd talk just about whether you'd had lunch," says an exiled Iranian who knew him. The Khameneis helped Mr Raisi rise through the ranks of the judiciary and the rich clerical foundations. In 2021 they engineered the presidential election to ensure he would win.

It did not go to plan. To Mojtaba, another contender for the succession, it seemed as if Mr Raisi was getting ahead of himself. He called himself ayatollah, one of the requirements for becoming supreme leader, though he lacked the qualifications. (Mr Khamenei pointedly dropped the title in his eulogy.) He enjoyed the backing of his father-in-law, the most powerful cleric in eastern Iran. And he even began acquiring an international profile. Such was his confidence, he had a public spat with Mohammed Bagher Qalibaf, the long-standing speaker of parliament and a close relative of Mr Khamenei with business ties to the *bayt*. As they say of someone rising in stature in Persian, "He had grown a tail."

Some who know Mojtaba say he began to worry that Mr Raisi could be building a camp of malcontents within the establishment. Clerics muttered against the Khameneis for plotting to turn a revolution against a monarchy into another dynasty. Nationalist generals in the Islamic Revolutionary Guard Corps complained of wasting their energy enforcing the wearing of the veil. And powerful families like the Rafsanjanis, who had lost power struggles with Mr Khamenei but retained much of their wealth, harboured dreams of revenge. “The winner from Raisi’s death is Mojtaba,” says a former presidential adviser.

Mr Raisi’s departure makes it easier to nudge things in Mojtaba’s favour. On May 21st Mr Khamenei reshuffled the Assembly of Experts, the body that selects the supreme leader where Mr Raisi had played a prominent role. In line with the constitution, the regime has also set the date for a new presidential election on June 28th. Once again, Mr Khamenei will look to the Guardian Council, the body that vets electoral candidates, to weed out undesirables. Possible candidates include the new caretaker president, Mohammad Mokhber, a loyal bureaucrat who has managed the *bayt*’s huge business empires, or Saeed Jalili, a hardline conservative and former presidential hopeful. If their economic mismanagement and zealotry, respectively, reduce the turnout, so much the better. For Mr Khamenei, the elected institutions should be subject to the theocratic power of his *wilayat al-faqih*, or rule of the jurist.

Harder to secure will be any popular mandate for Mojtaba’s assumption of power. Such is the disaffection with the regime that many Iranians cheered their president’s demise. “Exit pursued by bear,” a wag with a knowledge of Shakespeare posted online, hoping wild animals would find him before the emergency teams did.

Perhaps the most obvious trajectory for Iran now is that a new president is installed who is loyal to the military hardliners who underwrite the regime, and that Mojtaba Khamenei succeeds his father as the supreme leader. Without popular support or a powerful internal constituency of his own, Mojtaba would be beholden to those hardliners. Isolated from global markets, the regime and the economy it controls would continue to decay. Mounting popular dissatisfaction and internal struggles for power could make Iran more repressive and belligerent, with alarming consequences for its citizens and neighbours.

There is, however, another path. Perhaps Mojtaba could set Iran’s modernisation in motion. The 55-year-old scion, says a former official who knows him well, is captivated by the model of Muhammad bin Salman, the Saudi crown prince. Like him, he might relax Iran’s religious rules, release political prisoners and seek a new relationship with America and perhaps even Israel. Were this their reward, he says, most Iranians would accept his succession.

It is an alluring idea, but, unlike Saudi Arabia, Iran has experienced over a century of struggle against dictatorship. As the shah, an earlier secular modernising autocrat, learnt to his peril in 1979, absolute rule of a country as complex as Iran can be any supreme leader's undoing. ■

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Middle East & Africa | Succession

A death, an illness, and an uncertain Middle East

The region could be on the cusp of real change

May 23rd 2024

SINCE MARCH 2023, when Iran and Saudi Arabia agreed to restore diplomatic ties, the two longtime foes have tried to put on a show of friendship. The routine has not been convincing. Then, for a moment this month, they seemed to take the unity act to another level. The Iranian president vanished, and the Saudi king fell ill. It was a reminder that both countries are on the brink of profound transition.

Ebrahim Raisi's death in a helicopter crash on May 19th plunged Iran into political uncertainty. But anyone hoping it will become less belligerent in the region is likely to be disappointed. Mr Raisi was not the main architect of Iran's foreign policy. Regardless of who replaces him as president, Iran will continue to support militias across the Middle East and to seek closer ties with Russia and China. Nor is its nuclear stand-off with the West likely to ease.

Still, his death will make ripples abroad. Mr Raisi was not alone on the helicopter: Hossein Amirabdollahian, the foreign minister, was also killed in the crash. Arab officials were surprisingly fond of him, a diplomat who spoke their language and knew the region. He had close ties with Hizbullah and other Iran-backed groups.

European diplomats, by contrast, found his lectures insufferable. They are happier with his interim replacement, Ali Bagheri-Kani, a conservative who is close to Iran's supreme leader but remains open to serious discussions with his Western counterparts. He has been Iran's lead negotiator in failed attempts to revive the multinational nuclear deal.

Whether they will have anything to discuss is another matter. Days before Mr Raisi's death, America and Iran held indirect talks in Oman (Mr Bagheri-Kani represented his side). They hoped to calm tensions in the region after a series of tit-for-tat attacks between Israel and Iran last month. That dialogue is probably now suspended. Iran is unlikely to do much diplomacy until after its presidential election, scheduled for June 28th. By the time a new Iranian president takes office and forms a cabinet, America will be close to its own vote in November. There will be little time for any serious diplomacy.

Instead, America will be focused on striking an agreement elsewhere. On the same day that Mr Raisi's helicopter crashed, Saudi Arabia announced that King Salman, its 88-year-old monarch, was being treated for pneumonia at his palace in Jeddah. It was his second health scare in a month, after a brief stint in the hospital in April. The royal court has been tight-lipped about his condition. But it was serious enough that Muhammad bin Salman, the crown prince, postponed a planned visit to Japan and stayed close to home.

Unlike Iran's case, there are no questions about succession in Saudi Arabia: Prince Muhammad will ascend the throne after his father dies. He has been the kingdom's de facto ruler since he became heir apparent in 2017. For years, Saudi-watchers have wondered if his father held a veto over a few pet issues: normalisation with Israel, for example, or legalising alcohol in the kingdom. The ambiguity probably suited Prince Muhammad, since it allowed him to move slowly on controversial decisions. But it will end once he becomes monarch, and that is not far off: even if King Salman recovers from his lung infection, he probably does not have long to live.

On May 19th Prince Muhammad met Jake Sullivan, America's national security adviser, to talk about a defence treaty. It is meant to be part of a broader deal that would also see Saudi Arabia normalise relations with Israel. But the Saudis say they cannot take such a step unless Israel commits to create a Palestinian state—something Binyamin Netanyahu, the prime minister, will never accept.

With a three-way deal thus blocked, the Saudis are instead pushing for a bilateral agreement with America. They would agree to curtail ties with China, in exchange for the defence treaty and American help with a nuclear programme. They would also promise to normalise ties with Israel once a new Israeli government makes that possible. Perhaps that is not far off, since Mr Netanyahu is embattled and now may soon be indicted for war crimes.

American officials, though, say this is a non-starter, in part because a defence treaty is unlikely to get through the Senate if it is not linked to Saudi-Israeli normalisation. That leaves the future Saudi king with a difficult choice. He could recognise Israel without any concessions from Mr Netanyahu, which would secure the defence pact but at the risk of both domestic and regional anger. Or he could postpone the whole deal indefinitely.

All this makes for an odd moment. Mr Raisi was not the most powerful man in the Islamic Republic, and King Salman is arguably not the most powerful in the kingdom of Saudi Arabia. Yet the death of the former and the illness of the latter both herald a moment of real change in the region. ■

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Middle East & Africa | The Israel-Hamas war

The revolt against Binyamin Netanyahu

His war cabinet and generals want a new plan—and a new boss

May 19th 2024

FOR MONTHS generals and ministers in Israel have been warning from behind the scenes that the government of Binyamin Netanyahu, the prime minister, lacks a coherent strategy for the war in Gaza and its aftermath. Now at last these bitter arguments are breaking into the open. Israel's war cabinet and security establishment are drawing ever closer to an open revolt against Mr Netanyahu, and are clear they want a sharp change of direction or new government. The shift comes as the prime minister faces the threat of an arrest warrant from the International Criminal Court (ICC). Meanwhile Jake Sullivan, America's national security adviser, landed in Israel on May 19th. He had just been in Saudi Arabia, where he was finalising a blockbuster security deal with the kingdom that includes proposals for remaking how Palestinians are ruled.

The pivot against Mr Netanyahu began not with the politicians but with the Israel Defence Forces (IDF). In off-the-record briefings generals have accused him of blocking any day-after plans for Gaza and "squandering"

Israel's gains in the war. "It's the prime minister's job to set strategy," says a general. "But when there is no strategy, it is the army's job to warn of the dangers." Because Mr Netanyahu has resisted the creation of an alternative force or authority to govern Gaza, there has been a vacuum which the remnants of Hamas have re-emerged to fill.

[Read all our coverage of the war between Israel and Hamas]

Besides the generals, two key figures have flipped from being reluctant partners of Mr Netanytahu, as ministers in his war cabinet, into open opponents. On May 15th Yoav Gallant, the defence minister, who is also the subject of a request from the ICC, stated in public that his plans to create a new governing entity in Gaza, with heavy Palestinian representation, "had not been discussed and worse, no alternative has been proposed instead". Three days later, Benny Gantz, Mr Netanyahu's most powerful rival, said that "crucial decisions have not been made," and accused a "small minority" of "taking control of the bridge of the Israeli ship and steering it to the rocks". He said he would quit the war cabinet if there was no change of course by June 8th.

Mr Netanyahu has responded dismissively, accusing Mr Gantz of advocating policies which would mean "an end to the war and Israel's defeat". Two big questions now loom. The first is whether the government will fall. Polls suggest Mr Gantz's party would win an election if one were held now, making him Israel's probable next prime minister.

Were his party to quit the government, the residual Netanyahu coalition would still hold a majority in the current Knesset, Israel's parliament. Most Israelis favour an early election, but a further five defectors from the coalition would be needed to denude it of a majority. Alternatively, the government could be brought down by the exit of the more extreme parties on whose support it relies. So far there is no clear sign that the government is about to lose its parliamentary majority, but that could change quickly.

If Mr Netanyahu bends to the demands of his more centrist critics, or is toppled, the second question is what a new policy on Gaza would look like. The Biden administration proposes that a "revitalised" Palestinian Authority (PA) should take over in Gaza. But building up its capacity will take years. Mr Gantz is sceptical about the PA's president, Mahmoud Abbas, and prefers the putative new authority in Gaza to be led by a cross-section of Americans, Europeans, Arabs and Palestinians. Mr Gallant seems to prefer giving control to local elements in Gaza, aligned perhaps with Mr Abbas's Fatah movement.

The likes of Mr Gantz and Mr Gallant agree that Israel should not run Gaza's affairs; all implicitly think, however, that the IDF should retain a strong security presence in the strip. There is less agreement on the end-game that follows any de-escalation of the war. The Biden administration wants a pathway to an eventual Palestinian state. Mr Gallant and Mr Gantz are reluctant to endorse this, not least because it would be unpopular in Israel.

This is the maelstrom in which Mr Sullivan has flown. America is keen to secure a ceasefire and hostage swap. This, it hopes, can lead to a wider American-sponsored regional deal including "normalisation" between Israel and the Saudis. If, on the other hand, Mr Netanyahu remains in power and continues with his approach of endless war in Gaza and threatening a full-scale invasion of Rafah, the last redoubt of Hamas, America may hold up deliveries of munitions. That risks worsening Israel's case at the International Court of Justice.

Ultimately the decision to end Mr Netanyahu's government and its failed policy in Gaza lies with Israelis. They face a choice between permanent military occupation of Gaza; letting Hamas retain offensive capabilities; or relinquishing partial control to an outside authority that includes Palestinians but excludes Hamas. Mr Netanyahu has been put on notice by his ministers and generals that he cannot ignore this reality for much longer.■

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Middle East & Africa | Deaths in Gaza

How many people have died in Gaza?

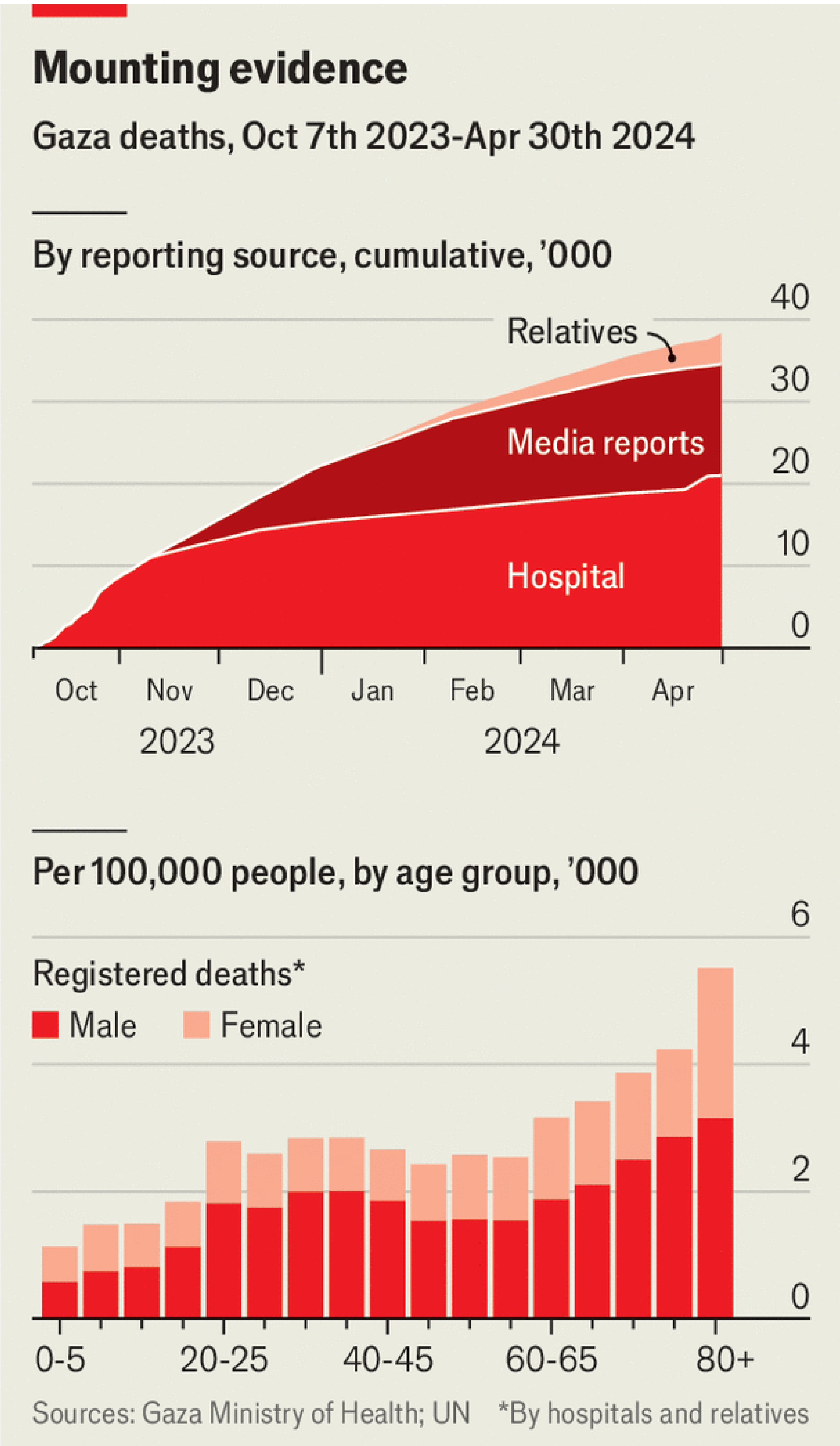
The fog of war may be thick, but some figures are solid

May 23rd 2024

From the very start of Israel's war against Hamas, the death toll in Gaza has been disputed. On May 8th the controversy over the numbers, which media organisations including *The Economist* use, intensified after the UN appeared to revise down its death toll for women and children. The UN switched from using the overall figures provided by the Gaza Ministry of Health (MoH)—which is controlled by Hamas—to using a count that included only people who had been identified. Some saw this as proof that the MoH death toll is bogus. In reality the count has inevitably become less reliable as the war has dragged on. The list of identifiable dead is legitimate and marks the lower estimate for the lives lost in the war—about 25,000 at the very least, of whom around 14,000 are women, children or old people.

At the war's start the MoH death toll was probably fairly accurate. At this time, the numbers were based solely on deaths registered at hospitals and morgues. In past Gaza conflicts, the figures produced by MoH matched those independently calculated by both the UN and Israel.

On October 26th, the MoH released the names, IDs and ages of everyone it claimed had died in the war. It put the death toll at around 7,000, 68% of them women, children under 18, or people older than 60. Two academic articles published last year in the *Lancet*, a medical journal, analysed the patterns of IDs and ages and the implied death tolls of different age groups, and concluded that the figure seemed right.



The Economist

But as the fighting has continued, the quality of the overall MoH death count has dipped. Most hospitals can no longer collect data. In mid-November, the MoH began to add deaths from media reports to the hospital death count (see chart). This is a routine way to estimate deaths during wars, but it is fallible. The media may focus on recording deaths of innocents. Some deaths can be missed, where bodies are buried under rubble, say. Others may be double-counted. Commentators, particularly pro-Israeli ones, have been quick to point out inconsistencies in the MoH figures. Sometimes the supposed cumulative male death toll drops from one day to the next.

The MoH continues periodically to publish credible named lists of the dead. These include only deaths registered through the hospital system, and more recently via an online form for reporting dead relatives. The UN, the World Health Organisation and Human Rights Watch, a monitor, say they are trustworthy. The Israel Defence Forces (IDF) produced an analysis, seen by *The Economist*, of the named list published on January 6th. The IDF confirmed that most—83% of the 14,121—were real people, whose name and ID matched official records. The rest were either missing an ID number, had an invalid number, or the name and ID did not match records. Of those identified, only 1,407 were verified as Hamas militants or members.

An analysis of the list including deaths up to March 30th by Mike Spagat of Royal Holloway University and Every Casualty Counts, a charity, found that 84% of the 21,703 entries appeared complete, with a valid ID. Our analysis of the latest list of deaths until April 30th found that 84% of the 24,686 IDs were valid.

In other words, while not all entries on the named list are complete, there is good reason to believe those on it are dead. That would mean, as of April 30th, that at least 24,686 Palestinians had died during the war—of whom at least 13,816 were women, children or old people—around 70% of the total that the MoH says have died. Even Israel has indicated it expects the true death toll to be higher than the MoH list would imply. The IDF claims to have killed 14,000 militants, but the list contains fewer than 10,000 working-age men. In March the prime minister, Binyamin Netanyahu, said that up to 32,500 people may have been killed in Gaza, and that up to 60% of them were civilians. Whatever the true figure, the loss of life has been immense. ■

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Middle East & Africa | Israel and Hamas in the dock

The ICC's threat to arrest Binyamin Netanyahu has shocked Israel

America and Israel have reacted with outrage at the implied equivalence between Israel and Hamas

May 20th 2024

IT HAD BEEN been expected in Israel for weeks, but was still a shock when it came. On May 20th the prosecutor for the International Criminal Court (ICC), Karim Khan, announced that he was requesting arrest warrants for Binyamin Netanyahu and Yoav Gallant, Israel's prime minister and defence minister, as well as the leaders of Hamas, the Islamists who launched the deadly attack on Israel on October 7th last year, on charges of war crimes.

The prospect of their leaders appearing in the dock along with the perpetrators of a massacre against them is unthinkable for Israelis. But it is a sign of the horror with which many have come to view their government's devastating war in Gaza. Mr Khan, a British lawyer, issued detailed and lengthy accusations against both sides. He opened with the allegations against the Hamas chiefs, Yahya Sinwar (pictured right), Mohammed Deif and Ismail Haniyeh, detailing the murder, sexual assault and kidnapping of Israeli citizens. But the charges against the Israeli ministers were no less pointed.

Read all our coverage of the war between Israel and Hamas

Mr Khan noted that Israel has the right to protect its citizens, but he accused it of having pursued "starvation as a method of war" in Gaza. Israel has denied this charge, pointing to the aid convoys that have been allowed through. But this has mainly happened in the past couple of months and under international pressure. There is ample evidence that Israel has closed routes into Gaza and disrupted the supply of aid. Earlier in the war Israeli ministers also made clear in public their intention to impose a "total siege" on Gaza. Mr Khan has chosen to focus on these war tactics, rather than the bombing of civilian areas. He has also chosen, at least for now, to target Israel's political leaders rather than its generals. Nor did the charge sheet include the allegation of genocide. Mr Khan may be sticking to crimes that are easier to prove.

The judges in the ICC's pre-trial chamber must now decide whether there is enough evidence to issue the arrest warrants. Even if they do, Israel has not ratified the Rome statute setting up the ICC, so is under no legal obligation to hand over its leaders. Mr Sinwar and Mr Deif are hiding in Gaza and Mr Haniyeh rarely, if ever, travels to a country which is a party to the treaty. A trial in The Hague is unlikely.

But it is still devastating; far more so for Israel, a country with a democratically elected government and aspirations to be part of the Western world, than for Hamas, a terrorist group. Some Western leaders have already criticised the ICC for implying an equivalence between the leaders of Hamas and Israel. However, if the prosecutor's request is granted, they would be legally bound to arrest Mr Netanyahu if he travels to their countries.

America, which like Israel is not a signatory, has a different dilemma. For months Joe Biden, the president, has both publicly and privately beseeched Mr Netanyahu to allow more aid through and to go to greater lengths to avoid civilian casualties. In recent weeks he has delayed at least one shipment of arms that could be used in Israel's offensive on the city of Rafah. The ICC prosecutor's claims are in line with the American criticisms, but Mr Biden nonetheless called them "outrageous".

America has a mixed relationship with the court. Donald Trump, Mr Biden's predecessor (and possible successor), issued sanctions against the ICC for investigating allegations of war crimes committed by American troops in Afghanistan. Mr Biden lifted those sanctions and worked with the court on issuing an arrest warrant last year for Vladimir Putin, the president of Russia. America's response this time, however, is shaped by the fact that Israel is one of its closest allies.

At home, Mr Netanyahu got rare support from his political foes. "It is not possible to issue arrest warrants against Netanyahu, Sinwar and Deif," said Yair Lapid, an opposition leader who has told Mr Netanyahu to resign. "There is no such comparison. We cannot accept it and it is unforgivable." Benny Gantz, another rival of the prime minister also rallied round him.

But this will almost certainly be short-lived. Israeli security officials have been quietly warning politicians that withholding humanitarian aid early in the war would come back to haunt Israel. "It should have been clear they would have to walk back the bombastic statements on besieging Gaza," said one army officer. "So why do it in the first place?" ■

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Middle East & Africa | The coup will not be televised

A live-streamed attempted coup in Congo shakes the region

The involvement of Americans in the botched putsch is embarrassing for Washington as it tries to maintain influence

May 23rd 2024

In the very early hours of May 19th around 50 armed and camouflaged men screeched through Kinshasa, Congo's capital. First they attacked the home of Vital Kamerhe, a government minister. After a fruitless 40-minute firefight with his guards, the attackers moved on to the Palais de la Nation, the official residence of Félix Tshisekedi, the president.

There, the supposed leader of the coup had ample time to live-stream his rebellion on Facebook. "We can't put up with Tshisekedi and Kamerhe any longer," declared Christian Malanga, an eccentric Congolese politician and former army officer, as his men held up flags of the Republic of Zaire, as Congo was named until 1997 when Mobutu Sese Seko, a kleptocrat, was deposed by Rwanda-backed rebels.

By dawn this Keystone coup was neutralised and Mr Malanga was dead, according to the army. The security forces said they arrested dozens of people, including three Americans and a British man. Two of the Americans were Mr Malanga's son, Marcel, and his business associate, Benjamin Zalman-Polun, a convicted marijuana dealer. The president, who has been in office since 2019 and was elected to a second term in chaotic elections in December, was unharmed. But the attack, coming amid an escalating rebellion in the east of the country once again backed by Congo's neighbour Rwanda, has many on edge.

"This was an ambiguous, strange, bizarre but also telling affair," says Jason Stearns, a former head of the UN Security Council's investigation team in Congo. "Why would you start at Kamerhe's house and then move to the palace? Who seriously thinks that with 50 people, poorly trained and outfitted, you could overthrow a government?"

Many Congolese have asked the same questions. Some suspect domestic politics were at play and point to the bad blood between Mr Kamerhe and Mr Tshisekedi. The two men teamed up before a rigged election in 2018 put them both in power. But the president moved against his former ally after taking office. In 2020 Mr Kamerhe was jailed on charges of embezzling almost $50m, though he was later acquitted on appeal. Mr Kamerhe, who has his own presidential ambitions, is now angling to win a leadership election in the national assembly. That would possibly give him powers to block Mr Tshisekedi's stated aim of amending the constitution, a move critics say could pave the way for the president to extend his time in office beyond his current term limits.

Mr Tshisekedi's supporters insist that this was a genuine attempt to assassinate the president. Ruling party officials say the coup must have been backed by America. They say Mr Malanga had the tacit support of Rwanda, which is accused by the UN of backing the rebel M23 group in eastern Congo. They also suspect the involvement of Kenya, whose relations with Congo have been strained since its troops were booted out of the country for failing to defeat M23.

The American ambassador, Lucy Tamlyn, has promised Congo's authorities the "fullest" co-operation as they investigate and "hold accountable any US citizen involved in criminal acts". Even so, the participation of three Americans in this fiasco is embarrassing for Joe Biden's administration, which is trying to maintain influence in Congo, given the country's vast reserves of critical minerals, such as cobalt, which is used in batteries for electric vehicles.

America is currently considering a request by Congo's government to ease its sanctions on Dan Gertler, an Israeli businessman. America's Treasury Department has accused him of using his close friendship with Joseph Kabila, Congo's previous president, to amass a fortune through corrupt mining and oil deals. It reckons these cost Congo more than $1.3bn in revenues between 2010 and 2012 alone. Under the proposed deal, Mr Gertler, who has denied any wrongdoing, would have to sell his assets in Congo.

American diplomats fret that loss of their influence would open the door for Russia, which has sealed alliances with several of the military juntas that have seized power in west Africa and the Sahel in recent years. Polling last year by the Congo Research Group at New York University and local think-tanks found that Congolese viewed Russia more favourably than any other foreign country. Almost 61% of respondents had a "good opinion" of Russia, compared with 35% for America. ■

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Middle East & Africa | Arms for Africa

Chinese weapons are taking over in Africa

Sales are helped by low prices and a lack of scruples

May 23rd 2024

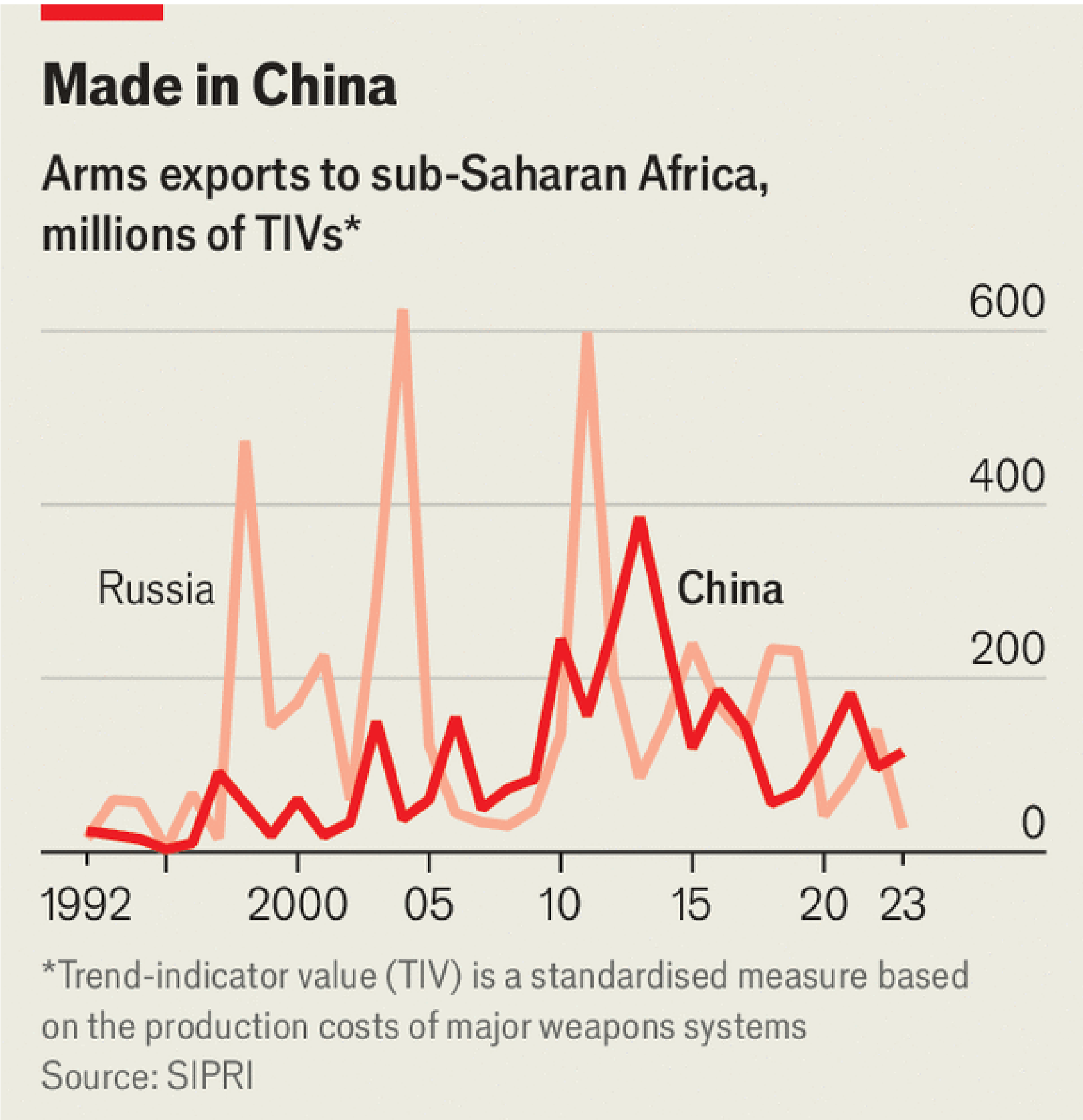
When soldiers from China have made forays onto African battlefields, they have done so cautiously as UN peacekeepers. The sales teams that market their weapons overseas are far more gung-ho and have been fanning out across the region—armed with brochures and freebies—in search of new customers.

They are signing deals with an increasingly diverse list of clients, from historic friends to would-be buddies, keen to be kitted out with Chinese weaponry. Among the weapons China has delivered are warships to Djibouti and Mauritania and drones to Nigeria and Congo, according to a database maintained by the Stockholm International Peace Research Institute (SIPRI), a think-tank. It found that no fewer than 21 countries in sub-Saharan Africa took major deliveries of Chinese arms between 2019 and 2023. Perhaps seven in ten African armies now field armoured vehicles that are, like so many other products, made in China, reckons Janes, a publishing company specialising in defence.

These sales are not just a source of revenue for China's arms industry, as the country is expanding and modernising its own armed forces to challenge

America and its allies. They are also helping to extend China's influence in Africa, which is fast becoming a playing field for geopolitical rivalry between America, China, Russia and a host of medium-sized powers, such as Turkey. Some Western defence officials are concerned that China intends to establish a naval base on Africa's Atlantic coast. "There is a larger architecture here," says Paul Nantulya of the Africa Centre for Strategic Studies, a think-tank funded by America's defence department. "Weapons sales fit into China wanting to be seen as a preferred partner."

The package that makes Chinese weaponry competitive is straightforward. Beijing sells arms at cut prices. When bundled with flexible financing arrangements, military co-operation and training for officers, it is an attractive proposition for armies with budgets big or small. It helps, too, that China is a major investor more than willing to throw in weapons as sweeteners to other deals or to improve diplomatic and trade relations. It recently donated $28m-worth of kit to Zimbabwe, for example. "The Chinese are in a position where they can say that they will deliver you a whole new army and throw a railroad in," says Siemon Wezeman of SIPRI.



The Economist

This combination has made China the largest arms-supplier to sub-Saharan Africa, dethroning Russia, whose arms exports to the region between 2019-2023 were 44% lower than in the previous four years. “China has been looking at new markets, particularly where Russia is on the retreat,” says Alex Vines of Chatham House, a think-tank in London. Russia’s sales will probably fall further still as Western sanctions bite (see chart).

It is not just the Russians who are feeling the heat. France used to be the dominant supplier of weapons in French-speaking west Africa, where governments are fighting back against jihadists. But China, the United Arab Emirates (UAE) and Turkey are hawking their deadly wares. Senegal, Ivory Coast and Benin have all recently paraded Chinese armoured vehicles.

One reason is that China and the UAE have fewer qualms about how clients intend to use their weapons, or whether they have clean human-rights records. General Christopher Musa, the chief of Nigeria's defence staff, has complained that Western suppliers are often unwilling to sell Nigeria the kit it wants to fight Boko Haram, a jihadist group known for enslaving schoolgirls. So it has turned to China, which has delivered almost 300 armoured vehicles since 2020. including VT-4 tanks as well as drones and fighters.

Western officials are worried. General Michael Langley, who heads America's Africa Command, warned Congress last year that delays in approving American arms sales were pushing west African governments to turn to China, which is offering not just weapons. Xi Jinping, China's leader, has pledged more joint exercises and involvement in security problems. Officers from 50 countries in Africa take military-education courses offered by China. Among graduates of these courses are eight defence ministers and ten defence chiefs. (Nigeria's General Musa is a graduate of both America's Army War College and China's National Defence University.)

Rwanda has adopted Chinese training procedures and some troops have been even taught to respond to their own drill sergeants in Mandarin. "One, two," they shout, to the delight of Chinese media. "Left, right."

It may not all be straightforward. China has got itself into sticky situations before. Its relations with Eritrea deteriorated in the 1990s, after it emerged that China was also arming its adversary, Ethiopia. Modern weapons may also make existing conflicts worse. China's drone sales to Congo have increased tensions with Rwanda, its neighbour, which has since been accused of firing a Chinese-made missile at a UN surveillance drone. Africa's defence chiefs ought to take note: the missile missed. ■

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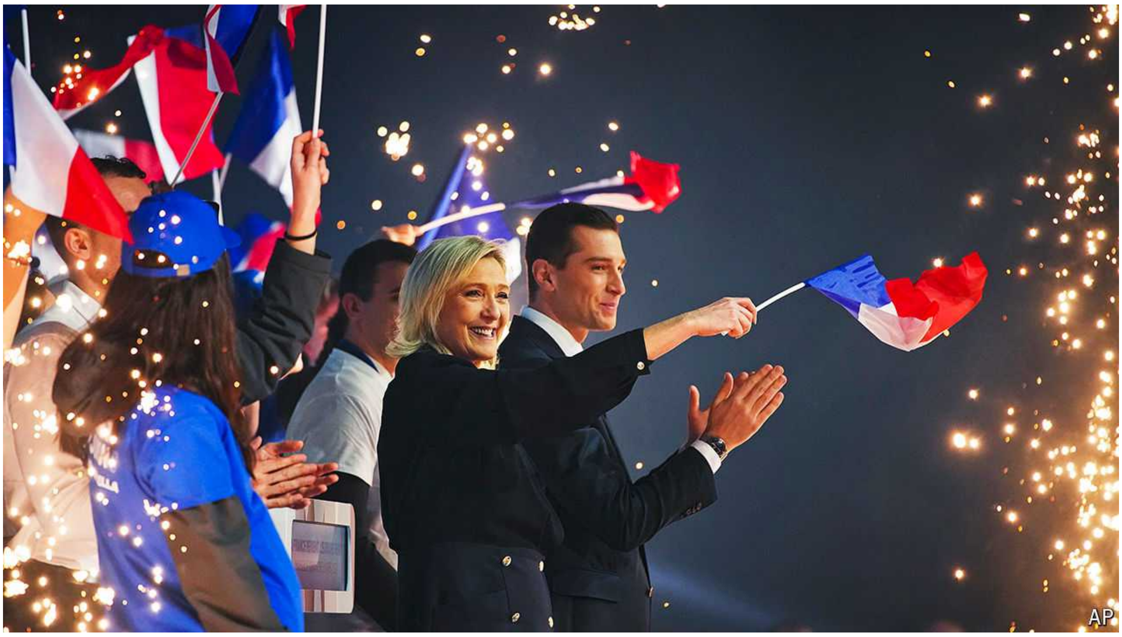
Europe

Europe | European Parliament elections

Le Pen’s hard right looks set to crush Macron’s centrists

The vote in France spells trouble for the president

May 22nd 2024

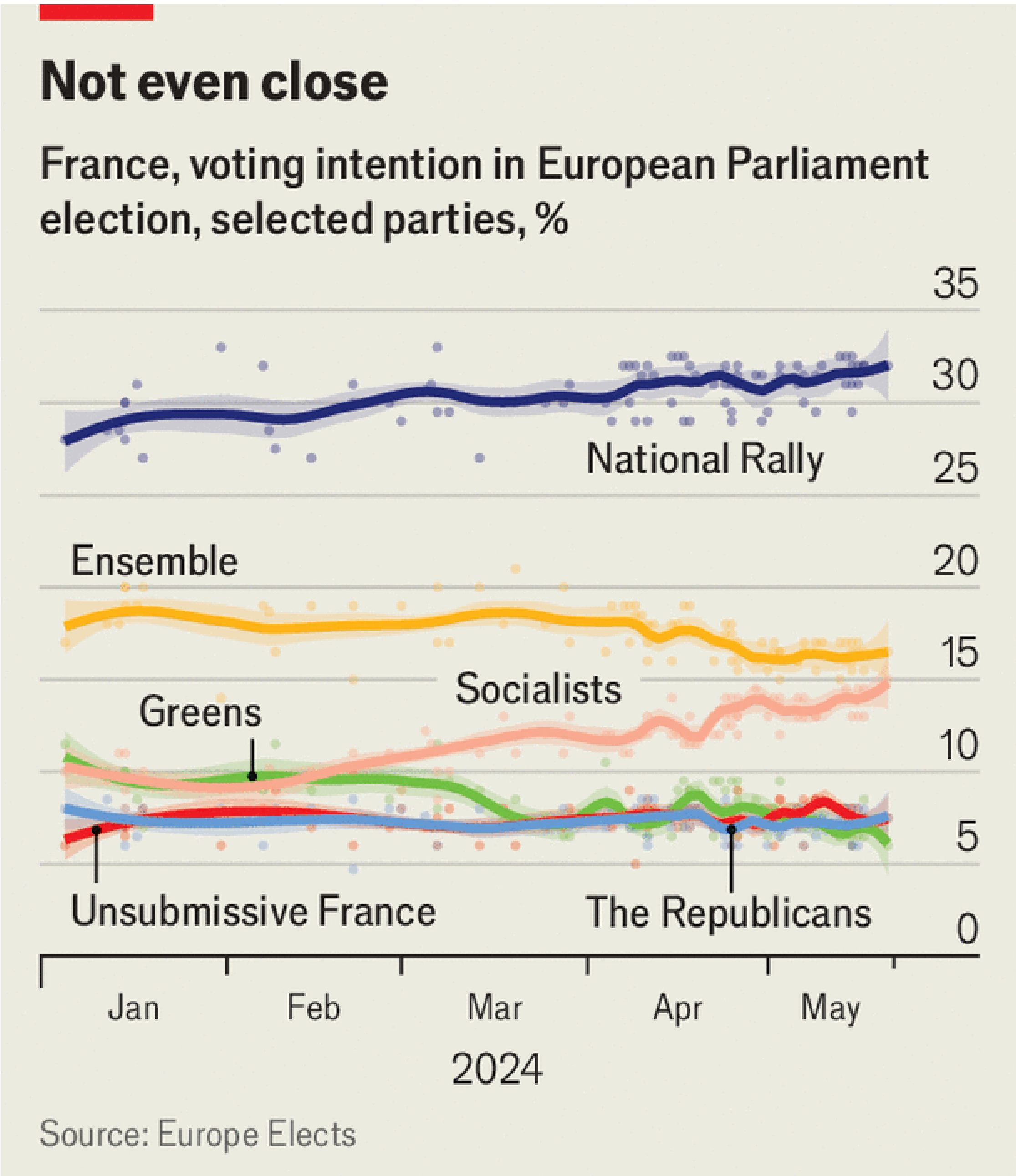


Market DAY, and more people are queuing to buy lottery tickets at the Café du Centre than freshly dug carrots and spinach at the farm stall. “People here watch their budgets,” says a fresh-produce seller: “They prefer to shop at the discount store.” Once, this red-brick northern town of some 3,000 people thrived on the back of a big jute-weaving and textiles factory, opened in 1857. Today, Flixecourt has a poverty rate of 19%, nearly five points above the national average. Squeezed finances and disillusion are pushing voters to the extremes. On a recent weekend, ahead of elections on June 9th to the European Parliament, the only two candidates whose posters were visible in the town were Jordan Bardella and Marion Maréchal, rivals from the nationalist hard right.

If France is a test case for whether Europe’s political centre can hold against the forces of nationalism and populism, Flixecourt captures the dynamics shaping that choice. For over half a century voters there have entrusted their town hall to the Communist Party. These days Flixecourt is under strain, but not deserted. Traffic on its main street rumbles past two *boulangeries* and a Turkish kebab joint. Net curtains hang neatly in the windows of its rows of little terraced houses. The town boasts an indoor synthetic ice rink, charging €2 ($2.17) a session, and organised a recent rally for baton-twirling majorettes. A huge modern logistics warehouse by the motorway just outside the town has jobs to fill. “Unemployment is less of a problem than it used to be,” says Patrick Gaillard, the town’s Communist mayor. “Those who really want a job can find one.”

Yet next month, says the mayor, the town is likely to vote overwhelmingly for the populist right. Already, at the presidential election in 2022, Marine Le Pen of the National Rally (RN) topped first-round voting in Flixecourt; 65% of voters backed her in the run-off round against Emmanuel Macron, the centrist president. Last year his government spent over €22bn to cap energy prices and limit inflation. Locals, however, think that Mr Macron “doesn’t look after their daily concerns”, says the mayor. The vote, he says, is a chance to protest by backing the far right: “Voters are never disappointed, because the party has never been in power.”

National polls suggest the French will vote in line with Flixecourt. Mr Bardella, the 28-year-old head of Ms Le Pen’s party list, enjoys a poll average of a remarkable 33%, twice that of Mr Macron’s candidate, Valérie Hayer. An official from the president’s alliance, Ensemble, says it would do well if it scores in the high teens, a miserably low ambition. Ms Hayer has tried to campaign on matters European, exposing the nationalists’ inconsistencies. The clean-shaven and unflappable Mr Bardella, though, is turning the vote into a referendum on an unpopular president, whom he accuses of “immigrationism”, weak policing and disdain. He plunders the populist playbook. There is “no corner” of the country, claims Mr Bardella, “where the French are sheltered from violence”. Mr Macron, he says, “weakens everything he touches”.



The Economist

Flixecourt suggests, though, that this vote may be about more than protest. Mr Bardella has become a household name, embodying the RN's detoxification. This week it said it would no longer sit in the European Parliament with its German counterpart, the Alternative for Germany, now considered too extreme. An astonishing 43% of 18-24-year-olds say they will vote for Mr Bardella in June. His TikTok videos, in which he eats hot-dogs or takes selfies, regularly get over 1m views. "He looks like a nice guy," says a Flixecourt voter. "People here are no longer ashamed of saying that they will vote for Bardella or Le Pen," says another.

In the longer run, the normalisation of the RN poses serious questions about the political centre's ability to resist its ascent. Mr Macron cannot run for a third consecutive term, in 2027, and no clear successor is in sight. In the short run, a crushing result for Ensemble will put a fresh spring in the opposition's step. This goes for Ms Le Pen's RN, but also for the Socialists, whose candidate, Raphaël Glucksmann, is hard on Mr Macron's heels from the left.

Mr Macron will try to rise above a humiliating result. Although Mr Bardella will doubtless call for fresh legislative elections, there is no constitutional reason for the president to oblige. His party would lose seats if he dissolved the National Assembly, and Ms Le Pen's would be set to gain them. Nor should a poor European result necessarily affect the running of national affairs. In January Mr Macron appointed a young new prime minister, Gabriel Attal, who has an agenda of reforms planned for the rest of the year.

Yet Mr Macron's fundamental problem remains: he presides over a minority government. It has periodically been obliged to make use of a special constitutional provision, known as Article 49.3, to force through its legislation, including raising the pension age last year. Each time, however, the use of this expedient puts the government's survival on the line, since opposition parties can then table a no-confidence motion. Since 2022, when Mr Macron was re-elected, his government has survived 28 such motions, thanks to a fragmented opposition. But in one of them, over the pension reform, the margin was only nine votes, in a chamber of 577.

Mr Macron does not have many good options. He may hope to continue muddling through, and risk more no-confidence votes if the government uses Article 49.3, for instance to pass its next budget. Were he to lose one, he might re-appoint Mr Attal anyway, which he is constitutionally entitled to do, and hope for the best. Or Mr Macron may try again to forge a coalition with the centre-right Republicans, though the party has resisted such attempts in the past. In short, if the European result is as bad as the polls suggest, Mr Macron may seek to brush it off as a mid-term bump. But the new political dynamics would put his minority government under unprecedented pressure. ■

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Europe | Pragmatist or pasionaria?

As the Euro-elections loom, Giorgia Meloni guards her right flank

Matteo Salvini looks like being Italy's big loser

May 23rd 2024

Just when her European counterparts felt they had her taped as a realistic, if staunch, conservative, Italy's prime minister, Giorgia Meloni, popped up on May 19th at a rally in Madrid organised by the Spanish hard-right party Vox, seemingly happy in the company of such hardliners as Marine Le Pen from France and Argentina's libertarian president, Javier Milei. Since coming into office, Ms Meloni has largely eschewed Eurosceptic talk, aware that Italy stands to receive almost €200bn ($217bn) from the EU's pandemic-recovery fund. But speaking by video-link to the crowd in Madrid, she lambasted the European Commission as "a bureaucratic giant that aspires to regulate every aspect of our lives while being unable to offer a clear geopolitical vision". She promised a different Europe, but left fuzzy the outlines of her nativist nirvana.

The European elections will be the most important test so far of Italy's right-wing coalition. But the opposition, split between the centre-left

Democratic Party (PD), the populist Five Star Movement and various centrist groups, presents no great challenge. Polls have given her Brothers of Italy (FdI) party around 27% of the vote, a percentage point more than at the general election in September 2022. That puts the Brothers about seven and 12 points ahead of the PD and Five Stars respectively.

Vox's rally offered Ms Meloni a useful opportunity to guard her other flank. Matteo Salvini, the leader of the League, in a somewhat less than fraternal coalition with the FdI, has adopted an increasingly radical stance as he searches for a way to stem the flow of support from his party to Ms Meloni's. The approach of the European elections has cast a pitiless light on the League's decline. Last time, in 2019, it took 34% of the ballot. Recent polls see it scraping just 8% next month. Italian politics are notoriously volatile, but even by that standard this is remarkable.

The personification of Mr Salvini's tilt to the right is Roberto Vannacci, a serving army general who last year self-published a book so overtly racist and homophobic that Ms Meloni's defence minister, Guido Crosetto, a member of the Brothers, dismissed its contents as "ravings" (Ms Meloni herself made no comment). General Vannacci is standing for the League in all five of Italy's Euro-constituencies (this is perfectly legal) and has a fair chance of being elected in at least one.

But neither the general's views nor his high media profile have improved the fortunes of the embattled League. In some recent polls, Forza Italia, the party created by the late Silvio Berlusconi, has overtaken it. Widely expected to crumble into insignificance after its founder's death last year, Forza Italia, which espouses liberal conservatism, has experienced a modest revival under its new leader, Antonio Tajani, a former president of the European Parliament and Italy's current foreign minister.

By contrast, Mr Salvini has presided over the loss of more than three-quarters of his party's support. It is a tribute to his bombastic charisma that he has managed to keep his job until now. But if the vote next month confirms that the League has fallen to third place in the coalition, it could finally be up for grabs.

All of which has a bearing on the future direction of Europe's nationalist right. It may be growing in strength. But it is divided. Vox belongs to the European Conservatives and Reformists (ECR) group in the European Parliament, as do Ms Meloni's Brothers. Ms Le Pen's National Rally is in the rival Identity and Democracy (ID) group along with the Alternative for

Germany, so her attendance at an ECR jamboree hinted at a possible rapprochement.

Not the least of the obstacles to an accord has been the fact that the representatives of Italy's nationalist right are split between the two groups and are keen to maintain their separate identities. In the outgoing parliament, the League is the biggest member party of the ID, providing 23 of its 59 MEPs. This time round, it can expect to get around seven. The Brothers, with perhaps as many as 24 seats, will become altogether more attractive allies. ■

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Europe | A city under threat

Ukraine’s desperate struggle to defend Kharkiv

It is holding off Russia’s attack — for now

May 20th 2024

ANNA SITS in silence for most of the car journey from Kyiv to Kharkiv, her face contorted with worry. “The Russians come closer, closer, closer, but he’s just not listening to me,” she says. Anna made a point of visiting her 75-year-old father regularly, checking in on him at the simple brick house he built 45 years ago near Kharkiv’s glimmering Pechenihy reservoir, east of the city and close to the Russian border. This time, with the din of artillery in the background, she had come to persuade him to leave—to escape a Russian advance already enveloping Vovchansk, 25km to the north. After a hug and a few tears, the initial conversation does not go well. “The TV and radio say it can’t get worse,” insists Petro. “The Russians are losing. Sanctions, losses. Reinforcements are coming our way. They can’t come further.”

Ten days after the start on May 10th of Russia’s offensive in Kharkiv province, the pace of the advance has slowed. For now, Ukraine is holding the Russians roughly halfway through Vovchansk—a town, just 5km from the border, that is now being turned to ashes—and at positions roughly 9km inside Ukraine further west, near Lyptsi. With an estimated 48,000 troops ready, Russia does not have the forces for a major attack on Kharkiv city, Ukraine’s second biggest. But local military leaders insist that the situation remains precarious, and could change quickly. Russian columns were halted only after several experienced brigades were redeployed and came to the rescue, one says; Vladimir Putin will “surely” try his luck by opening a new attack elsewhere in the region.

Read more of our recent coverage of the Ukraine war

A Russian column is already forming further north in Sudzha, on the other side of the border from Sumy, a regional capital north-west of Kharkiv. Ukraine’s army is also bracing for another strike just east of Vovchansk, towards the village of Bilyi Kolodiaz. Battles have also reactivated near Kupiansk, a railway hub, with Ukraine in effect losing control of the nearby village of Berestove on May 17th.

The Economist

It is still too early to be sure about the eventual aims of the Russian operation. Also on May 17th Mr Putin declared that his only intention was to create a buffer zone between Ukraine and the border city of Belgorod, insisting there was "no plan" to threaten Kharkiv itself. But this possibly reflects evolving battleground realities rather than intentions. Retrieved military plans, details of which were shared with *The Economist*, suggest the Russians were probing to see if they could partially encircle Kharkiv and put pressure on the Ukrainian formations to the east of the Pechenihy reservoir. The operation was supposedly planned for May 15th-16th but was brought forward by nearly a week for unknown reasons.

According to the plans, the Russians had identified two axes of attack on either side of the reservoir. The push on the western axis was intended, over 72 hours, to bring Russian troops to within artillery range of Kharkiv city at the village of Borshchova. They were stopped by a rapidly redeployed grouping from the elite 92nd Brigade, which pushed them back a full 10km from their initial goal. But up until that moment, the story had been about Ukraine's poor defensive fortifications, about how the 125th Brigade that should have repelled the attack in fact fled from positions while under pressure, and about serious Ukrainian losses.

On the Vovchansk axis, further east, the Russian plan had been to fight past Anna's father's house on the reservoir, right down to the town of Pechenihy. The Russians initially made quick work of this operation, sweeping through an area that should have been prepared with minefields and serious engineering fortifications but wasn't. "They were just simply allowed to walk through," complains Denys Yaroslavsky, a special-forces officer whose social media posts on May 12th alerted the outside world to the possibility of a wider reverse. "We were watching them cut through the border fence on screens at about 11pm on May 9th, and I said to my men to watch how they would blow themselves up on mines. There were no explosions; they simply carried on."

Many of the soldiers in Kharkiv are angry that Russia was able to advance so far so quickly. Some of them criticise delays in Western aid, which they believe encouraged Russian aggression and weakened Ukrainian defences. Others suspect that incompetence, or even treachery, played a more significant role. Conspiracy theories to the effect that politicians in Kyiv or Washington may be selling Kharkiv down the river ahead of an ugly peace deal are also circulating. Official Ukrainian narratives that present a rosy picture are not helping to calm nerves. "[President Volodymyr] Zelensky is being kept in a warm bath," complains Mr Yaroslavsky. "We think the president should tune into the situation on the ground and not ape Putin, a man whose life revolves around the papers his aides bring him." A government official, who asked to remain anonymous, suggests that Mr Zelensky had already sensed he might not be receiving the full truth. "That's what he yells at his generals, at least."

Oleksandr Husarov, the head of the Pechenigi municipality, says optimistic news reports about Ukrainian strength have themselves created different problems in the effort to evacuate people from towns near Vovchansk. When the Russians seized much of the area at the start of the war in 2022, the occupation was not as harsh as in other areas of Ukraine. Some mistakenly believe the occupation will be mild if it happens this time round too, says Mr

Husarov. Even the most stubborn can be "shaken out" of that belief when they see the "burned earth" left behind by Russian glide bombs and drones, he adds. But Anna's father remains unconvinced. Petro insists he was lucky to be home when a Russian Shahed drone smashed into it in early March; that way, he could put out the fire. He won't be preparing an emergency suitcase, he tells his increasingly exasperated daughter, who is packing up mementoes of her childhood—documents, photographs, an antique floral table service—into carrier bags. "All of Ukraine is exploding," he says. "Besides, where would I go?" ■

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Europe | Who hates whom?

How the hard right both reflects and creates prejudice

It's one way to get votes

May 23rd 2024

GEERT WILDERS is the most powerful politician in the Netherlands. His party came first in the general election last November and will be the biggest in the new government. He is also a convicted hate-monger. Dutch courts found him guilty of "insulting a population group" in a speech in 2014. Mr Wilders's offence was to lead an audience in a chant that called for kicking out "Moroccans"—people of Moroccan descent, who form the Netherlands' most stigmatised ethnic group.

This seems bizarre. The Netherlands and Morocco are far apart and have no history of conflict. But there is a large Moroccan-Dutch minority stemming from guest-worker programmes launched in the 1960s. As Muslims they are targets of religious prejudice, and their young men commit more crimes than other Muslim groups. So since Dutch politics turned rightwards in the 2000s, race-baiters have singled them out. In 2016 a report by the EU's

Agency for Fundamental Rights, found the Netherlands had the most discrimination against North Africans of all countries surveyed.

In other European countries, different minorities get targeted as the Moroccan-Dutch are in the Netherlands. Every society has ethnic hierarchies; someone always ends up at the bottom. Europe's shift towards the hard right has mainly hit predictable outsiders: Muslims and immigrants from Africa and the Middle East. But each country has its peculiarities. Depending on local circumstances, nationalist politicians pick various minorities to demonise.

In some countries stigmatised groups are legacies of geography and war, especially amid the shifting borders of eastern Europe. Romanian nationalists long campaigned against the country's ethnic Hungarians. (In recent years anti-Hungarian sentiment has ebbed, forcing AUR, a new hard-right party, to look for other enemies.) Bulgaria's Revival party is nominally anti-Turkish, though it spends more time attacking gay people. In the former Yugoslavia the antagonisms of war in the 1990s persist: Croatian and Kosovar nationalists fulminate against Serbs; North Macedonians look askance at ethnic Albanians.

Similarly, in the Baltics the most resented group are the ethnic Russians left over from Soviet times. Russia's invasion of Ukraine has exacerbated those tensions. Studies last year by the Friedrich Ebert Stiftung, a German think-tank, found Russian-speakers felt Estonian- and Latvian-speakers were treating them worse. (Estonian- and Latvian-speakers agreed.) The same is true in Finland, where natives lump Russian immigrants with those from Arab and African countries among the least favoured ethnicities. "It's mostly a suspicion of them not being loyal," says Emma Nortio of the University of Helsinki, who studies national-identity issues.

In Poland, with its history of domination by the Russian Empire and the Soviet Union, Russians have fallen since 2022 to being the least popular national group, according to the country's Public Opinion Research Centre. They now rank below Europe's traditionally most-stigmatised ethnicity: the Roma. Ukrainians, historically disliked in Poland, were welcomed as refugees from Russian tanks.

Being white and Christian helps: refugees from North Africa and the Middle East tend to be stigmatised. But the nature of the crises they flee makes a difference. In Germany, surveys in 2017 found that Syrian refugees were seen as warmer and more competent than North Africans, as they were viewed as genuine victims. In the 2000s radical Islam stirred anxieties. But as terrorism in Europe has ebbed, the focus has changed to gang crime. In Sweden that has led to more negative attention for Kurdish Swedes, less associated with Islamism but prominent in drug networks. The religious dimension remains crucial; in France antipathy towards North Africans is markedly higher than towards black Africans, according to the latest report by the country's anti-discrimination monitor. Antisemitism tends to rise when the Israeli-Palestinian conflict heats up. And in its most recent reports the authority has found a dramatic rise in racism against Chinese and other east Asians, linked to the covid-19 pandemic.

Current events can also reduce prejudice. In the 1990s Italians stigmatised Albanian immigrants. But as Albania has grown more stable and less poor, they have slipped off the list of feared minorities.

Psychologists often explain group antipathy as a function of perceived threats. "Narratives embedded around fear are the ones that get traction," says Stefania Paolini of Durham University. Fear of economic competition can explain why poorer citizens tend to dislike immigrants more. (Though wealthy people may dislike foreign rich folks too: Swiss-Germans resent better-educated German immigrants.) Populists playing on fears of demographic decline pick on Africans. To profit from fear of terrorism or cultural change they attack Muslims. When elite conspiracies are the target, antisemitism comes into play.

And when all else fails, they go after the Roma. Robert Fico, the Slovakian prime minister who survived an assassination attempt on May 15th, began his political career as a left-wing populist and is currently a right-wing one, but his Roma-bashing has remained constant. Portugal long lacked a big far-right party, explains Alexandre Afonso of Leiden University: it had little immigration, and those who did come, such as Brazilians, were not viewed unfavourably. So when the hard-right Chega party launched in 2019 it targeted the small, impoverished Roma population. Chega is now polling at 18%. ■

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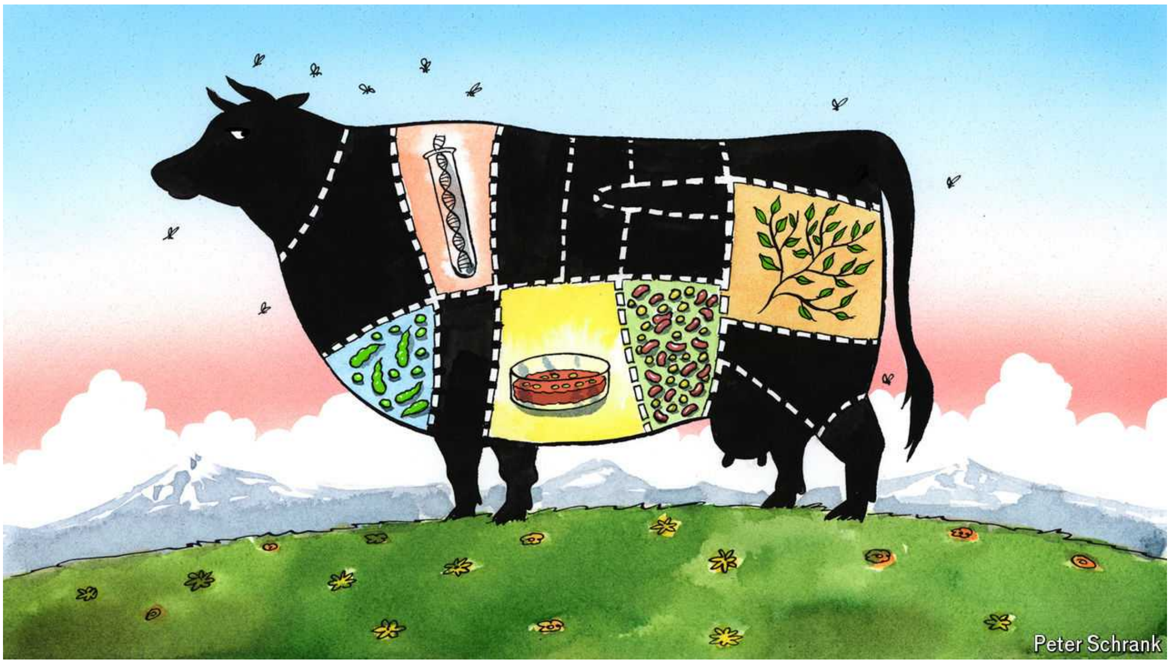
Europe | Charlemagne

The fight over meat-free meat pits Europe’s traditionalists against foodie innovators

The steaks are high

May 23rd 2024



Would A *steak au poivre* by any other name taste as juicy? What if it featured only imitation “meat”, cleverly recombined vegetable protein disguised as beef? To traditionalists in France—starting with farmers who rear the soon-to-be steaks—the answer is a resounding *non*. A decree passed in February and due to come into force on May 26th spells out that all meaty terms, whether it be an *entrecôte*, a *jambon* or even a *saucisse*, are to be reserved for cuts of dead animals and nothing else. Those who fret that Europe may be consumed by war and economic torpor will be heartened to see its leaders can still find the time to keep dastardly vegan burgers off the menu. But not everyone is happy. A budding industry of startups increasingly able to produce cutting-edge faux flesh in Petri dishes is wondering whether this is yet another case of Europe regulating first, thus innovating never. Can Charlemagne chew his way through this meaty debate?

Whereas Americans indulge in soy milk or vegan yogurt, Europeans have to make do with “soya drink” and something ominously called “oatgurt”. Imposing this odd nomenclature on non-dairy substitutes mattered little in the 1980s, when the European Union first caved in to lobbying by farmers dealing in actual mammaries. (Peanut “butter” and ice “cream” were among the few exceptions tolerated.) These days supermarket shelves are stuffed not just with oatgurt but with vegan burger patties and “no-fish fingers”. Having convinced politicians Champagne must hail from the eponymous French region and Parmesan cheese only from Parma, Big Farm has tried to extend its grip even to generic agricultural terms. A bid to outlaw vegetarian sausages—or at least calling them sausages—made headway at EU level in 2020 but narrowly failed. Now individual countries have taken over the task. France revived a previously shelved ban on meaty terms, which it unveiled (not uncoincidentally) at the height of farmers’ protests earlier this year. A few months earlier Italy earmarked “salami” for pork products; Poland has considered a similar move.

For now the vegan burgers are safe. France’s highest court in April stayed the decree until the EU’s top court can rule on whether banning foods in one European country but not another is in line with the bloc’s single-market rules. (The court is not expected to opine until next year; it takes longer for a European judge to make a decision than it does for a farmer to rear a cow from birth to abattoir.) Lobbyists are already rehearsing their arguments for when the ruling is made and the debate reopened. The farmers plead that a steak is a steak and something made from chickpeas or grown in a lab is not. Plenty of other words are available to veggie-food producers; one lobby group suggests vegans can refer to their burgers as “roundies”, a term that is sure not to catch on. Peddling a squishy substance made of vegetables or grown in a lab as “meat” confuses consumers into thinking the two have similar nutritional qualities. Tosh, say the tofu-eaters. Consumers understand full well a no-meat burger is not made of animal flesh: it is exactly what they are looking for. Anything that helps reduce the carbon hoofprint of livestock, which accounts for at least one-tenth of global emissions, can only be good.

As always in Europe, the divide is in part a result of geography. Northern Europeans in Denmark or the Netherlands, who seem to consume food mainly as sustenance, are not much fussed about what gets called meat. Look to southern Europe, where cooking is seen as essential to nourish the soul as well as the body, and the farmers’ case is more likely to be heeded. This is particularly true when the substitute “meat” is made not of vegetables but the product of advanced industrial processes that mimic nature, which Italy boasted of being the first in the world to ban last year (a decision that itself may not be in line with EU rules). Fighting the culinary future is a time-tested campaign strategy: hard-right culture warriors in Poland and Italy have fabricated scare stories of Eurocrats in Brussels plotting to force citizens to eat insects and worms to protect the planet. (This is not true. Probably.)

Ceci n'est pas une saucisse

The debate is about more than just a name. The science needed to make a passable meat-like product from cells was pioneered by Europeans, notably the Dutch, almost 30 years ago. Europe has more firms researching the "cultivation" of substitute meat and seafood than America or anywhere else: a rare case of leadership in a cutting-edge field. But for now the fruit—or meat—of that research is edible only overseas. Singapore authorised cell-grown "chicken" for sale to the public in 2020, America in 2023. Earlier this year Israel was the first country to authorise a lab-made "beef". Australia, Britain and Switzerland are reviewing applications, including for products made by EU firms. But within the bloc, where such novel foods need the kind of regulatory approval reserved for pills and vaccines, no authorisation has yet been sought. "Cultivated meat was born in Europe but the concern is the rewards will be reaped in the rest of the world," says Seth Roberts of the Good Food Institute, a pro-vegan campaign group.

Even if the food-safety authorities find no fault with such culinary innovation, politicians stand ready to step in. France, Italy, Romania and nine other countries recently demanded that cultivated foods should be the subject of a "renewed and broad debate", Euro-speak for discussing something for so long that it is, in effect, banned. For what would happen to farmers should they face such competition, they asked? Without real livestock and their grazing habits, what would become of the continent's grasslands? The "strategic autonomy" of Europe apparently depends on consumers being told what they can and cannot eat. Scientists aren't allowed to make fake cows, but politicians still have no trouble coming up with real bullshit. ■

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Also: How the Charlemagne column [got its name]

Britain

Britain | Paranoid android

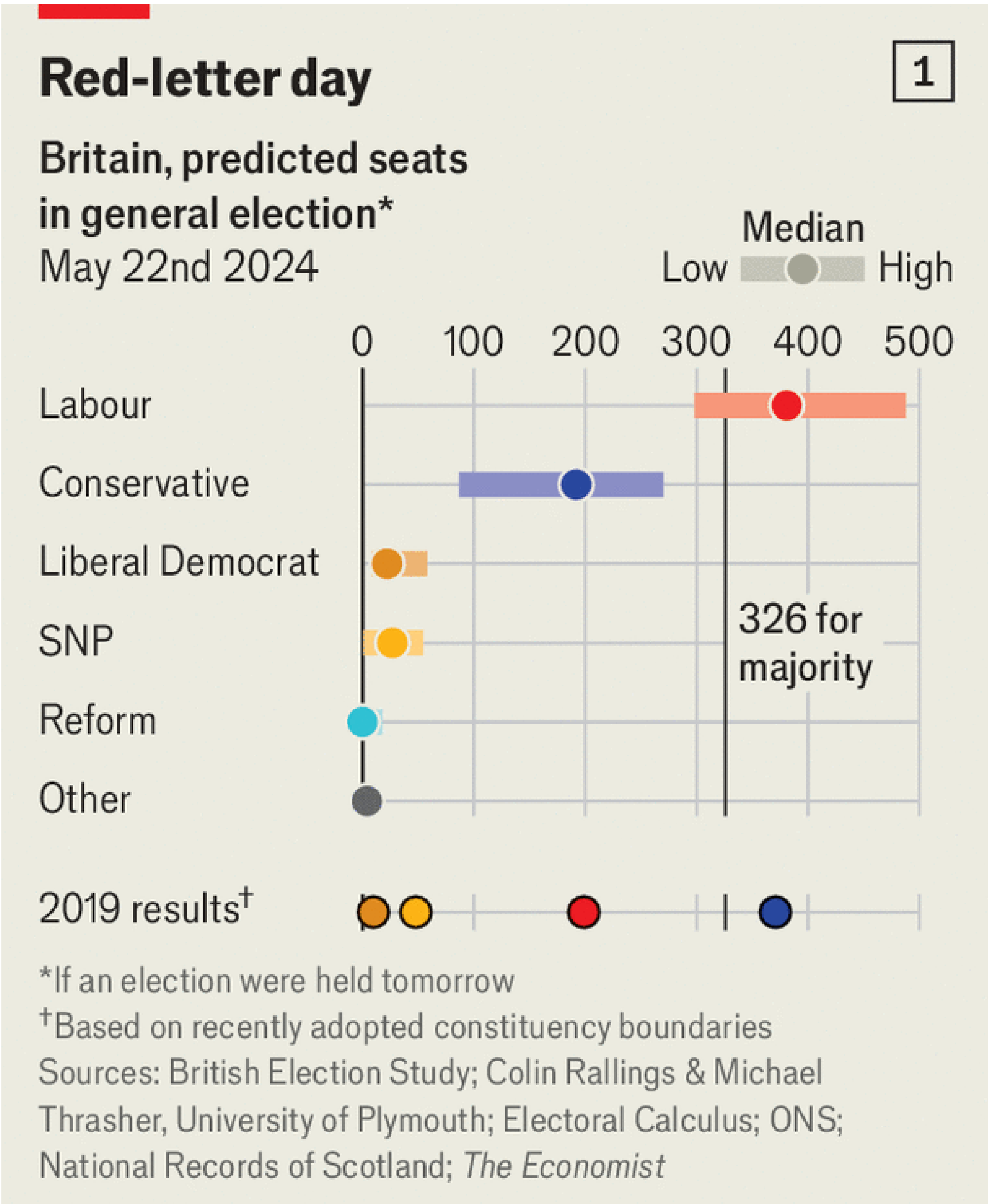
Could the Labour Party blow its big opportunity?

Sir Keir Starmer's party is terrified of letting victory slip through its fingers

May 23rd 2024

Britain will hold a general election on July 4th. Announcing the news in Downing Street on May 22nd, his expression plaintive and his jacket soaked with rain, Rishi Sunak had the air of a man who knew what the result would be. Since he took office in October 2022, the prime minister has tried anything and everything to reverse the Conservative Party's ailing poll numbers—diligent promises to reduce inflation and health-care waiting lists; bellicose swagger about deporting migrants; an offer of stability, then change, then stability again. To no avail.

The Labour Party now has an average poll lead of 23 percentage points, a deficit that no governing party has successfully overcome in an election campaign. The central scenario of *The Economist*'s prediction model, which draws from polls and the results in individual constituencies in elections dating back to 1959, is that Labour will win 381 seats to the Tories' 192 (see chart 1), a thumping majority of 112 MPs. The model gives less than a 1% chance that the Conservatives would win a majority of seats if an election were held tomorrow. A separate analysis by *The Economist*, based on 100,000 responses to surveys conducted by WeThink, a polling firm, shows that 96% of voters have become less likely to support the Tories than they were at the election in 2019. Polling by Ipsos finds that voters think it is "time for a change" by a margin of 73% to 18%.



The Economist

Yet in the Labour Party the mood is less hubris, more terror of letting victory slip through its fingers. At a gathering of Labour thinkers on May 11th David Lammy, the shadow foreign secretary, rattled off a list of recent elections where parties that had enjoyed strong poll leads ended up suffering defeat: Hillary Clinton in America in 2016, the Australian Labor Party in 2019 and the

Christian Democrats in Germany in 2021. "The election this year is still one that we can lose," he said. Many Labour candidates report much greater cynicism on the doorstep than polls suggest. What, if anything, could derail Labour's chances of finally winning power again?

First, the economy. Mr Sunak called the election after declaring victory in the battle against inflation, a fight that has dominated his time in office; official data show that inflation hit 2.3% in April. That followed news of strong GDP growth in the first quarter of the year, at 0.6%. For many Britons it "might still be hard", acknowledged Mr Sunak, but his hope is that voters will believe that things are on the up.

See our other coverage of Britain's election, including our poll tracker, updated daily

The share of Britons who think the economy will be better in 12 months' time is at its highest level since September 2021, at net -21%, although this is still pessimistic by long-term standards. Although Labour enjoys a rare lead over the Tories among voters as the best party on the economy, at 8%, this advantage is much narrower than its overall polling lead.

Next, closer scrutiny of Labour's programme. Despite its hefty poll lead, newspapers and broadcasters still often treat the party as a curiosity. The campaign will bring greater focus on a policy agenda laced with contradictions and fragile assumptions—that it can transform public services without spending more money, or that it can meaningfully tighten labour laws without businesses feeling a pinch. The leadership will get more attention, too: Sir Keir Starmer, the Labour leader, is more popular than Mr Sunak but much less than Sir Tony Blair was at this point in the 1997 race. Voters are still unfamiliar with many of Labour's front-bench team. It is not too late to make a bad first impression.

Then there is the possibility of a manifesto surprise. Here the contest is asymmetric. Labour, with everything to lose, will produce a fiscally rigid manifesto. The perils of risk-taking were made clear in 2017, when Theresa May's plan to fund social care for the elderly through housing wealth contributed to her unexpectedly poor showing. The Tories, in contrast, will be able to go for broke. In 2007 George Osborne, then the shadow chancellor, upended Gordon Brown's premiership with a surprise promise to cut inheritance tax; Mr Sunak will be tempted to repeat the trick, if only to shore up the Tory vote in wealthier seats vulnerable to the Liberal Democrats.

The Economist

A further unknown is the impact of smaller parties. The goal of Reform UK, a right-wing insurgent party that emerged from the former Brexit Party, seems less to be winning seats than inflicting enough damage on the Conservative Party to shift it in a more radical direction in future. An average of polls puts Reform UK on 11%, with its support drawn far more from those who voted Tory in 2019 than from Labour's ranks. But Labour is still worried that this split could reverse. "If the government is deemed to get a grip on immigration over the summer, support peeling away to Reform could be curbed," Ellie Reeves, the party's deputy campaign co-ordinator, told activists before the election was called.

On the left, too, Labour's electoral coalition is more volatile than it might first appear. In local elections earlier this month, smaller parties secured 23% of the vote, with the Green Party making significant inroads in Bristol and Hastings.

It is highly likely that many of these voters will switch to Labour at the general election, but not guaranteed. Some in the party are privately alarmed at the intensity of hostility towards Sir Keir in some Muslim communities over the war in Gaza, which they fear will deny the party a handful of seats.

There is also the potential impact of online activity. Much of the anger over Gaza is on TikTok. A faked audio clip circulated recently that purported to show Sir Keir abusing his staff. Mr Lammy has said that "dark forces from hostile states like Russia and Iran may seek to interfere."

None of these factors is likely to change Mr Sunak's prospects materially, however. Even if Labour's poll lead narrows to 15 points, our model still gives the Tories only a one-in-ten chance of victory (rather than 1-in-100). But the spectre of throwing it all away means that Labour's election campaign will be marked by deep caution. ■

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Britain | Wiggly wormageddon

What’s behind Britain’s earthworm cataclysm?

Their numbers may have declined by a third

May 22nd 2024

Charles Darwin liked an earthworm. What earthworms felt about Charles Darwin is less clear. For 40 years he studied them, thought about them and experimented on them. He exhaled on them to see if they disliked his breath (they didn’t) and held a poker to them to see if they minded the heat (they generally did). He wafted perfume and then paraffin in front of them, and he played them a whistle, a bassoon and the piano. They seemed nonplussed. He fed them mint (which they didn’t care for), cabbage (which they did) and other worms, halved (catholic in their tastes, they enjoyed their diet of worms).

Darwin recorded all this somewhat apologetically. To many people, he wrote, the subject of worms may “appear an insignificant one”. The modern world has tended to agree. Unlike “On the Origin of Species”, his book “The Formation of Vegetable Mould, Through the Action of Worms” is no longer a noted bestseller.

Interest in the earthworm is muted. Few scientists specialise in them; they do not attract large amounts of funding. On Google Scholar a search for *C. elegans*, a nematode worm that is a scientific celebrity, yields 1.3m results; *L. terrestris* gets only a tenth as many. If people did pay them more attention, they might be more exercised by the fact that they seem to be in alarming decline. A recent paper, which collated historic data from previous studies, suggests that earthworm populations in Britain are falling by 1.6-2.1% a year, leading to a total fall of around a third in 25 years. It is, says Dr Ailidh Barnes, its lead author, "concerning".

Worms matter. Soil should be riddled with them: 1m^3 of healthy soil can contain over 1km of earthworm tunnels. Soil looks static but is constantly, slowly on the move. Darwin observed that if a layer of cinders or small stones were put on a field then, within a few years, worms—like magicians taking away a tablecloth—would have moved the soil from below and left it on top of the otherwise undisturbed stones.

The volume of earth moved by worms is stupendous. Stand in a field, look at its mud: what you are looking at will, says Steven Fonte, an associate professor in the Department of Soil and Crop Sciences at Colorado State University, have all "passed through an earthworm gut in the not-so-distant past". Worms give earth structure, aerate it and improve crop growth. A paper by Professor Fonte estimated that without earthworm action, global grain production would be 6.5% lower, equivalent to "the annual grain production of Russia".

Worms are rarely applauded for all this, partly because they have an image problem. They are subterranean, timid and, admits Professor Fonte, "not charismatic". They have suffered from several centuries of negative press: look up "worms" in the Oxford Dictionary of Quotations and you will be offered entries in the "with vilest w. to dwell" vein. It is typical that the worm's decline was noticed only because ornithologists wanted to understand the decline of (more photogenic) animals such as the song thrush, which prey on them.

What is causing worms to decline is not clear. Fertilisers, ploughing and pesticides are obvious culprits but soil biodiversity is "woefully understudied", says Professor Fonte. More research is needed—the Soil Association, a charity, has launched a citizen-science project that aims to create a "worm map" of Britain. So is more appreciation. People often underestimate how small but "continually recurrent" events can cause great change. Few creatures, wrote Darwin, "have played so important a part in the history of the world”. Little by little, worms have transformed the environment around them. Little by little, they are disappearing. ■

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Britain | Blood, debt and tears

“A day of shame” for the British state

The biggest scandal in the history of the NHS is at last properly acknowledged

May 20th 2024

DEREK MARTINDALE was 23 in 1985, when he was told that he had HIV and 12 months to live. He survived but his younger brother Richard, who also contracted the virus, did not. After Richard died in 1990 Mr Martindale asked to see his brother’s body one last time but was refused. Such was the fear of AIDS that hospital staff had already stitched closed his brother’s nose, mouth and eyes.

Mr Martindale is one of more than 30,000 Britons who were infected with HIV and hepatitis C through treatment in the National Health Service (NHS) in the 1970s and 1980s; around 3,000 of them have died to date. Mr Martindale was also the first victim to testify at the public inquiry into the infected-blood scandal, which was set up after decades of delays in 2017. And on May 20th this year he was in a conference centre in central London to hear Sir Brian Langstaff, the chair of that inquiry, present his final report.

Over 2,500 devastating pages Sir Brian explains how "a catalogue of failures" led to such "a calamity". Those in authority—doctors, blood-services staff and the government—did not put patient safety first, he concludes. To top it off they then covered it up, compounding the victims' suffering. "This is a day of shame for the British state," Rishi Sunak, the prime minister, told MPs later that day. He offered an unequivocal apology to the victims, many of whom had died "without seeing anyone held to account".

Most of the detail has been known for decades. Blood used in routine transfusions and blood products given by the NHS turned out to be rife with infection. Most notorious was Factor 8, a clotting agent extracted from the plasma of thousands of donors that could be self-administered by people with haemophilia, a rare genetic condition in which the body is unable to form blood clots. Doctors looked upon it as a revolutionary treatment; for many, it turned out to be a death sentence.

That could have been largely avoided, the report concludes. The risks of hepatitis infection from blood products were known before the NHS was created in 1948. The NHS "knew, or should have known" the risks of HIV infection by the end of 1982 yet failed to limit them, in part because advisers failed to calculate them correctly. Complacency and convenience took precedence over caution; thousands continued to receive contaminated blood long after the dangers were understood. Victims were then not told about their diagnoses for years after they were tested; some unknowingly infected their partners. Perhaps thousands who were infected with hepatitis C from a transfusion remain undiagnosed. "The disaster was no accident," said Sir Brian.

Other choices could have been made—and were by some. In Sheffield Children's Hospital, doctors foresaw the risk of using plasma products made by pooling blood from large numbers of foreign donors (about half of the Factor 8 that Britain imported came from America, where drugs companies actively recruited gay men because their plasma was "rich in hepatitis B antibodies" and sourced plasma from paid prisoners and drug addicts). Instead they reverted to giving patients cryoprecipitate, a more rudimentary but safer product made of plasma taken from a single donor.

Other institutions decided to follow a fatefully different path. At Lord Mayor Treloar's College in Hampshire, a specialist school for disabled children with its own haemophilia centre, doctors continued to give the children Factor 8. Often they regarded the pupils as "objects for research";

some students and their parents were never told they had been infected with HIV. It is likely that around 70% of 122 pupils with haemophilia at the school died as a result of infected-blood products. Treloar's was a "microcosm" of what went wrong in Britain, the report concludes.

Sir Brian's narrative, though meticulous, neglects to acknowledge that this was an international scandal. Many other countries also failed to assess the risks of blood and blood products. Around 4,000 people, many of them with haemophilia, were infected with HIV in France, for example, compared with around 1,250 people with haemophilia in Britain. Parts of Britain pioneered some solutions. Scotland was the first country in the world to be self-sufficient in heat-treated Factor 8, which eliminated the risk of AIDS (though not hepatitis); England did not follow.

Whereas Sir Brian piles most of the blame on successive British governments, perhaps because of the especially centralised nature of the British state and the NHS, other countries have pointed the finger elsewhere. In America civil litigation has focused on the pharmaceutical companies. France placed the blame largely on individual doctors. In Britain, because it took so long to set up an inquiry, most of the culpable doctors are now dead.

But even if other countries experienced infected-blood failures of their own, there are ways in which Britain was particularly egregious. The decisions taken in the 1980s were broadly "in line with other Western countries", notes Anne-Maree Farrell, an expert in medical jurisprudence who contributed to the report. But in the way that Britain responded to the scandal, by covering it up, "that's where the UK becomes an outlier", she says.

As other countries were conducting public inquiries into what had happened, the British government was burying the evidence. Files in the Department of Health were deliberately destroyed and denials issued; patients' medical reports went missing. Victims were stigmatised and given little support. In 1989 Margaret Thatcher, the prime minister at the time, said that people had been given the "best treatment available", a line that was used repeatedly thereafter and that Sir Brian describes in his report as inappropriate, unacceptable and wrong. "To save face and to save expense, there has been a hiding of much of the truth," he writes.

For this reason the report that was published on May 20th was always primarily going to be about acknowledging the victims. The inquiry drew upon more than 4,000 of their statements. Throughout its seven-year span Sir Brian, a former judge, repeatedly called the process a "collective endeavour"; the second volume of his report is dedicated entirely to the personal experiences of the afflicted. His second recommendation was that there should be a permanent memorial to the victims.

His first was that the victims receive proper compensation. On May 21st the government released long-awaited details of a scheme that Sir Brian had first recommended should be established last year. Unusually, it seeks to compensate victims on grounds such as the social stigma of infection, as well as awarding damages for financial loss and the costs of care that would normally be recognised in a court of law. Speed is a priority, so the compensation scheme will not typically assess claimants individually. These features will probably make the costs extremely large. Those who suffered multiple infections can expect to receive at least £2m ($2.5m) each, with smaller payments being made to affected family members and carers. The total costs of compensation are expected to reach £10bn.

What will happen to prevent a repeat of this injustice is less clear. Britain has seen a succession of scandals and cover-ups in recent years, from the Hillsborough stadium disaster to the wrongful convictions of over 900 Post Office subpostmasters (the inquiry into which continued this week). Recommendations to change the defensive culture of public bodies like the NHS and the civil service often follow, though as Sir Brian himself acknowledges, they are extremely hard to implement. In the report he points to specific mechanisms that might help, from existing proposals to improve patient safety in the NHS to the introduction of a duty of candour for civil servants. The latter could be "a positive step," says Emma Norris of the Institute for Government, a think-tank.

That is for the future. For now, the focus is finally on recognising and compensating the victims of the infected-blood scandal. "The words come from you," Sir Brian told them after receiving a standing ovation. "This is your report." ■

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Britain | A system under strain

The sorry story of children in care in England

The state is struggling to perform one of its most basic functions

May 23rd 2024

Jade barnett learned that she was being moved from foster care into a children's home a few years ago when she saw her possessions in the back of a taxi. The children's home turned out to be near Blackpool, in north-west England—330 kilometres from London, where she grew up and where the social workers who were meant to be looking after her were based. She expected to stay in the home for two weeks. It turned into one and a half years.

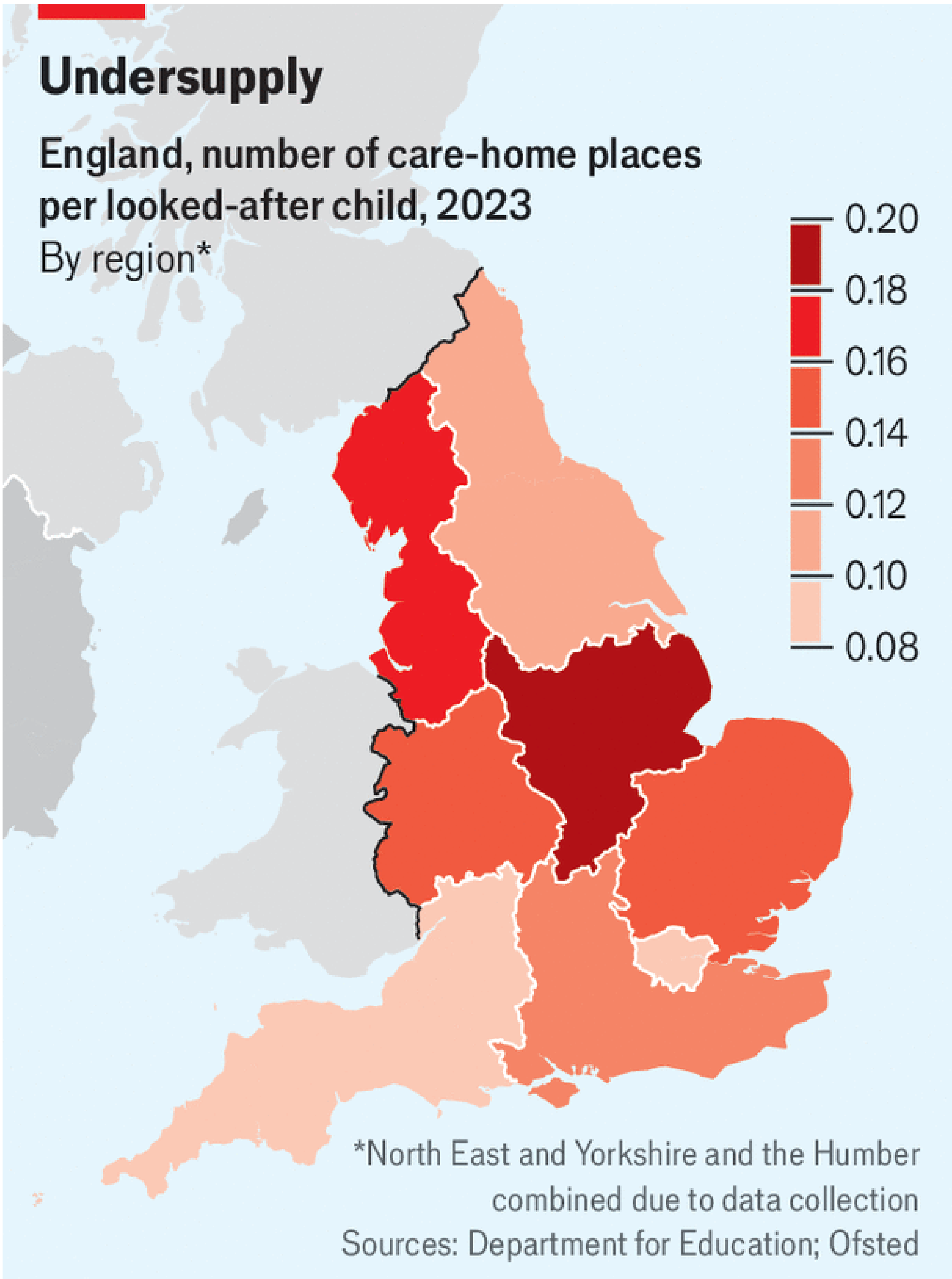
Some 84,000 children in England are in the care of local authorities because their parents cannot look after them for one reason or another. In an extremely centralised country, it is one of the few important responsibilities that those institutions still have. Every year councils spend more money on the children in their care. Every year the system serves the country's most vulnerable children less well.

Adult social care, including nursing homes for the old and frail, is notorious for straining local authorities' budgets. But spending on children in care is rising at a faster rate, says Roger Gough, the leader of Kent County Council. In England as a whole, local authorities spent more than £7bn ($8.6bn) on looked-after children in the 2022-23 fiscal year, a 36% increase in real terms compared with 2015-16. That squeezes budgets for everything else, including help for families not yet in crisis.

Over the ten years to 2023 the number of children in care swelled by 23%, or by 16% if you do not count unaccompanied children seeking asylum, whose numbers have risen recently. And the children who enter the care system are becoming older and needier. Whereas young children tend to live with foster carers, older ones are more likely to end up in children's homes; some require intensive, round-the-clock attention. Caring for them can be costly—sometimes amazingly costly.

The Local Government Association estimates that in the 2018-19 fiscal year, England had 120 children who were each costing local authorities at least £10,000 per week. By 2022-23 the number had jumped to 1,500. One explanation is that local authorities are now looking after some teenagers who might once have ended up in psychiatric wards or young offenders' institutions. Over the past two decades the number of children in custody has gone from 2,800 to around 400, reflecting not only less youthful offending but also a growing reluctance to lock them up.

But the main reason for the increase in costs is economics. "It's simply a supply-and-demand issue," says Stuart Ashley, the head of children's services for Hampshire County Council. England has too few foster carers and too few children's homes. Councils end up competing for scarce places, with predictable consequences.



The Economist

England has a "mixed model" of care (in Scotland the state plays a bigger role). About half of children are placed in foster care by independent agencies, which charge local authorities for their services; four-fifths of children's homes are privately run. To judge by the ratings they receive from inspectors, private homes are no worse than state ones. But they are often in the wrong places, because firms tend to build them where property is cheap (see map). North-West England has fewer inhabitants than London, but it has 746 children's homes compared with 164 in the capital.

Hence Ms Barnett's long journey to Blackpool. She felt thoroughly out of place there. As a black woman in a mostly white neighbourhood, she was so unusual that people occasionally asked to touch her hair. When permission was needed for something, it was not always possible to reach her social worker. By the time she became an adult and returned to London, she had lost touch with friends and relatives.

Some children are repeatedly uprooted as local authorities scramble to find suitable places. Taylor, a young man from southern England, was pulled out of one town and into another in the year that most children take their GCSE exams at school. Partly as a result, he has none. He cycled through foster care, a psychiatric hospital, a children's home and supported accommodation. "They're moved around like chess pieces," says Katharine Sacks-Jones, the chief executive of Become, a charity.

It would help greatly if Britain had more foster carers. "Most kids in care need to be in foster care," says Andy Smith, the president of the Association for the Development of Children's Services, who also works for Derby City Council. The number of fostering households is falling, perhaps because of growing competition for spare rooms from renters and adult offspring who cannot afford to move out. Mr Smith says that he has had to place seven- and eight-year-olds in residential care—something that was unthinkable until recently.

But the immediate need is for more children's homes. And the immediate reason more children's homes are not created is that the planning system makes it hard. Permission is often required to convert a house into a children's home. Sometimes the police are the ones to object. An application for a children's home in Dudley was rejected in January after the West Midlands Police pointed out that it was a high-crime area, and that children in care homes sometimes run away and are preyed upon by drug-trafficking gangs.

Try to create a children's home in a quiet area, though, and people raise other objections. In February Wyre Council in Lancashire rejected an application to turn a house in a cul-de-sac into a home for two children and three carers. It feared that cars would park by the roadside, harming "visual and highway amenity", and that existing residents might be disturbed by "talking and noise from car doors". It mentioned that it had received 65 letters of objection to the home. Suffer the little children? No thanks.■

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Britain | Alcoblocks

When is a non-alcoholic drink alcohol-free?

A quirk of regulation is holding back growth in the British market

May 21st 2024

Big Drop Brewing

Not that long ago asking for an alcohol-free beer in a British pub made you seem weird. Less so now. Alcohol consumption is falling among young, affluent and health-conscious consumers. Better brewing techniques have introduced tastier non-alcoholic options. Sales of alcohol-free beer rose by 26% in 2022.

Even so, the overall market is still tiny. Non-alcoholic beverages make up a sliver of Britain’s booze market, at just 3%. That is comparable to the share in France and America but far behind that in Germany (16%) or Spain (11%), according to the IWSR, a research firm. Sales growth of alcohol-free drinks would need to exceed 40% each year to come close to raising their market share above 10% by 2030, according to the Social Market Foundation, a think-tank.

Wider availability and better products will naturally help the market to grow. But so would ironing out a specific wrinkle in the British market.

According to standards set by the Department of Health and Social Care, drinks must contain less than 0.05% alcohol by volume (ABV) to be considered alcohol-free. That is less than the alcohol content of burger rolls or ripe bananas. It is also much less than in comparable markets. The 0.5% ABV beers made by Big Drop, a British craft brewer, are officially deemed non-alcoholic in America, Australia and Germany but not at home.

This stringent standard has two consequences. One is for competition. Complying with the guidance is hard for smaller brands in particular: producing drinks at 0.05% ABV or less requires expensive equipment to extract the alcohol. Some don't even bother trying. Nearly one-third of the drinks sold and labelled as alcohol-free in Britain ignore the official guidance, according to the Office for Health Improvement and Disparities, a public-health policy body. That leads to the second consequence: confusion. More than half of respondents in a poll by Opinium, a research firm, said there was a lack of clarity over the suitability of non-alcoholic products for pregnant women, drivers and people who don't drink for religious reasons.

The government, keen to give more options to people who drink to excess, has launched a consultation on updating its rules so that drinks with 0.5% ABV can rightfully claim the alcohol-free descriptor. A labelling change is not going to make the market go crazy but it would bring Britain into line with other countries. And it might make it even easier to order something non-alcoholic next time you are at the bar.■

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Britain | Bagehot

Rishi Sunak's snap election is odd and illogical—much like him

For a man who says he has a plan, the prime minister acts in an impulsive way

May 22nd 2024

Over the patter of the rain and the sound of protesters' speakers blasting "Things Can Only Get Better", an anthem of New Labour, it was almost impossible to hear Rishi Sunak outside 10 Downing Street on May 22nd. The words were close to inaudible but the message was clear: the prime minister had spoken to the king, Parliament was to be dissolved and an election is coming on July 4th. The decision is impulsive, illogical and entirely in keeping with the manner in which Mr Sunak has governed.

Calling an election earlier than many had expected has some small merit. The inflation figure for the year to April, released earlier in the day, was slightly higher than expected, at 2.3%. Although Mr Sunak claimed victory ("inflation is back to where it should be") hopes of early interest-rate cuts by the Bank of England, which would relieve pain for mortgage-holders, had gone. Higher borrowing costs also leave little room for another round of tax cuts in the autumn. The main benefit of delaying, at least in the eyes of the government, had disappeared. So why wait?

See our other coverage of Britain's election, including our poll tracker, updated daily

But the counter-argument is simple. Mr Sunak heads a government that is as unpopular now as it was during the nadir of Liz Truss, when inflation was over 11%, interest rates were marching ever higher and the then-chancellor could not appear on television without an accompanying graphic of sterling collapsing. Economically, things have improved. Inflation is much lower; quarterly growth is near the top of the G7 league table; and real wages are flying. But Tory polling has not responded. The party stands at 21% in the polls—worse even than what they scored when Ms Truss's economic experiment blew up. If he wins the election, Mr Sunak will be the most unpopular leader ever to manage that feat. No matter. The great gamble has begun.

Throughout his career, whatever mess Mr Sunak has found himself in was almost always of his own making. As chancellor Mr Sunak spent his days dealing with the chaotic wants of Boris Johnson, a man Mr Sunak had campaigned for to be prime minister. As prime minister he spent months renegotiating the terms of a deal in Northern Ireland he had previously whole-heartedly supported. Britain's economic woes—of high inflation and low productivity growth—have been exacerbated by its departure from the European Union, a decision Mr Sunak was keen on. He practises a rather odd style of politics: he cancelled a high-speed rail link to Manchester while in *Manchester*.

If big calls are bodged, so are small ones. Mr Sunak's career demonstrates a weakness for ideas that are at best gimmicks and at worst boneheaded. As a backbencher he was a loud supporter of freeports, which shuffle economic activity around rather than generating it. During the peak of a hysterical bubble about non-fungible tokens (NFTs), Mr Sunak, then chancellor, pushed the Royal Mint to issue its own. (The plan was quietly dropped in 2023, by which point most NFTs had become worthless.)

For a man who says he has a plan, Mr Sunak operates in a rather last-minute way. Even setting aside the weather, this was not a smooth election launch. Cabinet ministers scurried back from their duties, no matter how important. David Cameron, the foreign secretary, rushed back from Albania, where he had been welcomed with a street lined with Union Jacks and a gigantic photo of himself. The government in Tirana is responsible for one of the few successes of Mr Sunak's term in office: a deportation deal that has dramatically reduced the numbers of young Albanians crossing the Channel in inflatable boats. This was a strange way of saying "thank you".

The decision to hurl himself at the electorate at short notice is no surprise from a man who has engaged in a "reset" every six months he has been in office. First, there was Rishi the technocrat. Then came Rishi the unconvincing populist, a scourge of wokeness and greenery. Now it is Rishi the guarantor of Britain's security. A snap election comes just a few weeks after the party let it be known that an autumn election was most likely.

Mr Sunak's slogan is "stick with the plan" but he has stuck with very little. Even the policies he hails are the ones he once opposed. As chancellor Mr Sunak pushed to increase taxes paid by employees; as prime minister he has made a show of cuts for the same people. As chancellor Mr Sunak criticised a wacky and cruel scheme to send asylum-seekers from Britain to Rwanda. As prime minister Mr Sunak has made the scheme a flagship policy.

What alternative did he have to calling an early election? Waiting. Hoping something turns up is not a brave choice but it is a logical one. Things happen. Labour is underbaked, too. Its advisers are inexperienced; its front bench does not groan with talent. Rather than being tested over months, they have to survive only for six more weeks. Waiting would have been cowardly, but cowards tend to survive.

Why make trillions when we can make billions?

Instead, Mr Sunak has been bold to the point of foolhardy. He has opted for an Austin Powers strategy. During a game of blackjack, the international man of mystery is playing against a man who, unbeknownst to Mr Powers, has x-ray vision. The villain "gambles" on 17, gets a 4 and wins. "I like to live dangerously," he gloats to Mr Powers. Next, Mr Powers is dealt a five. "I'll stay," says Mr Powers. "I also like to live dangerously."

The Conservatives require a miracle to stay in office. Mr Sunak's own actions, from his time as chancellor to his tenure as prime minister right through to the decision-making process that leads to a sodden man making an inaudible speech, make that miracle less likely. Perhaps the prime minister has a secret strategy. Perhaps he is simply a gambler. Perhaps he is just bad at politics. On July 4th, he will find out. ■

Read more from Bagehot, our columnist on British politics:
The narcissism of minor differences, Labour Party edition (May 15th)
The Conservatives' world has disappeared. Don't tell Rishi Sunak (May 8th)
Jeremy Clarkson, patron saint of the Great British bore (May 1st)

Also: How the Bagehot column got its name

Britain | A permanent home

The world’s first museum of homelessness

A new venue in London dedicated to an overlooked group

May 23rd 2024

Martin Godwin/Guardian/Eyevine

“OH GOD, MATE, it takes me back,” says one actor as she pulls a black plastic bag over her head to demonstrate how she used to wear one as a rain poncho. Another actor points out the weathered duct tape holding together “Fred’s Trolley”, a shopping trolley used during the covid-19 pandemic to serve tens of thousands of hot drinks to homeless people on the street. Both actors used to be homeless. They are performing as part of the opening exhibition at the Museum of Homelessness (MOH), the world’s first of its kind, in north London.

Shelter, a charity, estimates that on any given night 3,000 people in England sleep rough (very many more live in hostels or temporary accommodation). But their experiences have been largely overlooked by cultural bigwigs. In 2014 Jess and Matt Turtle, the museum’s curators, were offered a collection of 7,000 objects from the Simon Community, a homelessness organisation. They have since collected many more items from anonymous donors on the streets. After a decade of operating temporary exhibitions the MoH, which is a charity, signed a ten-year lease on an empty cottage inside Finsbury Park. From May 24th the museum will be open to the public, who will be able to see items from its permanent collection and from a special exhibition called "How to Survive the Apocalypse".

This is not a normal museum. Twice a week the building is used by homeless people for meals or drug rehabilitation. Some of them are uncomfortable being inside: volunteers who helped with the design added a hot-water tap outside in the garden. Inside, too, the museum does things a little differently. Rather than label things with little white cards, actors perform monologues taken from interviews with the items' former owners. The homeless people who donated these exhibits matter as much as the objects themselves. ■

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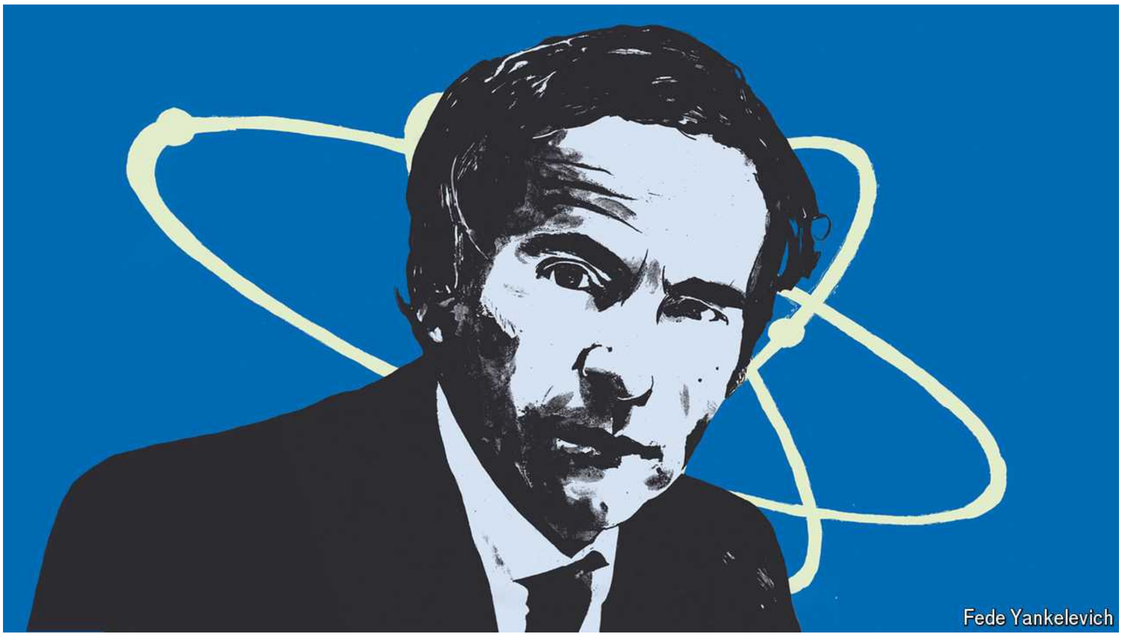
International

International | An interview with Rafael Grossi

Iran’s new leaders stand at a nuclear precipice

The world’s atomic watchdog fears a terrifying regional arms race

May 20th 2024



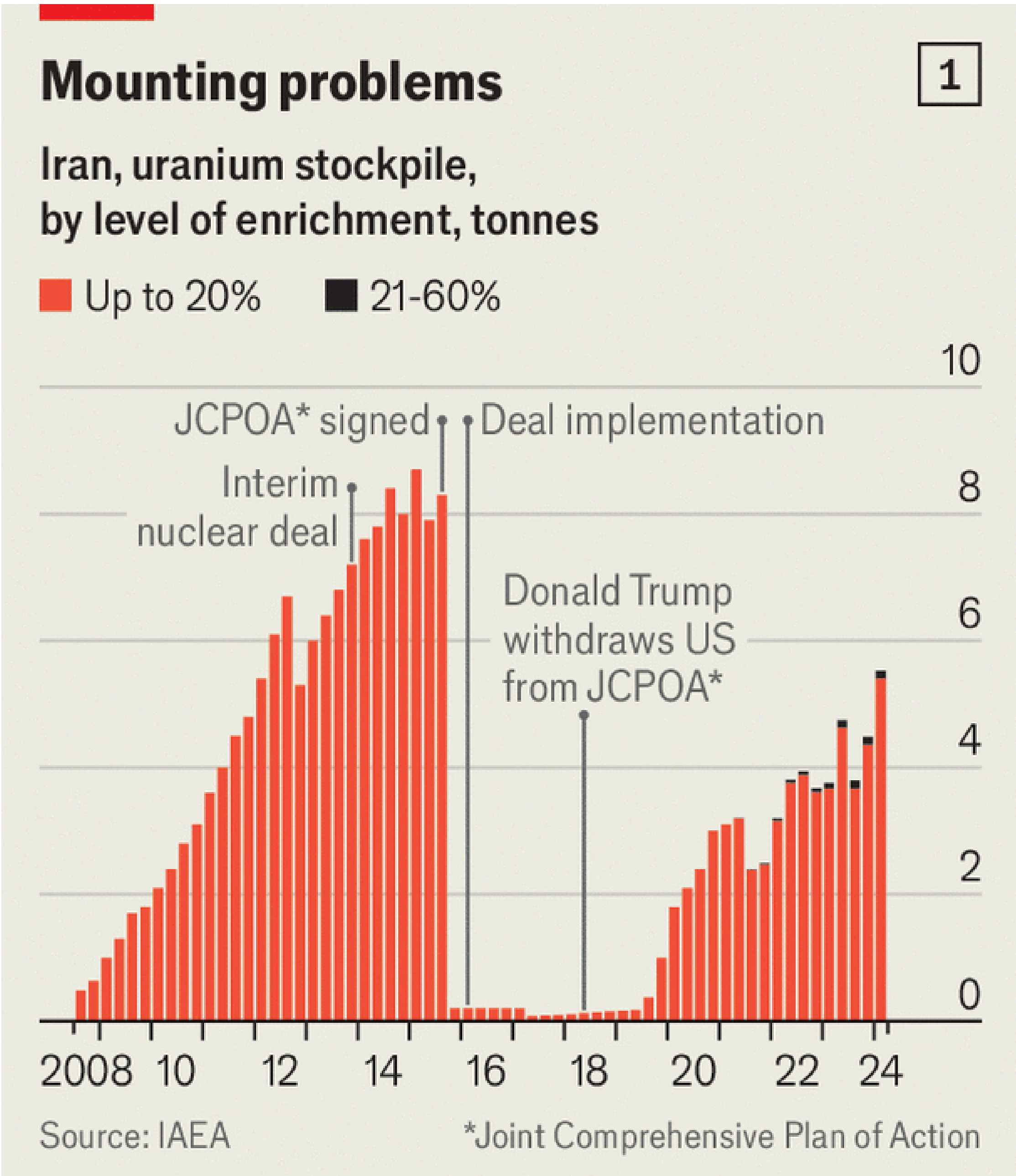
ON MAY 6TH Rafael Grossi, the director-general of the International Atomic Energy Agency (IAEA), travelled to Tehran and met Hossein Amirabdollahian, Iran’s foreign minister. Less than two weeks later, on May 19th, Mr Amirabdollahian was dead, killed in a helicopter crash that also took the life of Ebrahim Raisi, Iran’s president, among others.

Their deaths throw Iran’s sclerotic theocracy into a moment of confusion and uncertainty, one with far-reaching implications for the country’s nuclear programme. Mr Grossi, fresh from his trip to Iran, recently spoke to *The Economist* about the Iranian nuclear file, as well as the other items on his forbidding to-do list, from the Russian-occupied Zaporizhia nuclear-power plant in Ukraine to the “growing attraction” of nuclear weapons worldwide.

The Vienna-based IAEA has two jobs, both enshrined in the Nuclear Non-Proliferation Treaty (NPT) of 1968. One is to promote the peaceful use of nuclear energy. The other is to ensure that using such energy does not lead to countries developing the bomb. And the country of principal concern today is Iran.

Bold plans

Iran's nuclear programme is expanding rapidly in size and sophistication. It has 27 times as much enriched uranium as was permitted under the Joint Comprehensive Plan of Action (JCPOA), a multinational nuclear deal abrogated by Donald Trump in 2018. It is now an "empty shell", says Mr Grossi, who was speaking prior to Mr Raisi's death. That stockpile, some of which is enriched to 60% purity, close to weapons grade, is enough for about three bombs (see chart 1). Along with Iran's use of newer and faster centrifuges, these developments have "completely superseded" the JCPOA, he says. The result is that Iran could produce a bomb's worth of weapons-grade uranium in just a week and enough for seven over a month, according to research by the Institute for Science and International Security, an American think-tank.



The Economist

When Mr Grossi visited Iran in March 2023 the country promised to co-operate more fully with the IAEA, including by reinstalling surveillance equipment it had removed earlier. That progress "quickly stalled", says Mr Grossi, with both sides "talking past each other". He has said that the IAEA has lost "continuity of knowledge" about, among other things, Iran's production and stockpiles of centrifuges, heavy water and uranium-ore concentrate. These could be used to reconstitute a nuclear-weapons programme in secret, rather than using known facilities that could be bombed. On May 7th Mr Grossi returned to see whether he might break the impasse. There had been hopes that Iran would slow down its accumulation of 60% enriched uranium by "downblending" it to lower levels. But there was no such commitment, says Mr Grossi. Iran seems to have been stringing everyone along throughout.

He is also concerned by a growing number of statements by senior Iranians that the country might be more open to a bomb. In April, as Israel and Iran exchanged missile fire, the head of the Iranian Revolutionary Guard Corps unit responsible for the safety of nuclear sites hinted that Iran might rescind a "fatwa" against nuclear weapons issued by Ayatollah Ali Khamenei, the country's supreme ruler, in 2003. In May Kamal Kharrazi, an adviser to Mr Khamenei, issued the same threat twice within days. "This is unacceptable," says Mr Grossi, "unless the country would choose to denounce or leave the NPT."

There is no consensus among experts and Western officials on whether these statements are signals that Iran intends to build a bomb or whether it simply wants to shore up deterrence against America and Israel at a tense time. Mr Grossi says he is consoled by the fact that neither the late Mr Amirabdollahian nor Mohammad Eslami, Iran's vice-president and head of the country's Atomic Energy Organisation, had repeated these statements. He says a new agreement —"a JCPOA rebooted or a JCPOA 2.0"—is imperative. Yet the death of Mr Raisi is likely to shake up the system and complicate the matter in several ways.

A vulnerable and isolated regime could be tempted to develop nuclear weapons for more security. It could also affect decision-making. Mr Raisi's ideological allies have no obvious successor in his mould. Reformists were shut out of Iran's sham elections for the presidency in 2021 and parliament in 2024, and could be again: under the constitution, a presidential election is due 50 days after a president's death. It's possible that a more pragmatic, conservative candidate could become the next president, making negotiations over a new nuclear deal possible, if not probable.

Moreover, Mr Raisi was a candidate to succeed the ailing Mr Khamenei. His death improves the chances of Mojtaba Khamenei, the latter's son, taking over instead and could strengthen his allies in Iran's Revolutionary Guards—the driving force behind the nuclear programme for almost 40 years.

These issues may dominate a meeting of the IAEA's board of governors between June 3rd and 7th. Some Western countries want to refer Iran to the UN Security Council (UNSC). In the past, the veto-wielding P5 countries had a "common denominator" on Iran, agreeing on sanctions, says Mr Grossi. "Now that would not happen," he acknowledges, in light of deep splits between America, Britain and France on one side, and Russia and China on the other. That great-power gridlock, in turn, means that Iran can proceed with relative impunity.

Mr Grossi warns that an Iranian bomb would have far-reaching consequences. "The Korean peninsula had very circumscribed…parameters that made a domino very, very difficult in that circumstance," he says, referring to North Korea's acquisition of nuclear capabilities in 2006. "I think the Middle East is completely different. Here, you would have a situation which would lead to more countries, if not openly seeking nuclear weapons, trying to get latency and trying to get closer to that because they would feel that the system is failing."

In September Muhammad bin Salman, Saudi Arabia's de facto leader, reaffirmed that the kingdom would seek a bomb if Iran developed one. It is seeking permission to enrich uranium and reprocess spent fuel—steps that would allow it to produce fissile material—as part of a broader energy and defence pact with America that is under intense discussion. Mr Grossi is circumspect when asked about that, saying only that he intends to "work very closely" with the kingdom. But he clearly worries about nuclear proliferation. "I think it would spread" beyond the Middle East, he says. "Unfortunately, what we see is a trend, a growing attraction, the lure of nuclear weapons is there. We cannot deny it. It is very, very regrettable."

Keep the lights on

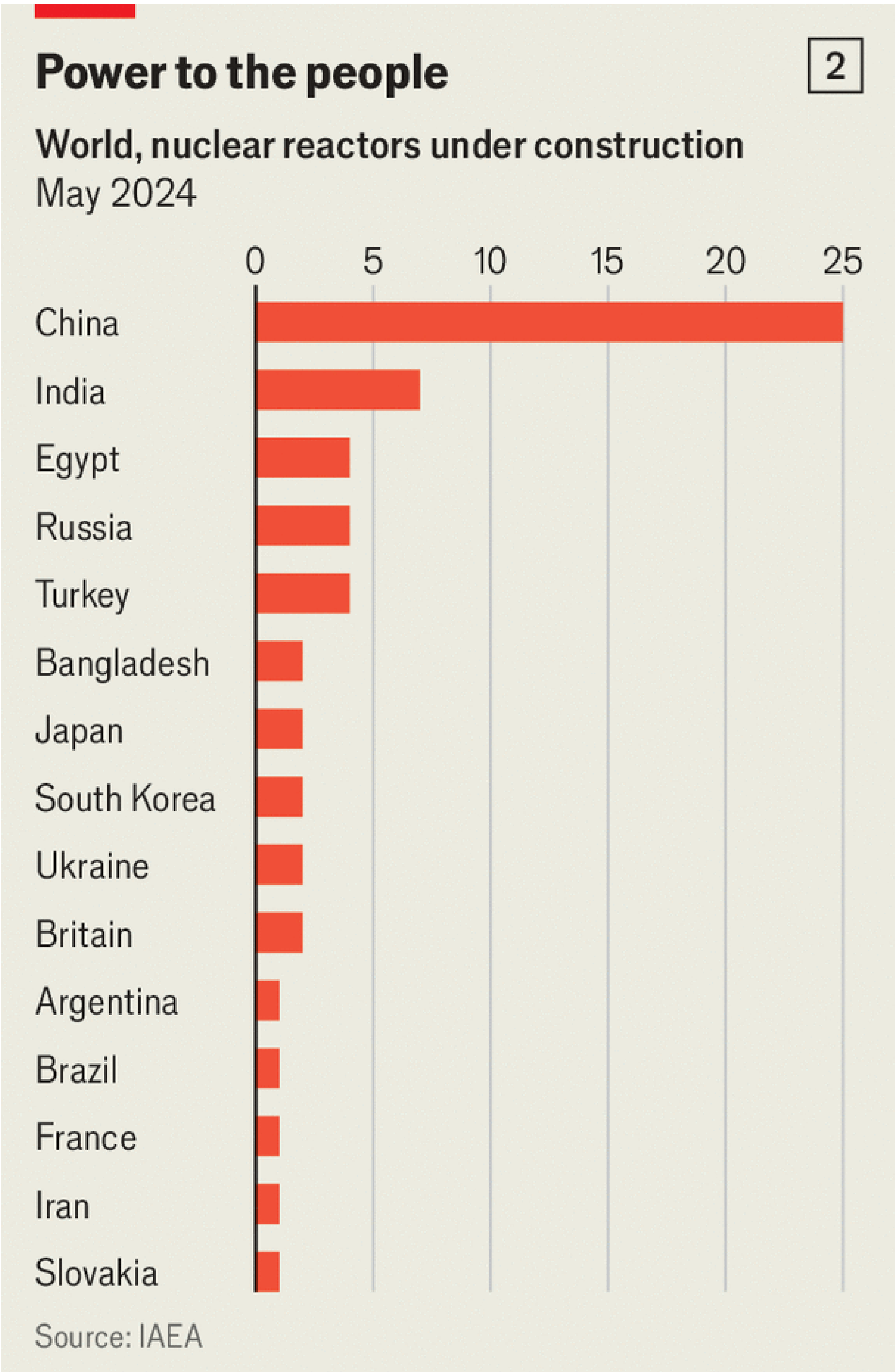
The threat from nuclear conflict in the Middle East is not the only terrifying problem on Mr Grossi's agenda. Russia has also said it intends to restart the Zaporizhia nuclear-power plant in southern Ukraine, which it has occupied and militarised. The plant has repeatedly come under attack from shells and drones, most recently in April. Mr Grossi, who visited the site in February and met Vladimir Putin in Moscow the next month, says that talks over the restart are ongoing and "very delicate".

He argues that the IAEA has played a vital role. When the invasion began, he says, no one asked the agency, or Mr Grossi personally, to visit Zaporizhia; had he asked permission, he says, he might well have been rebuffed. With the support of America, Britain and France—Mr Grossi singles out Emmanuel Macron for his support—he chose not only to go, but to stay. "I went there to visit and I forgot a group of people," he quips, referring to inspectors who remained behind and are still present there and at every other Ukrainian nuclear site. "And then we were there, and who is going to kick us out?"

That enduring presence has allowed the IAEA to maintain a technical dialogue with the Russian operators of the plant and to serve as a source of ground truth. "You may have seen that when it comes to Zaporizhia, there's almost no fake news…we have an update every day." Despite attacks, he says, both parties have broadly respected his demands to avoid turning the plant into a military target. “Until this war…ends without an accident, we will not be able to say mission accomplished. But I think it has been a good example of what can be done.” Ukrainian officials are more sceptical, believing that Russia has pulled the wool over the IAEA’s eyes.

If Iran and Ukraine were not enough, the agency’s job is growing. In March, for the first time in 13 years, Mr Grossi visited Damascus, where he had a “frank conversation” with Bashar al-Assad, Syria’s president. In 2007 Israel bombed an incomplete reactor in the east of the country, believing it to be part of a Syrian nuclear-weapons programme. It had not been declared to the IAEA.

Mr Grossi accepts that the agency will get few answers on that—“that piece of infrastructure was disposed of, to put it mildly”—but he wants the Syrians to open up on related facilities. He is cagey on whether that will happen—“we are working on having a possibility to access these places”—but the dialogue is a start. The IAEA has no contact with North Korea, but Mr Grossi warns that “the programme is growing in every direction” and with “a huge question mark on nuclear safety”.



The Economist

In the coming years, the agency will also have to safeguard a deluge of nuclear-energy projects (see chart 2). "There's going to be more nuclear in the world, in developing countries, in other places," says Mr Grossi. The agency expects a 30% rise in the number of countries operating power plants by 2035. At least 59 are under construction, some in countries with no nuclear experience. Many are being built by Russia or China, which have tended to impose weaker safeguards on clients than does America.

Mr Grossi is also in discussions with America, Britain and Australia over the AUKUS deal, which will see Australia, a non-nuclear country, operate submarines with reactors powered by highly enriched uranium. Technology increasingly helps to keep tabs on nuclear material. The agency has developed "simply amazing" means to detect enriched uranium in the past few years, he says. "You can build a supermarket on top of a place where 35 years ago there was uranium—we're going to find it."

Moving on up?

Mr Grossi says that his Russia-Ukraine shuttle diplomacy "is an indication, in these times of enormous scepticism about multilateral organisations, of the role these organisations can play." The IAEA's stock has risen accordingly. In a change from the past, says Mr Grossi, the UNSC "wants to hear from us, they want to know what is happening". Perhaps unsurprisingly, he is mentioned as a possible candidate to succeed António Guterres as UN secretary-general in two years.

The conventional wisdom is that the next secretary-general will need to be a woman. Some in the UN are aggrieved at what they see as Mr Grossi's very public role in Zaporizhia, says Richard Gowan of the International Crisis Group, a think-tank. "His candidacy is rather intimately tied to [Zaporizhia] being intact in 2026, and the Iranians not having a bomb," says Mr Gowan. "Neither of which is fully assured."■

***Editor's note (May 22nd 2024)**: This piece has been amended so as to include a reference to research by the Institute for Science and International Security.*

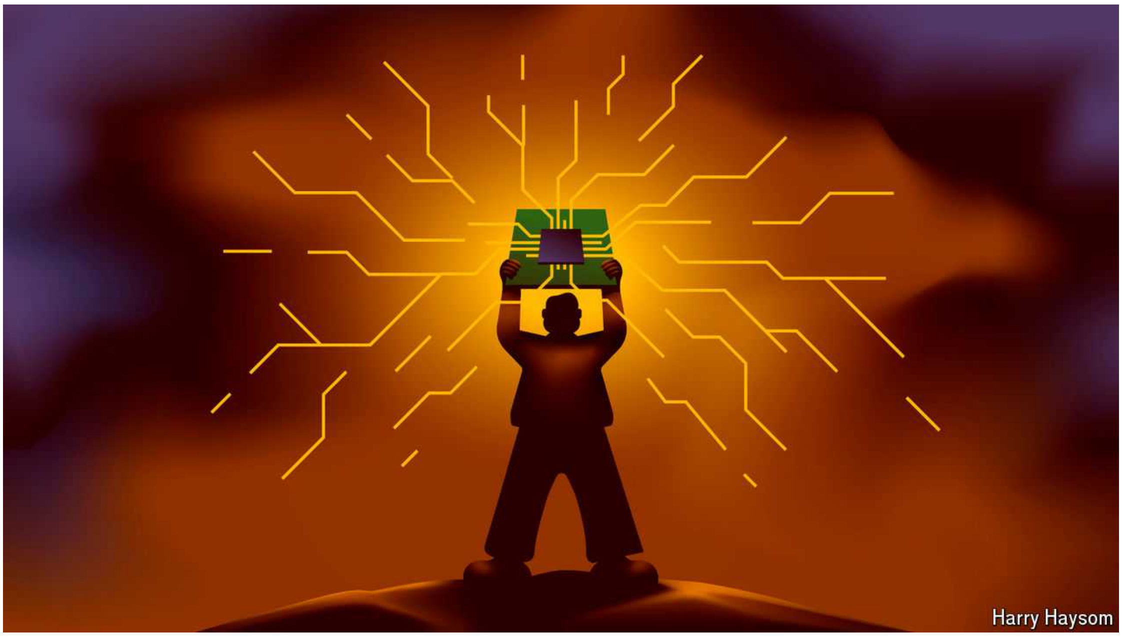
Business

Business | Think different

Can Nvidia be dethroned? Meet the startups vying for its crown

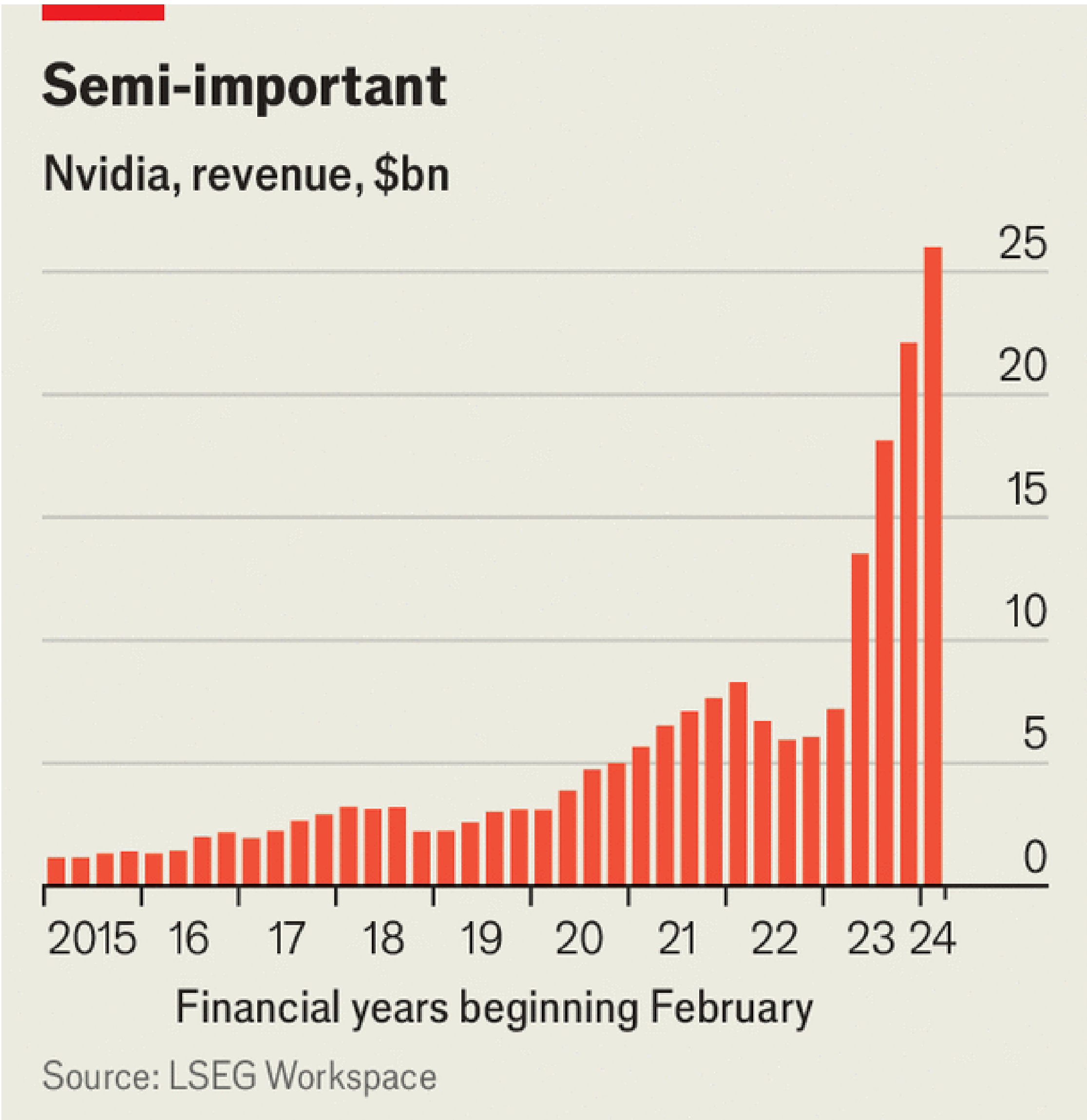
A new generation of AI chips is on the way

May 19th 2024



"HE WHO CONTROLS the GPUs, controls the universe." This spin on a famous line from "Dune", a science-fiction classic, is commonly heard these days. Access to GPUs, and in particular those made by Nvidia, the leading supplier, is vital for any company that wants to be taken seriously in artificial intelligence (AI). Analysts talk of companies being "GPU-rich" or "GPU-poor", depending on how many of the chips they have. Tech bosses boast of their giant stockpiles. Nvidia's dominance has pushed its market value above $2trn. On May 22nd it reported that its sales for the quarter ending in April grew by 262%, year on year (see chart).

GPUs do the computational heavy lifting needed to train and operate large AI models. Yet, oddly, this is not what they were designed for. The initials stand for "graphics processing unit", because such chips were originally designed to process video-game graphics. It turned out that, fortunately for Nvidia, they could be repurposed for AI workloads.



The Economist

Might it be better to design specialist AI chips from scratch? That is what many companies, small and large, are now doing in a bid to topple Nvidia. Dedicated AI chips promise to make building and running AI models faster, cheaper or both. Any firm that can mount a credible threat to the reigning champion will have no shortage of customers, who dislike its lofty prices and limited supplies.

Ordinary processing chips, like those found inside laptop and desktop computers, are in essence designed to do one thing after another. GPUs, by contrast, contain several thousand processing engines, or “cores”, which let them run thousands of versions of the same simple task (like drawing part of a scene) at the same time. Running AI models similarly involves running lots of copies of the same task in parallel. Figuring out how to rewrite AI code to run on GPUs was one of the factors that triggered the current AI boom.

Yet GPUs have their limitations, particularly when it comes to the speed with which data can be shuffled on and off them. Modern AI models run on large numbers of interconnected GPUs and memory chips. Moving data quickly between them is central to performance. When training very large AI models, some GPU cores may be idle as much as half of the time as they wait for data. Andrew Feldman, the boss of Cerebras, a startup based in Sunnyvale, California, likens it to the gridlock in a grocery store on the day before Thanksgiving. “Everybody’s in a queue, so there are blockages in the parking lot, there are blockages in the aisles, blockages at the checkout. That’s exactly what’s happening with a GPU.”

Cerebras’s response is to put 900,000 cores, plus lots of memory, onto a single, enormous chip, to reduce the complexity of connecting up multiple chips and piping data between them. Its CS-3 chip is the largest in the world by a factor of 50. “Our chip is the size of a dinner plate—a GPU is the size of a postage stamp,” says Mr Feldman. On-chip connections between cores operate hundreds of times faster than connections between separate GPUs, Cerebras claims, while its approach reduces energy consumption by more than half, for a given level of performance, compared with Nvidia’s most powerful GPU offering.

Groq, another startup, is taking a different approach. Its AI chips, called language processing units (LPUs), are optimised to run large language models (LLMs) particularly quickly. In addition to containing their own memory, these chips also act as routers, passing data among the interconnected LPUs. Clever routing software eliminates the variation in latency, or time spent waiting for data, allowing the whole system to run in lockstep. This greatly boosts efficiency, and thus speed: Groq says its LPUs can run big LLMs ten times faster than existing systems.

Yet another approach is that taken by MatX, also based in California. GPUs contain features and circuitry that provide flexibility for graphics, but are not needed for LLMs, says Reiner Pope, one of the firm’s co-founders. The GPU-like chip his firm is working on gets rid of such unnecessary cruft, boosting performance by doing fewer things better.

Other startups in this area include Hailo, based in Israel; Taalas, based in Toronto; Tenstorrent, an American firm using the open-source RISC V architecture to build AI chips; and Graphcore, a British company that is thought to be about to sell itself to SoftBank, a Japanese conglomerate. Big tech firms are also building AI chips. Google has developed its own “tensor processing units” (TPUs), which it makes available as a cloud-computing service. (It unveiled its latest version on May 14th.) Amazon, Meta and Microsoft have also made custom chips for cloud-based AI; OpenAI is planning to do so as well. AMD and Intel, two big incumbent chipmakers, make GPU-like chips already.

One danger for the newcomers is that their efforts at specialisation could go too far. Designing a chip typically takes two or three years, says Christos Kozyrakis, a computer scientist at Stanford University, which is "a huge amount of time" given how quickly AI models are improving. The opportunity, he says, is that the startups could end up with a chip that is better at running future models than Nvidia's less specialised GPUs are. The risk is that they specialise in the wrong thing.

Having previously worked at Google, which developed the currently dominant "transformer" architecture used in LLMs, Mr Pope of MatX is confident that his firm has "a somewhat good crystal ball". And if a new approach comes along—"state-space models" are the latest thing—its chip is versatile enough to adapt, he says. Mr Feldman says all modern AI is still just "sparse linear algebra" under the hood, which Cerebras's chip can do very quickly.

Is greatness a transitory experience?

Another challenge is that Nvidia's software layer for programming its GPUs, known as CUDA, is a de facto industry standard, despite being notoriously fiddly to use. "Software is king," says Mr Kozyrakis of Stanford, and Nvidia has a significant advantage, having built up its software ecosystem over many years. AI-chip startups will succeed only if they can persuade programmers to rejig their code to run on their new chips. They offer software toolkits to do this, and provide compatibility with the major machine-learning frameworks. But tweaking software to optimise performance on a new architecture is a difficult and complex business—yet another reason Nvidia is hard to dislodge.

The biggest customers for AI chips, and the systems built around them, include model-builders (such as OpenAI, Anthropic and Mistral) and tech giants (such as Amazon, Meta, Microsoft and Google). It may make sense for such companies to acquire an AI-chip startup, and keep its technology to themselves, in the hope of besting the competition. Instead of trying to compete with Nvidia, chip startups could position themselves as acquisition targets.

Mr Pope says MatX is targeting the "top tier" of the market, which suggests that it hopes to sell its chips—if not the whole company—to the likes of OpenAI, Google or Anthropic, whose AI models are the most advanced. "We would be happy with many kinds of exit," he says, "but we think there is a sustainable business here as a standalone company." That remains to be seen.

Cerebras, for its part, is said to be preparing for an initial public offering. So far none of the startups has made a dent in Nvidia's dominant position. Plenty of people are hoping that one of them will. ■

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Business | Big game

Africa Inc is ready to roar

Its businesses are expanding across the continent

May 23rd 2024

Global gabfests tend to be gloomy affairs these days. Bigwigs bemoan the state of geopolitics, wring their hands over existential risks, urge greater global co-operation—and go home with little to show for it all. The Africa CEO Forum, a gathering that took place on May 16th and 17th in Kigali, the capital of Rwanda, offered a welcome contrast. As bosses, politicians and financiers gathered to discuss the role of Africa's private sector in spurring its economic development, the tone was refreshingly practical.

Instead of dwelling on the grand sweep of history or the changing world order, the conference's attendees knuckled down for discussions on how to boost cross-border commerce and strengthen local supply chains. Permeating all of this was a conviction that Africa must take control of its own economic development. As Aliko Dangote, the boss of Dangote Industries, a Nigerian conglomerate, and Africa's richest man, summed up, "We Africans will have to do it. If we wait for foreigners, it's not going to happen."

Some foreign firms have retreated from Africa in recent years as higher interest rates have made investing in riskier countries less attractive, particularly ones with volatile currencies and controls on the repatriation of profits. Political dysfunction in countries including South Africa and a string of coups along the Sahel have not helped. The flow of foreign direct investment into Africa slumped from $80bn in 2021 to $48bn last year. In April Société Générale, a French bank, announced it would sell its Moroccan business to Saham Group, a local conglomerate. It has already left a number of other African markets such as Chad and Mauritania. In August hot-cocoa fans in South Africa were dismayed to hear that Nestlé, a Swiss food giant, was halting production of Nesquik, a chocolatey beverage, in the country.

African businesses, meanwhile, are steadily expanding. They are getting better at catering to the continent's consumers. Yeshi Group, a conglomerate from Côte d'Ivoire, is launching a safety-focused beauty brand in Ethiopia, where harmful skin-bleaching products are widespread. That sort of tailoring has helped buoy local brands across the continent, says the boss of a South African supermarket chain.

As they have grown bigger, African businesses have become more sophisticated in how they manage their operations and supply chains, observes Matthieu Friedberg, the boss of CEVA Logistics, a French company with offices in 25 African countries. Arnaud de Rugy, the Africa boss of Egis, a French construction firm, points to the recent success of companies like CIRA, a Malian firm, and SCET, a Tunisian one, in winning contracts for major infrastructure projects in Africa.

Mr Dangote's enterprise has grown into a pan-African behemoth with operations ranging from cement production (it is the continent's leading supplier) to sugar milling. During the forum it was announced that the company had secured a deal with TotalEnergies, a French firm, to supply crude oil to a giant new refinery Dangote has built in Nigeria.

According to McKinsey, a consultancy, Africa is now home to 345 companies with over $1bn in annual turnover, with combined sales of more than $1trn. Many are turning to neighbouring countries for growth. Since 2018 intra-African exports have grown by 32%, to $109bn last year, compared with 18% for exports going elsewhere. Almost a fifth of African countries' exports now stay within the continent, up from just over a tenth two decades ago.

Many businesses are betting that such trade will continue to grow. “More companies will produce in Africa, for Africa, so we’re preparing ourselves,” says Philippe Labonne, the boss of Africa Global Logistics (AGL), a freight business with operations in 49 countries. ARISE, an industrial-park developer focused on Africa, has been helping set up commodity-specific manufacturing zones, including for cotton in Benin, meat in Chad and timber in Gabon, which it hopes will spur regional commerce. Liquid Intelligent Technologies, a pan-African technology group, has built a vast network of fibre-optic cables across much of the continent and is now busily constructing data centres.

There is still plenty of work to be done to ease cross-border commerce. The African Continental Free Trade Agreement, an ambitious plan to more closely integrate the region’s economies, has been hamstrung by difficulties tracing the origin of goods and cumbersome visa rules, among other things. In Kigali Mr Dangote lamented that he requires 35 visas to travel across Africa with his Nigerian passport, fewer than his French counterpart at TotalEnergies. It not easy for 54 countries to work together, notes Mr Labonne of AGL. Plenty more gatherings like the one in Kigali may yet be needed. ■

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Business | The world's office

Global firms are tapping India's workers like never before

They want their brains more than their brawn

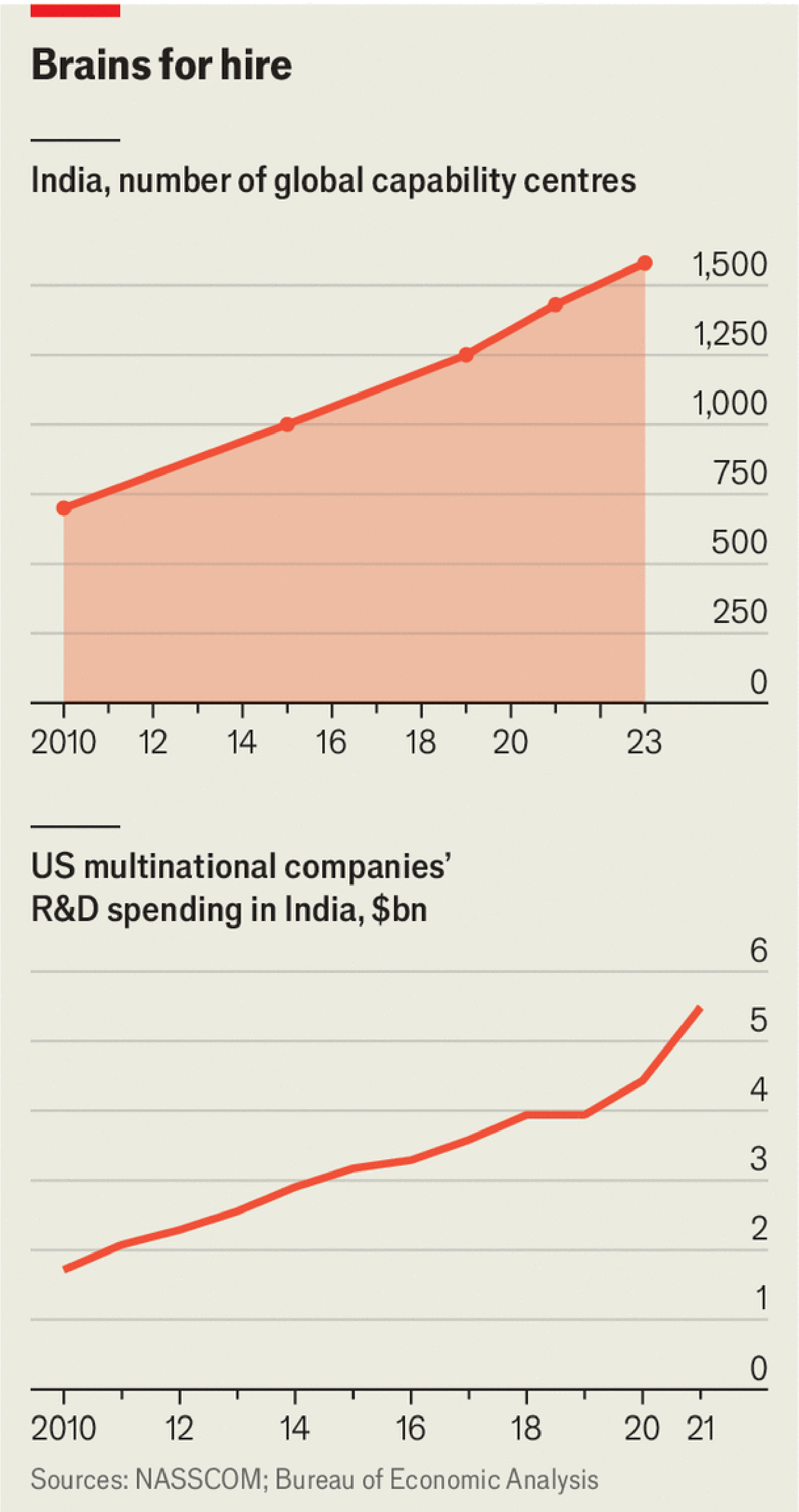
May 23rd 2024

Getty Images

Lululemon, A CANADIAN maker of yoga outfits, does not have many things in common with Rolls-Royce, a British engine manufacturer. One thing they do share, along with scores of other foreign companies, is space in the sprawling Embassy Manyata Business Park in Bangalore. Hundreds of others, among them Maersk, a Danish shipping firm, Samsung, a South Korean electronics giant, and Wells Fargo, an American bank, have offices within a few miles. Many more of these white-collar outposts can be found in cities including Chennai, Pune and Hyderabad.

Back in the 1990s global firms such as General Electric, a once-mighty conglomerate, began to rely on Indian workers to perform tedious tasks such as filling in forms and patching software for mainframe computers. Over time much of that drudgery was absorbed by Indian outsourcers such as Infosys, TCS and Wipro. Now foreign firms have begun to think bigger about the types of white-collar jobs that can be done by India's cheap but well-educated workers. Many have set up “global capability centres” (GCCs) to offshore tasks from data analysis to research and development (R&D), helping fuel a new wave of services-led growth for India.

It has long been easier to offshore white-collar work to India than the blue-collar variety. Spreadsheets and emails do not need to travel along the country’s congested roads or otherwise rely on its shoddy infrastructure. (GCCs generally have dependable internet connections, a luxury not always enjoyed in India.) Labour laws covering matters such as redundancies and —crucially for global firms—working hours are less restrictive for the country’s white-collar workers, too.



The Economist

More recently, technologies such as cloud computing and video conferencing have made it less cumbersome to tap India's vast pool of brainy workers. Having learned how to supervise employees remotely through the covid-19 pandemic, plenty of bosses will have now pondered whether some roles could be done from farther afield.

All that helps explain why the number of GCCs operating in India has ballooned from 700 in 2010 to 1,580 last year, according to NASSCOM, an industry body (see chart). A new centre now opens roughly every week, two-fifths of them in and around Bangalore. India's GCCs generated a combined $46bn in revenues last year, estimates NASSCOM.

Even that may vastly understate their activity. Many multinational companies do not share the financial details of their GCCs, which means calculating their economic contribution involves a good deal of guesswork. Wizmatic, a consultancy based in Pune, thinks the revenues of Indian GCCs could be as high as $120bn, a sum equal to roughly 3.5% of the country's GDP.

These outposts employ some 3.2m workers, reckons Wizmatic. Many Indian graduates jump at the opportunity to work at one. Students hired by the country's outsourcing giants typically earn less than $10,000 a year. Moving to a GCC can triple that. Most foreign firms setting up these offices also plump for premium buildings with cafés and other amenities. Lululemon provides its Indian workers with a space, and time, for exercise, an uncommon perk in Indian workplaces.

The activities of GCCs are increasingly varied. Lululemon's workers in India pore over sales data and tell branches in Dubai to stock more bright yellows, pinks and greens, and ones in New York to stock more blacks and greys. Although design is done in Canada, the company's GCC is involved in everything from setting prices to managing supply chains. Wells Fargo's teams in Bangalore, Chennai and Hyderabad support the bank's operations in areas ranging from lending to managing investment portfolios.

More than 85 foreign semiconductor companies, including Intel and Nvidia, now conduct design work in Bangalore. Tech giants such as Alphabet, Amazon and Microsoft also have R&D centres in the city, as do Boeing, an aircraft manufacturer, and Walmart, a retail giant. Mercedes-Benz, a German carmaker, employs nearly 6,000 workers at its R&D centre in Bangalore, its largest such operation outside Germany. Over the past four years its team in India has produced 32 patents.

In 2010 American multinationals spent $1.7bn on R&D activities in India, according to America's Bureau of Economic Analysis. By 2021, the latest year available, that figure had surged to $5.5bn. Growing geopolitical tension with the West means that China, India's principal rival hub for low-cost R&D, has lost some of its appeal. On May 16th it was reported that Microsoft had asked hundreds of employees working on advanced technologies such as machine learning and cloud computing in the country to relocate.

All this has helped turbocharge India's services exports, which hit $338bn last year, or nearly 10% of GDP, up from $53bn in 2005, reckons Goldman Sachs, a bank. The country now accounts for 4.6% of global services exports, up from roughly 2% in 2005. India's goods exports, by contrast, account for just 1.8% of the global total, up from 1% in 2005.

India's government has been busily trying to tilt that balance towards manufacturing, by modernising the country's infrastructure and doling out subsidies to foreign firms that produce there. Plenty of other countries are vying to steal China's title as the world's factory. None, however, has as good a shot as India at becoming the world's office. ■

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Business | Pits and bits

Americans are fretting over their body odour

They are covering themselves in new types of deodorant

May 23rd 2024

After three days in the great outdoors, gnawing anxiety sets in. The air may be fresh but the woman in the advert is not. The backs of her knees have begun to emit an unusual smell. Luckily for her fellow campers, she has packed a tube of Peach and Vanilla Blossom Whole Body Deodorant Cream, a fresh product launched in January by Secret, a personal-care brand.

Americans have long had a particular aversion to stench. Last year they bought $6.6bn worth of deodorant, the equivalent of nearly $20 per person—more than in any other rich country, according to Euromonitor, a research firm. Lately companies like Secret have been encouraging them to hunt out odours from their feet to their "underboobs". Google searches for "whole-body deodorant" shot up by 1,000% in the year to March (albeit from a low base).

“The conversation about body odour is no longer limited to underarms,” declares Pranav Chandan, who is in charge of deodorants in America for Unilever, a consumer-products giant. “We know that people are experiencing unwanted odours all over their bodies,” he says. Earlier this year Dove and SheaMoisture, two of the company’s brands, launched their own full-body deodorants.

For the most part these creams, sprays and sticks are deodorants, which cover up smells, rather than antiperspirants, which stop the sweat that causes them. That is a good thing, says Andrew Best, a biologist at the Massachusetts College of Liberal Arts, because “blocking sweating on larger parts of your body is asking for overheating”.

One body part that has attracted particular attention is the groin. In 2017 Shannon Klingman, a gynaecologist, launched Lume, a deodorant she first whipped up in a kitchen mixer, with the goal of masking “front fumes”. The company has since been acquired by Harry’s, a purveyor of razors.

Some medical professionals grimace at the fragrances used in these products, which may cause irritation or infections when applied near the crotch. (Unilever and Procter & Gamble, the maker of Secret, say their products have been tested with gynaecologists for safety.)

Others sniff at the idea that natural odours must be covered up. Lume’s website laments how odour undermines women’s “self-worth”. Jennifer Lincoln, a gynaecologist, thinks urging women to smell like “piña coladas” will hardly help restore it. (Technically the scent in question is Bay Rum.) Although the products seem to be mostly targeted at women, fragrances such as Bourbon Leather ensure men do not feel left out.

Mr Best, who studies the role of sweat in human endurance, thinks being ashamed of perspiration is like feeling sheepish about “having language or a big brain”. Still, he does not recommend people abandon deodorant altogether—nor the occasional shower.■

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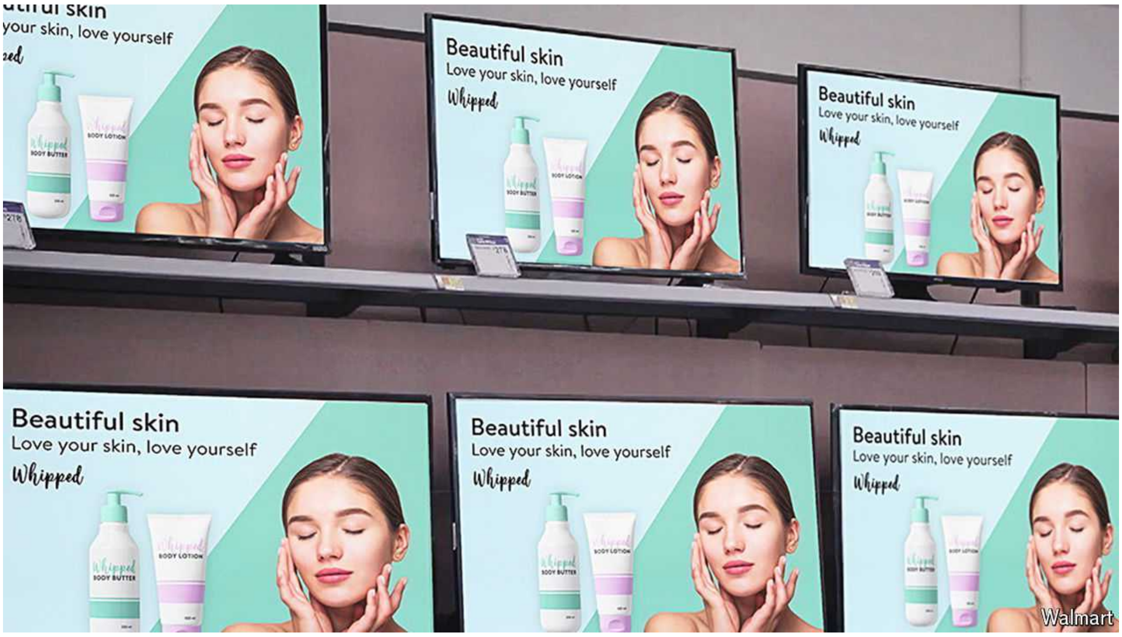
Business | The adman of Arkansas

Walmart’s latest product? Its customers

The retail giant is selling advertisers access to its shoppers

May 23rd 2024



Walmart

In the electronics department, every television is tuned to the same channel, showing a commercial for a cosmetics brand. At the end of the aisle is a sponsored stall promoting bags of popcorn. The music wafting through the air on the in-store radio is occasionally interrupted by advertising spots. Even at the checkout, a few final commercials pop up on screen to catch customers before they leave.

Anyone strolling around a branch of Walmart, as more than 200m Americans do each month, will see thousands of goodies on offer. Increasingly, its shoppers are being served up as products, too. Walmart, the world’s top retailer by sales, has discovered that there is serious money to be made in selling access to its customers. On May 16th the company reported that its booming advertising business had helped it deliver a 9.6% increase in operating income, year on year, for its quarter ending in April. As it carpets its physical and virtual stores in commercials, the company is taking a growing share of the ad market.

Walmart shifted more than $600bn of stock last year, from televisions to toilet rolls. By comparison its ad operation looks insignificant, bringing in just $3.4bn in revenue in the same period. Yet the margins on advertising are so fat, and those on groceries so thin, that ads contribute an outsized share of profit. In 2023 advertising made up 7.5% of Walmart's earnings before interest and taxes, estimates UBS, a bank. It reckons that Walmart's ad business is set to grow by about a quarter every year, contributing 13% of profit by 2026.

Walmart is still an ad-industry tiddler compared with Amazon, its online nemesis, which sold $47bn in ads last year. But the retailer is already comfortably within advertising's second tier, and is expected to finish the year ahead of social networks such as Pinterest, Snapchat and X. The company has "enormous potential" as an advertiser, reckons Andrew Lipsman of Media, Ads + Commerce, a consultancy.

Walmart's advertising operation has three main parts. The largest is the digital ads that appear on its website and app. These are closely targeted, because Walmart knows what the consumer is searching for, and their effectiveness precisely measured, since it knows whether shoppers end up buying the advertised product. Because this is "first party" data, from Walmart's own site, it is unaffected by the ever-stricter anti-tracking rules imposed by Apple and others to protect users' privacy.

The Economist

Brands used to grumble that Walmart's digital ads were poor value. No longer. In 2021 the company poached Seth Dallaire, a star adman, from Instacart, a grocery-delivery firm. Mr Dellaire, who had previously set up Amazon's advertising business, overhauled the way Walmart's online ads were auctioned, with the result that these now deliver a better return for advertisers than those of either Amazon or Instacart (see chart). In April third-party "marketplace" sellers were also given the ability to buy display ads on Walmart.com.

The second part of Walmart's ad offering is video. Again, it is playing catch-up with Amazon, which is pouring billions into shows like "The Lord of the Rings" on its ad-supported streaming service, Prime Video. Walmart has opted for a less glamorous, behind-the-scenes role. In February it said it would buy Vizio, a manufacturer of smart TVs with 18m users in America to whom it can show personalised commercials. And it has done deals with other media companies to target their viewers with its data. The latest of these, announced earlier this month, will see data on Walmart's shoppers being used to send personalised ads to Disney's streaming viewers.

Some believe the next step is "shoppable TV", in which audiences buy products directly through their TV sets. In November Walmart released "Add to Heart", a TV series stuffed with shoppable products. The "rom-commerce", as Walmart dubbed the show, will not win any Oscars, but is a revealing experiment. Shoppable TV "is very much in the early innings", says Sarah Marzano of eMarketer, a firm of analysts, who believes it will take off only if retailers can reduce the friction involved in making a purchase. ("Add to Heart" relied on texting a link to TV viewers' phones for them to complete the transaction.)

The final advertising opportunity for Walmart, with perhaps the biggest potential, lies in its vast network of bricks-and-mortar shops. Walmart has more than 5,000 stores in America (including its Sam's Club subsidiary) and 10,000 worldwide, adding up to more than a million square feet of retailing—and advertising—space. That puts it far ahead of Amazon, which has 538 Whole Foods Market stores and fewer than 100 Amazon Fresh and Amazon Go outlets. Walmart claims that 90% of American households shop at its stores at least once a year. Reaching that in-store audience is the "next frontier", says Ryan Mayward, an executive at the company.

Advertisers, who are hooked on precisely measurable digital ads, still see in-store ones as poor substitutes. A survey of consumer-packaged-goods firms in 2022 by Bain, a consultancy, found that only 17% believed in-store ads offered a high return on investment. Tracking consumers' behaviour is harder offline, and some efforts to do so have backfired. Amazon filled its stores with video cameras, but removed some of them after customers grumbled about being spied on. Walgreens, a pharmacy chain, planned to install thousands of ad-filled digital screens on its refrigerator cabinets, but changed course last year, citing various technical problems.

Walmart has improved its ability to link online ads to offline sales, using anonymised payment details to track when a customer buys a product in-store after seeing it advertised in the app. And it is increasing the number of places where advertisers can display in-store messages to consumers. Its stores already show ads on 170,000 digital screens across their electronics departments and checkouts, and are now experimenting with showing them on the screens at their deli counters and bakeries.

In-store digital advertising remains a far smaller market than the online sort, even though 85% of retail sales in America are still made in person. That imbalance may represent an opportunity: if in-store ads can be made remotely as effective as online ones, a market worth tens of billions of dollars awaits, believes Mr Lipsman. Few companies stand to benefit more than the mightiest retailer of all. ■

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Business | Bartleby

The Economist’s agony uncle returns

Pets, drugs and schedule send: another postbag for Max Flannel

May 23rd 2024

DEAR MAX, My employer has a policy of allowing dogs in the office. Almost everyone there seems to think this is tremendous but I don’t like the things. (To be honest, I don’t like people either but I accept that they should be allowed to come to the workplace.) Is there anything I can do, or do I have to grin and bear it?

You are not alone: I probably get more letters about this topic than any other. It’s very hard to admit to disliking dogs, so lots of people end up suffering them in silence. You could talk to HR about ending the policy, but would risk being known to all your colleagues as the psychopath who hates puppies. It’s much better to try to subvert the system. My advice is to say that you need to bring another type of much less acceptable animal to the office. If pressed, use the word “wellness” and hint at discrimination if they do not seem keen. With luck they will reach the conclusion that it is best simply to ban all pets.

My boss is very enthusiastic about the idea of using psychedelics in the workplace. She claims it is a way of unlocking creativity and bringing people together. She wants our team to go on a group ketamine retreat and keeps sending emails with subject lines like "Let's ket it on!" Should I go?

No. There is very little evidence that the use of drugs in the workplace genuinely increases creativity—and lots of experience to suggest that they make you do things you later greatly regret. If you want to ingest psychedelics, my advice is to do it at home. If you want to be more creative in your thinking, go for a long walk. And if you want to bond with your colleagues, do great work together. Tell her you are on other medication and cannot participate.

I have noticed that about five minutes before the end of one of my regular weekly meetings, the person chairing it will say, "I'm conscious of time". Aren't we all?

I doubt it's meant as a boast. Even if it is, try to be generous-minded. Your meetings are probably more likely to end when they should.

A colleague of mine has started bringing a skunk to work. She claims that it is her comfort skunk. I asked HR *whether this was really allowed and they started muttering some twaddle about dogs and discrimination; they also said that the skunk's scent glands had been removed. I don't mind having animals in the office but this is ridiculous. Lots of my colleagues agree. What can I do?*

This is ringing a bell. My advice would be to go back to HR and see if they would be prepared to ban all pets. If that doesn't work, you and your colleagues could try bringing in other animals. By the time the office resembles that scene in "Ace Ventura", they will have to see sense.

My manager often says that "we need to go to the balcony". Everyone else nods, but then they don't actually go anywhere. As far as I can see our office doesn't even have a balcony. In a meeting the other week one person said "this is a two-finger point" and the person running the meeting replied "let's double-click on that later". I have no idea what is going on half the time. What can I do to keep up?

Just hang in there. Incomprehension is an enormous part of office life. You will eventually develop a sense of what phrases like this mean. In fact, you will eventually start saying this kind of rubbish yourself and someone else will write to me about you.

In order not to interrupt people's weekends and evenings, the managers at our company are encouraged to schedule non-urgent emails to arrive during work hours. The result is that at 9am on a Monday, I get bombarded by 50 messages that all have to be answered quickly. Now my weekends are being totally ruined by the thought of all the emails that are being lined up for me. Can you help?

"Schedule send" is a good thing but it moves work around rather than reducing it. So unless people stop working at the weekends altogether, their efforts will eventually affect you. Your only real option is to tell people what time you want the assault to begin.

I wrote to you before about my boss's plans to have a ketamine retreat. For the past few weeks I have been having the weirdest hallucinations. I regularly imagine there is a skunk in the lift. Yesterday I could swear a man came to our staff meeting with a grim expression and a Vietnamese pot-bellied pig. Is it possible that she is drugging us without our permission?

I have good reason to believe that you are not hallucinating and that something else explains what you are seeing. Please try not to worry about it. And if anyone from a different office ever has problems they want to share with me, do feel free to write. Till later in the year. MF

Business | Schumpeter

Can anyone save the world's most important diamond company?

De Beers is in peril

May 22nd 2024

Brett Ryder

In February 1908 Joseph Asscher, a master cutter of diamonds, cleaved the Cullinan at his workshop in Amsterdam. So tough was the South African diamond, the largest ever found, that Mr Asscher's first attempt split his blade instead. The diamond industry is once again gripped by a nail-biting separation. This time, its most important company is facing the chop.

After rejecting a takeover proposal from BHP, the world's biggest miner, Anglo American announced a radical restructuring of its business on May 14th. As well as selling its coal, nickel and platinum operations, the British mining firm will shed its 85% stake in De Beers (Botswana, where its richest diamond mines are located, owns the rest). BHP has until May 29th to make a new offer for Anglo. Whatever happens, De Beers's change of ownership will mark the end of one of its most enduring relationships—Ernest Oppenheimer, Anglo American's founder, joined the company's board in 1926. For the industry, it signals the biggest shake-up since 2000, when De Beers abandoned its policy of trying to control diamond prices by managing supply.

Anglo could hardly have chosen a worse time to sell its diamond operation. De Beers's revenue fell by a third last year and Anglo marked down the value of its investment by $1.6bn, to $7.6bn. Sales at its April "sight"—an event where De Beers offloads its rough diamonds—were $445m, down 18% year on year. The company blames weak consumer demand in America and China. More worrying still is the threat from man-made diamonds. Lab-grown stones, made using a hot, gassy process called "chemical vapour deposition", are essentially identical to the ones De Beers pulls from the ground—but cost around a fifth as much.

These brilliant creations are now bulldozing parts of the diamond business. According to Paul Zimnisky, an industry analyst, they will account for a fifth of the value of diamond jewellery sales globally this year. Consumers who many in the industry expected to remain loyal to the mystique of a billion-year-old diamond are increasingly turning to the lab-grown variety. Edahn Golan, another analyst, says that in America nearly half of the diamond engagement rings sold this year contain a lab-grown stone. Pandora, a big Danish jeweller, saw sales of lab-grown sparklers soar by 87%, year on year, during the first quarter.

How scared should potential buyers of De Beers be? It is tempting to see the firm as a relic, soon to be crushed in an avalanche of innovative man-made rocks. Lightbox, the lab-grown operation it launched in 2018, has done little to dull the threat. Pessimists, however, risk applying an excess of rationality to the irrational business of selling engagement rings to loved-up blokes. To save itself De Beers must convince them to distinguish between two indistinguishable diamonds. That may prove even harder than persuading them to hand over thousands of dollars for a stone in the first place. But it is not impossible.

A growing wedge in price between natural and lab-grown stones will do some of the work. That gap will probably widen further as Chinese and Indian newcomers compete to produce a potentially unlimited supply of lab-grown diamonds. The cheaper these man-made rocks become relative to the original, the less attractive they could prove to buyers who regard the price of a ring as a gauge of their affection, or see the jewels as heirlooms to be passed from generation to generation.

De Beers must also rediscover its flair for marketing. During the 20th century the firm spent lavishly on ads that extolled diamonds—and not just those sold by De Beers (though that used to be most of them). Faced with protests against blood diamonds, it deftly promoted itself as a supplier of the conflict-free variety. Yet its marketing muscle has atrophied. The Natural Diamond Council, a coalition of firms formed in 2015 to pool hawking resources, has lost the help of Alrosa, a big Russian miner under sanctions.

"A diamond from the mine is for ever" would be a less catchy slogan than the 1947 original. Some of De Beers's actual attempts have been even worse. When launching Lightbox, it promised something that "may not be for ever, but is perfect for right now". Such a brutally unromantic sentiment may succeed in turning would-be grooms off a lab-grown stone. But the company must still convince them to pay up for the original. The dripped-out rapper conjured by the company's boast that diamonds are "Nature's mic drop" does little to sell the permanence of their bling.

Get De Beers in, lad

Whoever buys the firm, then, must be capable of marketing miracles, as well as running a mine. Such hard-hatted admen are rare, if they exist at all. If BHP ends up buying Anglo, it would do so primarily for its copper business, and might well divest De Beers (it shed its own diamond operation a decade ago). Few other miners are likely to be interested as they, too, focus on the green-metals boom. Some also speculate that the government of Botswana, which, in addition to its stake in the company, owns some mines jointly with De Beers, might decide to play a bigger role, though a buyout by the government looks unlikely.

That leaves two other sorts of buyers, if De Beers is to avoid going it alone on the public markets. Among financial investors, sovereign wealth funds from the Middle East are the favourites. Their coffers are deep and Dubai is fast emerging as a hub for the diamond trade owing to its proximity to India and lax regulations. Another option would be for De Beers to become integrated into a luxury giant. The chairman of Richemont, owner of Cartier, has already ruled out making an offer. LVMH could conceivably combine De Beers with Tiffany, the jewellery business it bought in 2021. There, at least, is an outfit familiar with glittery goods—and the gaudy prices that come with them. ■

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Can Alibaba get the magic back? (May 9th)
Does Perplexity's "answer engine" threaten Google? (May 2nd)

Also: If you want to write directly to Schumpeter, email him at schumpeter@economist.com. And here is an explanation of how the Schumpeter column got its name.

Finance & economics

Finance & economics | The pro-natalist turn

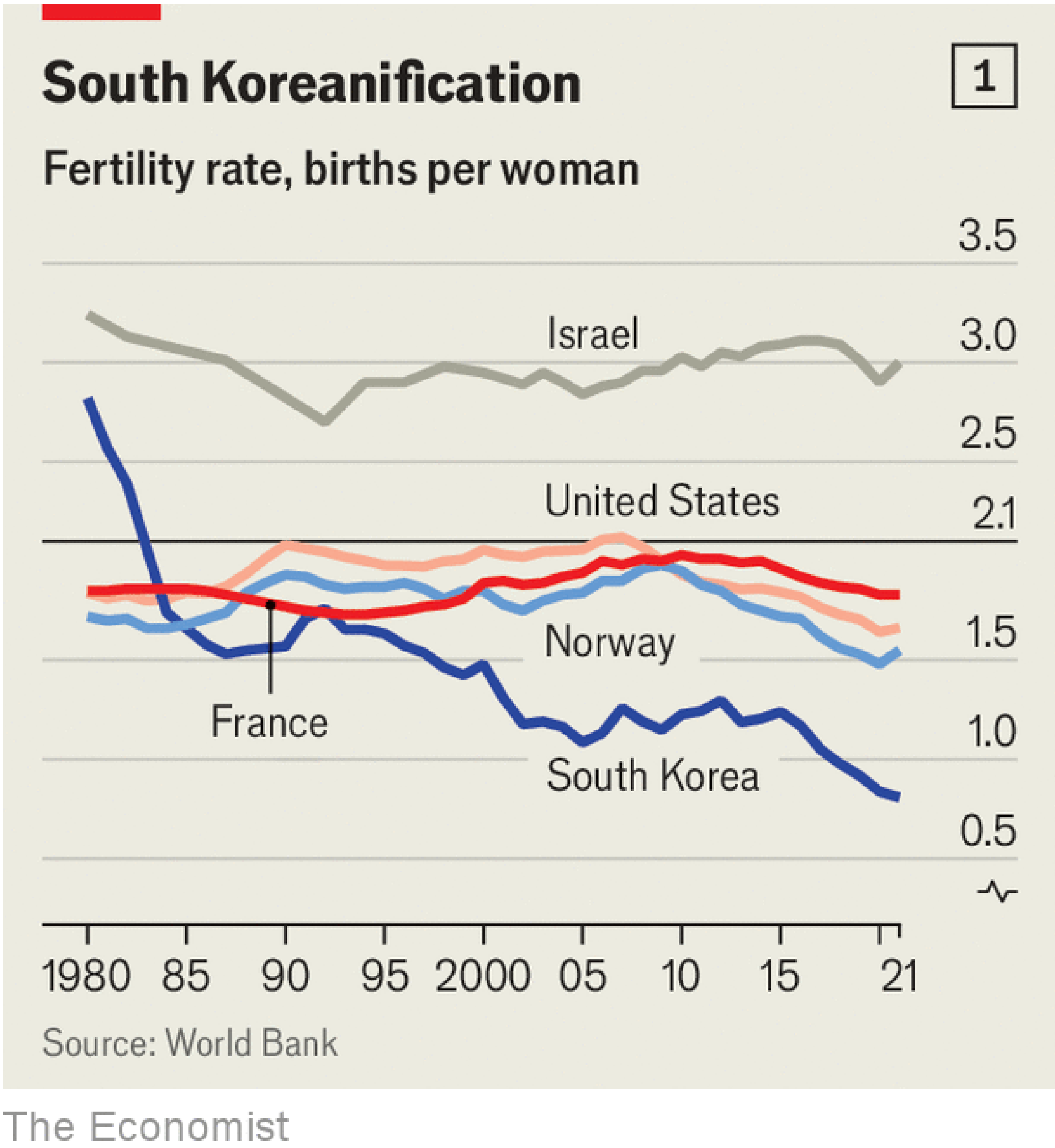
Can the rich world escape its baby crisis?

Governments are splurging on handouts to avert catastrophe

May 21st 2024

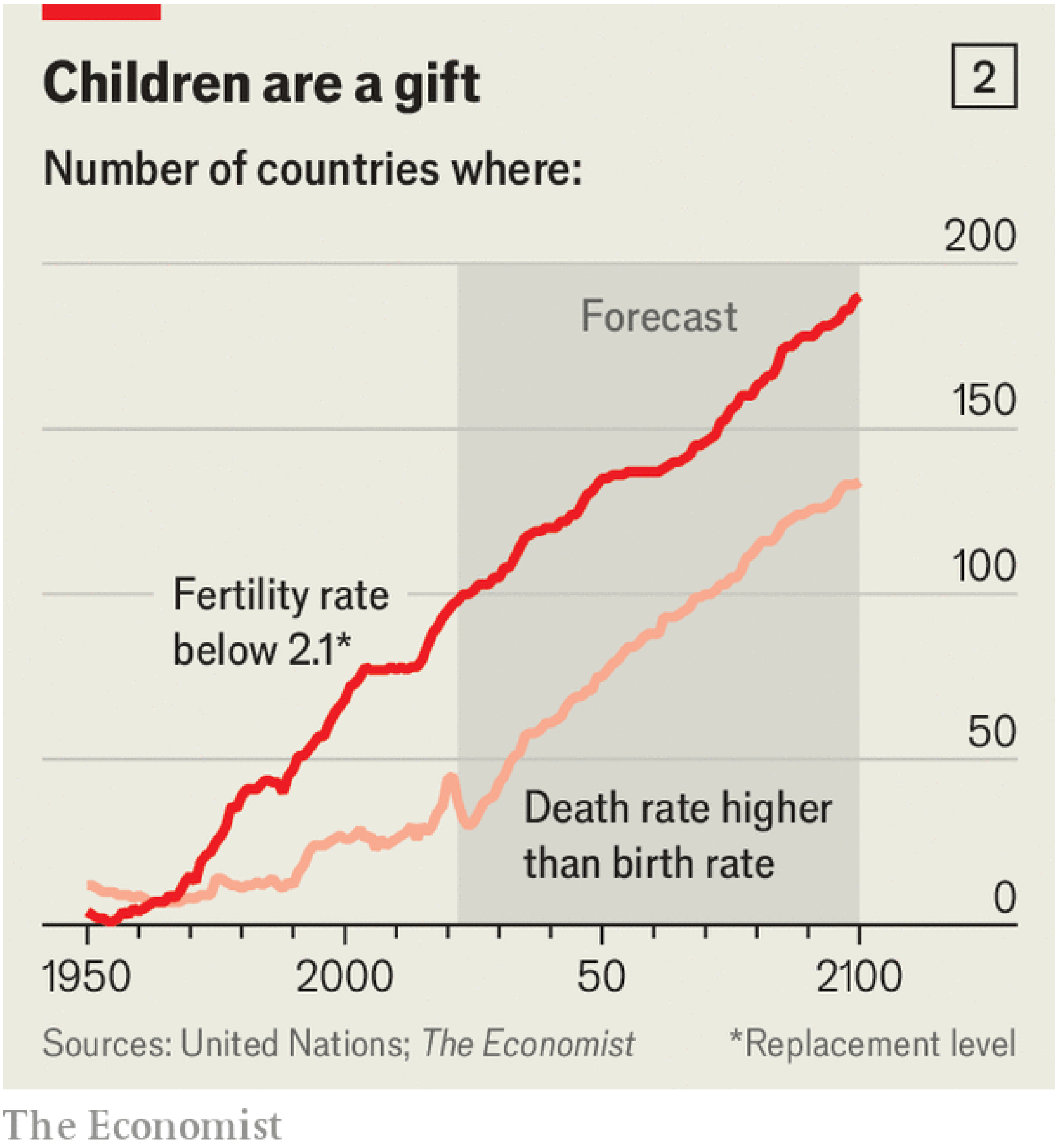
Three decades ago, when women now entering their 40s became fertile, East Asian governments had reason to celebrate. If a South Korean woman behaved the same way as her older compatriots, she would emerge from her childbearing years with 1.7 offspring on average, down from 4.5 in 1970. Across the region, policymakers had brought down teenage pregnancies dramatically. The drop in birth rates, which occurred over the span of a single generation, was a stunning success. That was until it carried on. And on.

A South Korean woman who is now becoming fertile will have on average just 0.7 children during her childbearing years if she follows the example of her older peers. Since 2006 the country's government has spent around $270bn, or just over 1% of GDP a year, on baby-making incentives, such as tax breaks for parents, maternity care and even state-sponsored dating. When birth rates first began to fall, few could have imagined how much harder it would be to get women to have more children, rather than fewer. Officials would love just some of the "missing" births back.



What began in East Asia is increasingly true elsewhere, too. The world faces a shortage of babies. Among rich countries, only Israel is having enough children to stop its population from shrinking, and in most places birth rates are falling (see charts 1 and 2). As a consequence, the great and the good are growing worried. “A nation’s strength”, warns Emmanuel Macron, France’s president, “lies in its ability to generate a dynamic birth rate.” Elon Musk, owner of Tesla and X, predicts the end of civilisation.

Almost every rich country is thus considering increasing its pro-natal efforts, as are many middle-income ones. In January Mr Macron launched a campaign to “demographically rearm” France (his weapons of choice: fertility tests and maternity leave). Donald Trump promises “baby bonuses for a new baby boom” if he wins re-election in November. China, long known for its one-child policy, now offers incentives ranging from child care to tax breaks in order to encourage parents to have three children. Will such policies be enough to avert demographic catastrophe?



Existing measures tend to benefit professional mothers. Across Europe most cash incentives are earnings-related—in the form of maternity payments and income-tax breaks—rather than means-tested, which would direct them to less affluent types. In Singapore parents receive lump-sum payments, but only for house deposits, which are beyond poor families. Norway offers mothers nearly a year off work, with pre-pregnancy incomes provided by the state, as well as lots of child care.

Even before Mr Macron's rearmament, France spent heavily on family policies (see chart 3). Since the turn of the millennium it has disbursed 3.5-4% of GDP a year on a mixture of handouts, services and tax breaks, meaning it has the highest pro-natalist spend in the OECD club of mostly rich countries. But in 2022 fewer children were born in the country than at any point since the second world war. Similarly, South Korea has little to show for its pro-natal expenditure: no study has been published in a reputable journal showing a single extra birth resulting from the billions of dollars spent.

Researchers did once find a small but enduring rise in the birth rate as a result of policies in Nordic countries, which combine maternity leave with generous child care. In the 1980s officials expected that the impact of these egalitarian schemes would grow with time, as social attitudes adjusted to make life easier for working mothers. But women in Denmark, Norway and Sweden who started having children in 1980 turned out to have fewer than those who started a decade earlier. In fact, it is expectations among potential mothers that seem to have adjusted: as women became used to generous benefits, the extra support appears to have become insufficient to prompt extra births.

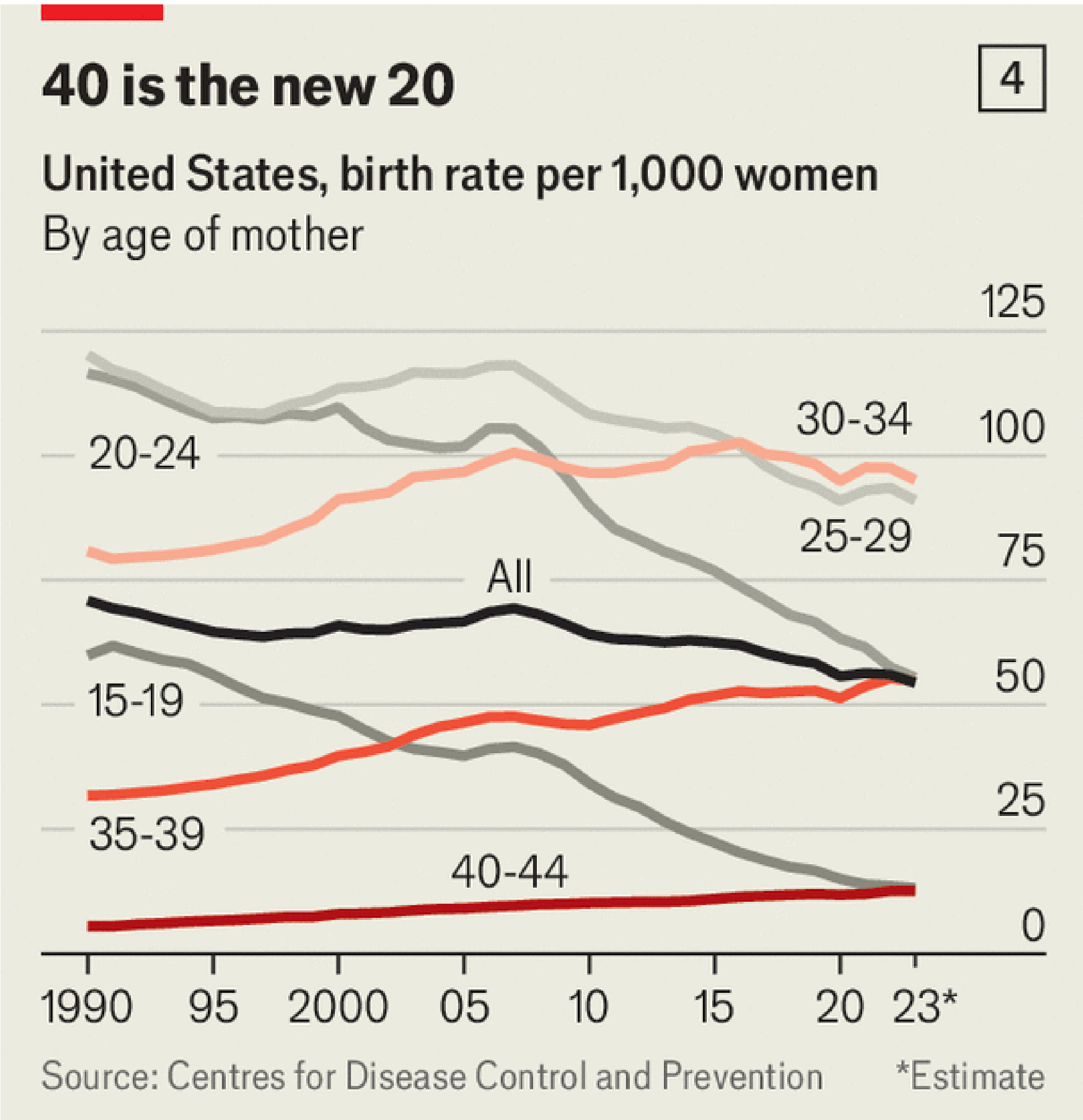
Some schemes that try to re-engineer society also backfire. In the OECD extending maternity leave prompts women to delay having their first child, and to have fewer over their lifetime, possibly because the increased time off means more workplace stigma. Heterosexual couples in which a man takes paternity leave are less likely to have another child, perhaps because some men find themselves less suited to hands-on parenting than they imagined.

Governments that simply put cash in the pockets of new parents, and allow them to decide on their own priorities, may have more luck. Guy Laroque of University College London and co-authors find that French income-tax breaks are likely to raise the number of children a woman has. Monthly payments in Israel will probably have similar effects, according to Alma Cohen of Tel Aviv University and colleagues. But not only do such policies have a relatively small impact, they are also fabulously expensive, as lots of cash goes to parents who would have had children regardless of the financial incentives available. Each child that resulted from Family 500+, in the years from the Polish financial-bonus scheme's introduction in 2016 to 2019, cost $1m. In France each extra child over the past decade has cost twice that.

The thinking behind such policies dates back to the entrance of women into the workforce en masse, which happened at around the same time as birth rates started their long decline. Gary Becker, a Nobel-prizewinning economist, suggested in the 1960s that the best way to consider children is as goods that parents purchase according to how many they can afford, both in terms of time and money. Easing the burden of a career and expanding household budgets should therefore boost childbearing, he concluded.

Breeding like pandas

Yet the reality of the fall in fertility rates is more complex. For the most part, it does not reflect changing habits among professionals, as Becker's theories would suggest. Instead, birth rates have collapsed because young women are not having as many children. In 1960 American women had on average 3.6 children. In 2023 they had 1.6. Remarkably, women aged 30 and above are having more children. It is only younger women who are having fewer (see chart 4).



The Economist

Moreover, the decline among younger women is itself concentrated among teenagers. More than half the drop in America's total fertility rate is explained by women under the age of 19 now having next to no children. Around a third of the missing births would have been unplanned, and the majority of them would have been to women on low incomes. As Kathryn Edin, a sociologist at Princeton University who has been interviewing poor women in America since the 1990s, notes: "When I first started, these women I met were having their first kids at 16, 17. Now there is something wrong if you have got a child under 25." Similarly, in Britain women born in 2000 had half as many children before they were 20 as those born in 1990. Unlike their rich counterparts, these women will probably not compensate by having more children later in life.

Meanwhile, there is little evidence that middle-class women wish they had many more children, which would at least suggest they might be open to official persuasion. Today, at the age of 24, college-educated American women want on average 2.2 children—roughly as many as previous generations. They will now have these children a little later than before, with the first arriving at the age of 30, compared with 28 in 2000. Although trends suggest that they will fall short of their ideal family size, the gap may be the same as for women in previous generations, who missed the target by an average of 0.25 children.

Attempting to encourage middle-class women to have more children is therefore unlikely to be successful. Economists think that such women more confidently plan and predict their future than their less well-off peers. Their plans tend to involve children only after a predictable path of college, work and marriage, meaning they are less likely to react to changes in financial circumstances. Most existing pro-natal policies are trying to do something much more difficult than merely restoring previous fertility patterns. They are trying to persuade women to have more children than they actually want, and are doing so with sums that are small compared with their lifetime earnings.

Younger and working-class women probably offer policymakers the best chance of higher birth rates. Indeed, some programmes are now beginning to explicitly target them. Zhejiang, a province on China's eastern border, is offering newly married couples a lump sum, but only if the bride is below the age of 25. In Russia women who have a child before they turn 25 will soon be exempt from income tax. Hungary offers a similar benefit to mothers who have their first child before 30—one of only two policies in Viktor Orban's pro-natal push that economists at the Central European University think has created additional births. Although small families are becoming more common almost everywhere, women who start young still tend to have more children over their lifetime, which is why Messrs Orban, Putin and Xi are focusing on them.

Other evidence shows that working-class women's fertility is more responsive to financial circumstances than that of their richer peers. In America and Europe birth rates among poor women fell sharply after the global financial crisis of 2007-09, for instance. College-educated women were more likely to stick to their plans and have children anyway. That is, in part, because professionals delay having children until they have the resources required to outsource child-rearing to nannies and nurseries, making them less reliant on state provision, which was cut back as governments reduced public spending.

Even existing rich-world pro-natal policies have outsize effects on low-income women. State-run child-care services often represent a standard of child care that mothers would not otherwise be able to obtain. Data from Israel's Bureau of Statistics suggest that from 1999 to 2005 the country's child subsidy resulted in a greater fertility boost for low-income women than their richer peers. In Norway and Finland the modest boost that pro-natalist cash gave to birth rates was driven by women with the lowest incomes. By contrast, when French middle-class families' child tax credits were cut in half in 2014, there was no change in their birth rate.

Cash transfers are simply a bigger deal to poor households. In January Rx Kids, a nonprofit run by a group of doctors, started one of America's first unconditional cash-transfer programmes in Flint, Michigan, a hard-up city. Under the terms of the programme, every local mother is entitled to $7,500, which is handed out in instalments from when she first falls pregnant to her child's first birthday. For the average enrollee, who makes less than $10,000 a year, this represents a hefty 75% increase in her income. The programme's most important aim is to alleviate child poverty, says Mona Hanna-Attisha, who runs the charity, but local officials hope it will boost the city's birth rate, too.

At a get-together for participants, young mothers laugh when asked if $7,500 would be enough of an incentive to encourage them to have another child; after all, low-income American households typically spend $20,000 in a baby's first year of life. But such money may well have an impact at the margin. As one mother puts it, extra cash "might make me keep one I wasn't sure I was going to have". In America poor women are much more likely than middle-class women to cite financial hardship as a reason for an abortion.

Birth rates in America, Europe and East Asia have fallen far enough that not even appealing to women whose fertility reacts most strongly to incentives is going to stop populations from shrinking. But by 2050 more than three-quarters of the world's women will be reproducing below replacement rate, according to forecasts published by the *Lancet*, a medical journal. Even if governments are unable to turbocharge birth rates overnight, they will not stand idle. Pro-natal policies are only going to gather momentum.

Missing storks

Will governments other than the likes of Hungary's and Russia's start to target incentives at younger, poorer women? Childbearing produces positive externalities for society. As the sclerotic economies of East Asia are discovering, shrinking populations mean less innovation, manpower and tax revenue. Parents are expected to shoulder most of the cost of children, which is a particular burden for poorer ones. And political calculation may come into play. Few governments lose votes because their handouts are too generous.

Yet some considerations should give politicians pause. The extra children produced by targeted policies will probably not turn into the productivity-boosting professionals that governments most desire. Only 8% of the children of American-born non-college-educated parents are themselves expected to obtain a bachelor's degree, and during his or her adult life the average high-school graduate boosts the public finances by less than a tenth of the net contribution of a college graduate. Therefore the financial benefits of pro-natal policies aimed at working-class women would probably be overwhelmed by their costs, given the expense associated with even well-targeted programmes. The best hope for such policies would lie in boosting the life outcomes of extra children. Early evidence from trials such as the one in Flint and covid-19 assistance programmes suggests that cash transfers lift children's performance in early schooling and improve access to health care.

Another consideration for politicians is the morality of such interventions. Policymakers sought to break the norm of young motherhood for a reason. Each year a woman goes without childbearing, her expected lifetime earnings increase. A first-time American mother in her mid-30s will earn more than twice what she would have earned had she had her first child aged 22. Women who give birth aged 15 to 19 are more likely to develop health problems; their first child is more likely to drop out of high school and to grow up without having both parents at home. In Flint many mothers express regret that they did not manage to "get things sorted" before they started to have children. "Hang on," says one outside a community centre. "The idea is that I get paid just enough to make me have another kid? But that's all that changes? Where doing it [raising a kid] right, later on, it's all me? That doesn't seem right." The 26-year-old mother of three leans back, and laughs. ■

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Finance & economics | Trade wars

Brazil, India and Mexico are taking on China's exports

To avoid an economic shock, they are pursuing a strange mix of free trade and protectionism

May 23rd 2024

At last, it seemed time for a manufacturing take-off. Having struggled to compete with China's industrial might, other emerging markets stood ready to benefit as their rival's labour costs surged and rising tensions between it and the West pushed firms to look for new factory locations. Last year foreign direct investment into China fell to a 30-year low.

But China has started to fight back. To reverse an economic slowdown and cement its control over global supply chains, its leaders have launched an investment spree in high-tech goods, such as batteries, electric vehicles and other green devices. Weak domestic demand for traditional products, such as cars, chemicals and steel, mean they are also flooding global markets. The average price of Chinese manufactured exports fell by nearly 10% from 2022 to 2023. China's export volumes have surged to near-record levels.

The Economist

On a recent visit to Beijing, Janet Yellen, America's treasury secretary, said that the West would not accept a flood of cheap goods. A few weeks later, on May 14th, the Biden administration unleashed a wave of tariffs covering everything from solar cells to syringes. Electric vehicles were hit with a 100% levy. China has other options for its exports, however—namely emerging markets that value friendly relations with it.

As a result, emerging-market policymakers are worried. "The biggest threat of Chinese overcapacity is to developing countries," says Jorge Guajardo, Mexico's former ambassador to China. In his country, which is proud of its car industry, the market share of Chinese-made vehicles has grown from next to nothing in 2016 to a fifth. Emerging economies are thus introducing import restrictions on Chinese goods, while accelerating a push for free trade elsewhere. Their success depends on the sustainability of China's approach, as well as the deftness of their own.

Start with the free-trade side of things. Countries with manufacturing ambitions are desperate for access to big markets, where leaders are themselves keen to reduce reliance on China. In February Chile signed a trade deal with the EU. Mercosur, a customs union including Argentina, Brazil, Paraguay and Uruguay, has penned an agreement with Singapore and is eyeing pacts with Japan and South Korea. Having failed to complete a deal in the seven years to 2021, India has since signed four.

This emerging-market attempt to lower trade barriers with the West is happening at the same time as they are being raised with China. Officials see this as necessary to protect domestic manufacturers until China's subsidy wave subsides. "In the [late 2000s], Mexican companies would ask for protections and the government would tell them…'well, you have to learn to compete'," says Mr Guajardo. "That is no longer the case." Mexico raised tariffs on 544 products in April. It has slapped an 80% levy on certain steel imports.

Yet some Chinese goods are so cheap they have the lowest prices even with sky-high tariffs. Moreover, some products sneak past levies because they are packaged in third countries. That is why non-tariff barriers and import bans are also proliferating. India has launched anti-dumping probes into a variety of products, including unframed glass mirrors and fasteners, which it says will protect its small and medium-sized businesses. It has also filed the most anti-dumping cases of any country in the world. China is retaliating. Sumant Sinha, boss of ReNew, an Indian green-tech firm, says it is even quietly blocking India's access to solar equipment.

Unfortunately for emerging markets, China is now at the technological frontier of manufacturing, providing another reason to avoid antagonising its leaders. In March Cap SA, Chile's largest steel producer, decided to wind down its mills, blaming Chinese import competition. On April 24th the Chilean government imposed temporary anti-dumping tariffs of 25-34%, prompting Cap to suspend its decision. But Cap says the tariffs would need to stay in place for longer to keep its factories open, something to which the government is reluctant to commit. Even in India, where relations with China are frosty, plenty of officials recognise that Chinese investment is crucial for manufacturing.

A better alternative to flat-out protectionism may be to copy China's strategy of coaxing firms to invest locally. Thailand has been aggressively courting Chinese battery firms through an incentive scheme, and two big cell manufacturers are expected to begin production this year. BYD, a Chinese electric-vehicle maker, is building factories in Brazil and Hungary. Foreign direct investment into China may have plummeted, but Chinese investment into other countries is at an eight-year high.

Can this cocktail of strategies work? One factor is how long China's export surge lasts. "It cannot be sustained," reckons the boss of a big manufacturer with plants in China and India. He adds that the production costs for his Indian plants have recently become competitive with his Chinese ones, meaning a slow shift in production is inevitable. Others are more concerned. "I don't know if China can do this for ever. But they've been doing this for the last 25 years," says Maximo Vedoya, boss of Ternium, Mexico's largest steel producer.

Even if China were to reorient its economy, emerging markets would be wise not to place too much hope in manufacturing growth. Western countries may welcome more of their exports, but only up to a point. The West is in the midst of its own subsidy spree to revive domestic manufacturing. And American tariffs on Chinese goods are limited to just a few categories that count for $18bn in current imports; in other areas, Chinese competition will remain robust. The manufacturing take-off may have to wait a while longer. ■

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Finance & economics | An aid to digestion

How the Chinese state aims to calm the property market

Officials appear willing to spend public money on private capitalists

May 23rd 2024

Three decades ago much of the housing in China's cities belonged to state-owned enterprises, which provided homes to workers at low rents. A lot has changed since then. China is now blessed, if that is the right word, with a sprawling commercial property market, which has produced vast numbers of flats and equal amounts of drama. Since the height of the last boom in 2020, sales have dropped by more than half. To try to put a floor under the market, China's government has turned to a new, old solution. It wants state-owned enterprises to step in to buy unsold property and turn it into affordable housing.

The policy was announced on May 17th after an unusual video conference by He Lifeng, China's economic tsar. The country's central bank will offer cheap loans worth up to 300bn yuan ($42bn) to 21 banks, which will in turn lend to eligible enterprises owned by city governments. These firms will use the money to buy finished but unsold flats from property developers, including private-sector ones. The flats can then be either sold or rented at below-market rates to low-income buyers.

Excitement followed the announcement. Some observers took it as a sign that ministers have overcome their reluctance to bail out irresponsible developers. They hope the state will function as a buyer of last resort to stabilise the property market, even if that entails public money flowing to private capitalists.

Moreover, the policy was only one jab in a “combination punch”, as Eva Yi of Huatai Securities, a brokerage, has put it. The other wallops include measures to stimulate private demand, such as permitting lower mortgage interest rates and downpayments. There was a new push for local governments to buy back idle land from developers, with the proceeds of special bonds that were previously reserved for other purposes. Officials also exhorted banks to hasten lending to a “whitelist” of viable but unfinished real-estate projects. China must “fight the tough battle” to deal with unfinished housing projects and “promote key tasks, such as...digesting the existing commercial housing,” said Mr He, in a combination punch of metaphors.

This flurry of announcements suggests that China’s central government is at least tackling the property crisis with greater urgency and a wider range of tools. But the central-bank facility itself will make only a modest contribution to solving China’s property crisis. For one thing, it is too small. Flats available for sale at the end of April were worth about 3.9trn yuan, according to Huatai. Such properties are, in any case, a smaller problem than the stock of unfinished, pre-sold properties or the overhang of finished, sold but unoccupied flats that already exist on the market. Robert Ciemniak of Real Estate Foresight, a research firm, estimates that in recent months, sales of existing homes in the secondary market have exceeded sales of new homes for the first time, at least in the nine cities for which reliable data exist.

The policy also has many moving parts. Before the state can start buying properties, city governments must buy in to the central bank’s scheme. In theory, the facility allows them to prop up local developers and expand affordable housing in one fell swoop. But in beleaguered cities where unsold inventories are high, the demand for affordable housing will probably be weak. Other central-bank schemes, including a similar tool for the purchase of rental housing, have attracted little interest.

A struggling property market ought to expand the supply of affordable housing automatically, through the magic of lower prices. In China, however, developers in most of the country are not allowed to reduce prices too sharply. Local governments worry about the prospect of protests from existing homeowners, who paid much more for the same flats. With luck, the central bank's scheme will succeed in segmenting the market, allowing property developers to offer realistically low prices to designated state-owned enterprises, without causing too much uproar. Prices may be truly flexible only when the state is paying them. Three decades into the commercialisation of real estate, Chinese property still defies market forces. ■

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Finance & economics | Soft launch

At long last, Europe's economy is starting to grow

Now for the hard part

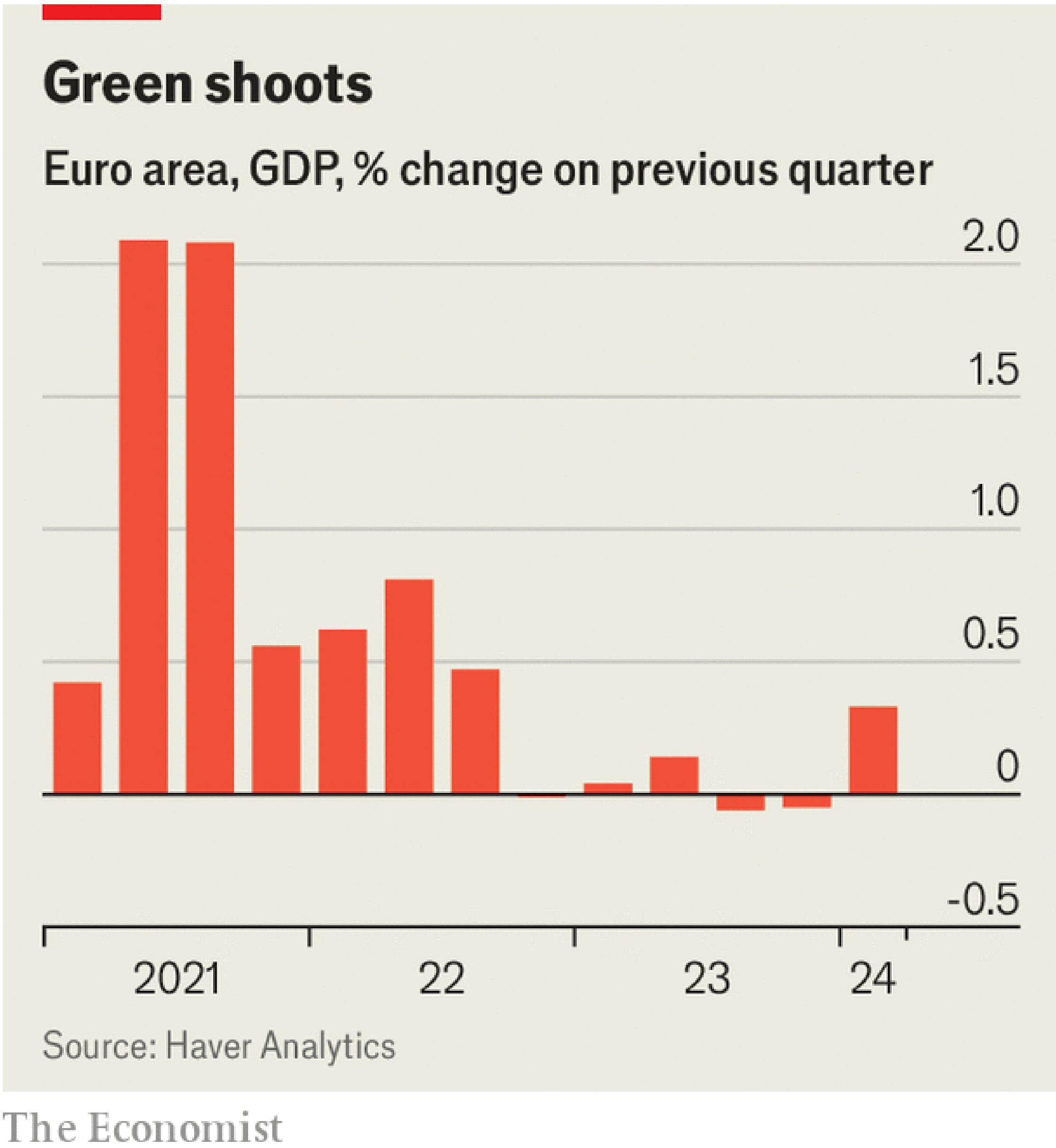
May 20th 2024


Eyevine/Xinhua

There is only one problem with chatter about Europe's "soft landing": its economy never truly flew. Whereas America's growth has consistently amazed, Europe's has been miserable. Exclude Ireland, where statistics are distorted by multinational firms minimising tax, and the EU's GDP has risen by about 3% since 2019, compared with a 9% increase in America.

Yet Europe's outlook is undoubtedly improving. Data published on May 15th show that the euro zone grew by 0.3% in the first quarter of this year against the previous quarter. This was the first significant growth in six consecutive quarters and enough for the currency bloc to emerge from a recession. The same day the European Commission upgraded its forecasts for EU growth. "We believe we have turned a corner," cheered a commissioner.

Inflation has been brought to heel, too. Figures published on May 17th show that the annual rate of price growth in the euro zone remained steady at 2.4% in April, only a smidgen above the European Central Bank's (ECB) 2% target. Core inflation, which excludes volatile food and energy prices, fell from 2.9% to 2.7%, meaning that disinflation is being driven by more than just the collapse of gas prices, which have fallen to around a quarter of the level they reached in 2022. Encouragingly, this has been achieved without extra joblessness. The EU's unemployment rate was 6.1% in the first quarter of this year, just above its lowest since the turn of the millennium.



Europe's south—traditionally its laggard—has grown faster than the north, with Italy outpacing both France and Germany. In part, this is because of the EU's recovery fund, which was launched during the covid-19 pandemic but is still pumping out funds. Southern Europe also "does better when inflation is a bit higher", notes Claus Vistesen of Pantheon Macroeconomics, a consultancy, since rising prices make debts more bearable. Meanwhile, northern Europe suffered more from higher gas prices after Russia invaded Ukraine.

With inflation less of a problem, monetary policy can now support Europe's recovery. A handful of the continent's central banks have already cut interest rates. Hungary, which started raising them earlier than most countries, has now lowered them eight times. In the Czech Republic rates have fallen to 5.25% from 7% in December. Sweden's Riksbank, a bellwether for the ECB, cut for the first time on May 8th. Markets expect the ECB to lower its policy rate three times this year, starting on June 5th. By contrast, they expect America's Federal Reserve to cut just once.

Companies are taking advantage of this transatlantic divergence. Sales of "reverse Yankee" bonds, as euro-denominated debt sold by American issuers is known, have rocketed. According to Bank of America, if the trend of the first four months of 2024 continues for the rest of year, sales of such debt could eclipse the $88bn seen in 2019, when negative interest rates in Europe contrasted sharply with a post-financial-crisis peak of 2.5% in America. Many of those bonds—issued with five-year lifespans—now also need to be refinanced. The debt is mostly used to fund American firms' European operations.

A real economic take-off would require higher productivity and genuine investment. Much of the recovery has so far come from domestic demand: Europeans are in employment and lower energy prices have increased their spending power. At the same time, however, productivity, as measured by GDP per worker, has fallen since 2022. Unless workers become more efficient, Europe will in all likelihood fall still further behind America. Indeed, the IMF forecasts that European GDP per person will drop from 68% of America's in 2019 to 66% by 2029. The continent has emerged from the gloom of the past few years. Now for the hard part. ■

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Finance & economics | Buttonwood

Boaz v BlackRock: Whoever wins, closed-end funds lose

Farewell to a financial mystery

May 23rd 2024

As one of the leaders of the passive-investing revolution, BlackRock is usually a disruptive force in the financial world. But the asset-management giant's battle with Saba Capital, an activist fund, has cast it in an unfamiliar role: as besieged incumbent. Ten of BlackRock's investment vehicles, known as closed-end funds, are in Saba's sights.

The funds—worth nearly $10bn based on current share prices—run at a steep discount to the value of the assets in their portfolios. Like publicly listed firms, closed-end funds sell shares in an initial public offering and trade on secondary markets. Since they do not offer new shares to incoming investors, as mutual and exchange-traded funds do, their share prices are able to drift far from the value of their assets. Boaz Weinstein, Saba's founder, wants BlackRock's funds to offer to buy back shares from investors, pointing to a history of poor returns. He argues that if investors could exit at the full value of their assets, some $1.4bn in value would be unlocked. Saba is also promoting a slate of nominees to the funds' boards at shareholder meetings scheduled across the second half of June. These representatives will, it says, negotiate for lower fees.

In this sense, the battle is typical of those between activists and their targets. But in another sense, it represents a bigger struggle. The markdown that has activist investors licking their lips has long preoccupied some of finance's best-known researchers. Closed-end funds, known as investment trusts in Britain, tend to trade at a large discount to their net asset value (NAV) over long periods. At the end of last year closed-end equity funds were 10% cheaper than their underlying assets. On average they have been 7% cheaper since 1995.

Persistent discounts violate one of the fundamental assumptions of efficient financial markets: the law of one price. This holds that two identical assets should converge in price, and that long-term differences must reflect intervention or friction. Behavioural economists, such as Richard Thaler, a Nobel prizewinner, hold that the long-standing nature of closed-end-fund discounts is an argument against the rationality of markets. As far back as 1949, Benjamin Graham, an author and investor, called the discount "an expensive monument erected to the inertia and stupidity of stockholders".

BlackRock has pushed back against the activists, arguing that the interests of the funds' shareholders risk being trampled by people looking for a quick buck, who will harm the funds' investment strategies. But whoever wins the battle, closed-end funds seem likely to lose eventually. They have found themselves under increasing pressure in recent years. Other specialist activists, including Bulldog Investors and Karpus Investment Management, have deployed Saba-like strategies against a range of closed-end funds. This year Elliott Investment Management, a larger activist fund, successfully pursued a British investment trust.

Advocates for closed-end funds, including the funds themselves and industry bodies, say that this relentless activism is deterring new fund launches. Indeed, no new ones were established last year, and their overall number has declined every year over the past decade. But there are other important factors at play. In recent years, for instance, higher interest rates have lowered returns on closed-end funds, which often take on leverage to magnify returns.

More straightforwardly, critics are also winning the argument about the value offered by such investment vehicles. In the early 1950s, just after

Graham penned his attack, closed-end funds held assets worth almost 70% of those in mutual funds. As late as the mid-1970s, the ratio was 25%. Now closed-end funds are outgunned not just by mutual funds but by exchange-traded ones, too. Among the three categories, they hold just 1% of total assets. Even before adjusting for inflation, their assets have not increased in value in 19 years.

For academics interested in solving the puzzle of closed-end funds, their dwindling size is a slightly unsatisfying conclusion. Although it has taken longer than half a century, the steady decline in the assets held in such funds indicates that the market has become a little more rational than suggested by Graham's peppery analysis in the 1940s. With no sign that the discounts are fading, investors have instead voted with their feet. Whether Saba or BlackRock ultimately triumphs, closed-end funds and the puzzle concerning them have become a marginal part of finance.■

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Finance & economics | Free exchange

Shrinking populations mean a poorer, more fractious world

Politicians must act now to avert the worst

May 23rd 2024


Álvaro Bernis

If current forecasts are accurate, 2064 will be the first year in centuries when fewer babies are born than people die. Birth rates in India will fall to below the level seen in America last year. Even with immigration and successful pro-natal policies, America's population will only have a little bit of growth left. By 2100 there will be many fewer migrants left to attract. The world's fertility rate will hit 1.7. Just two Pacific islands and four African countries will manage to reproduce above replacement level.

Sooner or later, therefore, every big economy will collide with a demographic wall. The bill from pensions and hospitals will pile on fiscal pressure. Sapped of workers and ideas, economic growth could collapse while public debt balloons. Just how catastrophic the situation becomes depends on whether policymakers maintain budgetary discipline, withstand pressure from angry older voters and, crucially, are willing to inflict pain on populations now in order to save future generations from more later on.

America and Europe at least have longer to prepare than East Asia, which is already starting to feel the strain. South Korea has been ageing for a while, but only in the past four years has its population started to decline. It will now continue to fall for decades, as larger generations die off. By 2036 twice as many Koreans will be over the age of 65 as under 18. China will reach a similar point by 2040. America will take until 2100 to catch up.

Still, rich countries will need to spend 21% of GDP a year on old folk by 2050, up from 16% in 2015, according to the IMF. A quarter of that will go on pensions. The rest will be required for health- and social-care provision. It is possible that artificial intelligence and pharmaceutical advances will cut the budget. But recent history suggests that such advances are more likely to raise it.

The exact size of the demographic hit does not just depend on how quickly populations age, but also on what they expect from the state. In this regard, South Korea has a somewhat bleak advantage. The IMF reckons that its debt-to-GDP ratio, a modest 55%, is unsustainable in the long run and the government is still struggling to get its deficit below a 3% target. Yet few of its elderly were promised state pensions. Instead, nearly 40% of them are in poverty, the highest rate in the OECD club of mostly rich countries.

China is more likely to buckle under the pressure. By 2050 the country's leaders will have 100m pensioners on their hands—all of whom have been promised a basic state pension. Already, one-third of local pension providers are running deficits. Economists reckon that the central government's state-pension fund will run dry by 2035, unless officials take action. Europe's generous pensions, and America's growing social provision, mean that the West risks a similar fate, albeit at a slightly later date.

The size of the hit will also depend on how economies adapt to a decrepit world. Take government borrowing. Its sustainability reflects the gap between interest rates that prevail when inflation is stable—the so-called neutral rate—and economic growth, which boosts tax receipts. Ageing populations bring gloomy prospects for growth. Research shows that older workers tend to be less mentally agile, and therefore less productive. Shrinking populations could be even worse for growth, which economists believe requires the constant generation of new ideas. Charles Jones of Stanford University has modelled what happens in a world where there are ever fewer people to dream up innovations. The total stock of ideas, he finds, will grow more and more slowly. Economic growth will come to halt; living standards will stall.

What is less clear is whether interest rates will be low enough to keep a lid on debt-to-GDP ratios. Perhaps the neutral rate, which incentivises an equal amount of savings as investment in an economy, will track economic growth, as many expect. A proliferation of old folk means more people saving for retirement. And a paucity of investments from young entrepreneurs means that these savers will have little choice but to accept lower rates. Yet Charles Goodhart of the London School of Economics and Manoj Pradhan of Talking Head Macroeconomics, a research firm, disagree that this is the most likely outcome. They think a spending spree by grey consumers, fuelled by government handouts to the old, could drive up the neutral rate of interest. Because governments would then struggle to repay even their existing debts, they will resort to inflating them away.

Over the hill

There are steps Western governments could take to soften the blow. Credible monetary policy, which reassures investors that central bankers will quash spending binges prompted by ageing populations, would help. If governments were to rein in deficits in anticipation of future danger, that would make an even bigger difference. Pensions will have to be cut back as public finances adjust to longer lifespans. The IMF reckons that rich-world governments will need to raise the retirement age by five years by the end of the century, even as increases in life expectancy slow.

These reforms would be unpopular now. Who wants to be the politician to inform millions of retired bureaucrats, soldiers and teachers that their pensions are being slashed in order to look after future generations? But in years to come, when the grey vote carries even more sway, they will become just about impossible—making it all the more important for politicians to act sooner rather than later. Although assessing the impact of shrinking populations can sometimes feel like peering into a distant future, the threat is already playing on the mind of leaders such as Emmanuel Macron, France's president. Last year he risked his position by proposing reform of the country's pension system, and faced protests that were widespread even by French standards. Other politicians will have taken note. ■

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Science & technology

Science & technology | Easy breezy

A new age of sail begins

By harnessing wind power, high-tech sails can help cut marine pollution

May 21st 2024

In 1926 an unusual vessel arrived in New York after crossing the Atlantic. This was a converted sailing ship renamed *Baden-Baden*. Its two masts had been torn down and a pair of 15-metre-high revolving cylinders were mounted on its deck instead. Known as Flettner rotors, after Anton Flettner, their German inventor, the rotors worked like sails. Not only were they extremely efficient, allowing the vessel to consume less than half the fuel an oil-powered ship of a similar size would use, they also let the craft tack closer to an oncoming wind than its original canvas rigging allowed. The rotors were hailed as a great achievement at the time (praised by Albert Einstein, among others) before cheap oil caused interest to wane.

More recently, the cost of oil has been rising—and not just financially. Ships, which transport more than 80% of the world's goods, account for some 3% of humanity's greenhouse-gas emissions, a similar fraction to aviation. Ports are, therefore, imposing emission limits on marine craft. The International Maritime Organisation has set targets to reduce emissions to net-zero by "around" 2050. The imprecision arises because at present there is no easy way of getting there.

A return to sail has been heralded before as a way to cut pollution. It has led, in recent years, to renewed interest in Flettner rotors as well as other wind technologies, including rigid sails, giant kites and tall structures called suction sails. Yet the marine industry, like many of its vessels, can take a long time to change course. After a period in which progress was limited to fanciful sketches and small-scale trials, shipowners are now starting to place orders to retrofit existing cargo ships and build wind-assisted vessels. A new age of sail may be in the offing.

Wind is particularly suitable as a form of auxiliary power for larger deep-sea vessels. Battery technology cannot at present power much beyond small craft operating on short routes. And though alternative fuels made via green processes, such as biofuels, hydrogen and ammonia, have the necessary oomph, little infrastructure exists to make and distribute them. Initially, at least, they will be expensive. Hence, even for ships that use alternative fuels, harnessing the wind will help reduce costs and emissions further.

Blast from the past

Flettner rotors remain an attractive solution. As the wind flows around the revolving cylinders, the rotation creates an area of high air pressure on one side and lower pressure on the other. Thanks to a phenomenon known as the Magnus effect (which also helps spinning balls curve), this pressure differential creates a force at right angles to the wind direction. On a horizontal aircraft wing, it generates lift. On a vertical rotor, it helps push a ship forward. The rotors can be turned at different speeds and in different directions allowing them to be "trimmed" to the prevailing wind conditions. All this is done automatically, so no additional crew are needed.

Among the companies supplying modern-day Flettner rotors is Norsepower, a firm based in Finland. Earlier this year it won what it says is the biggest ever wind-propulsion deal, with an order to fit six 35-metre rotors to each of three new cargo ships being built for Louis Dreyfus Armateurs, a French shipping owner. The vessels will be chartered to Airbus, a European aerospace group. Each will carry enough partially constructed aircraft, made up of fuselages, wings and tails, to be assembled into six A320 airliners at Airbus's factories in America.

Norsepower’s Flettner rotors

Norsepower has already fitted eight ships with rotors and has a backlog of orders worth €30m ($32m). The ships in service show a reduction in fuel consumption, and thus a similar drop in emissions, of between 5% and 25%, says Tuomas Riski, the firm’s outgoing CEO. Each rotor costs around €1m, which he says can be repaid in fuel savings over three to ten years.

While roughly similar savings are promised by other auxiliary wind-powered systems, exact comparisons are difficult because much depends on factors including wind conditions and the type of ship, as well as its speed and course. If companies wanted to rethink their logistics, Mr Riski reckons captains could idle their engines most of the time. Rather than sticking to set schedules, voyages could be planned along routes with the most favourable winds, much as they used to be in the age of sail. This might mean non-perishable goods take a bit longer to arrive, but shippers would be rewarded with a much lower carbon footprint.

Getting a second wind

Other old ideas are being revived. In 1985 another unusual craft sailed into New York. This was the *Alcyone*, a research vessel built by Jacques-Yves Cousteau, a French oceanographer and film-maker. It was fitted with a pair of suction sails: tall cylinders fitted with electric fans to draw air into perforated strips down their sides. These suck the airflow closer to that side, reducing drag and creating up to seven times more force than a conventional sail, according to bound4blue, a company based in Cantabria, northern Spain, which produces a modern version it calls eSAILS.

Founded in 2014 by three aerospace engineers, bound4blue counts Bertrand Charrier, who helped Cousteau develop the *Alcyone*, among its advisers. The firm has already installed a number of eSAILS, including three 22-metre versions retrofitted to the *Ville de Bordeaux*, a roll-on-roll-off transport ship also chartered to Airbus. The company has five other installations in progress, including a chemical tanker. Again, fuel savings depend on the type of vessel being powered and on the details of how it is operated. The company is having third-party evaluations done to establish typical performance figures.

The *Ville de Bordeaux*

The eSAILS could be used on almost any large marine vessel, says Dana Camps, the firm's head of marketing, although they might have to be modified for some ships. As the deck of a container ship, for example, is usually piled high with boxes, which need regular handling, any auxiliary wind-power system needs to avoid getting in the way. Helpfully, rotors and suction sails can be fitted with lowering mechanisms, which are also useful when passing under low bridges. Similarly unobtrusive systems could also be installed on cruise liners, which now resemble giant floating apartment blocks, but the payback period would be longer because they spend a greater proportion of their time with their passengers relaxing in ports.

Some large vessels continue to hoist sails, albeit of the rigid variety used on modern racing yachts. These, too, work like vertical aircraft wings. One ship fitted with rigid sails is *Pyxis Ocean*, a bulk carrier owned by the Mitsubishi Corporation. The five-year-old vessel was retrofitted in China with two 37.5-metre-high sails called WindWings, designed by BAR Technologies, a marine-engineering firm based in Portsmouth on Britain's south coast.

The *Pyxis Ocean* has been chartered by Cargill, a giant foods group, to carry grain. After six months at sea the WindWings have cut fuel consumption by about 15%, although the company reckons three sails could cut average fuel use by 30% or more. Oceanbird, a Swedish company, is installing six giant wing sails on the *Orcelle Wind*, a new vehicle-carrier with a capacity for some 7,000 cars, due to enter service in 2027. Oceanbird reckons the sails could deliver 50-60% lower emissions compared with conventional vehicle-carriers.

Retrofitting WindWings

Another option is to tow ships along with giant kite sails, similar to the parafoil kites used by kiteboarders. In February Kawasaki Kisen Kaisha, a big Japanese shipowner also known as K Line, acquired a French startup called Airseas, which has been developing a kite sail it calls Seawing. These can be launched and retrieved automatically from a ship's bow, minimising their on-deck footprint. Airseas tested a Seawing last year on a K Line cargo ship. They are expected to reduce carbon-dioxide emissions by some 20%, says K Line.

With some 50,000 large cargo vessels of various sorts plying the high seas, each with an average life expectancy of 30 years or so, it is going to take some time for the shipping industry to clean up its act. But clean it up it must. If their vessels continue to belch fumes then shipowners will soon find themselves unable to operate within many ports. Though the number of vessels returning to wind power remains small for now, this technology clearly has the wind in its sails. ■

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Science & technology | Marine technology

The AirFish is a fast ferry that will fly above the waves

It takes inspiration from the "Caspian Sea Monster"

May 22nd 2024

In the 1960s, during the height of the cold war, American spy satellites spotted an unusual stubby-winged craft at a Soviet naval base on the Caspian sea. Was it a boat, was it a plane? Dubbed the "Caspian Sea Monster", it turned out to be a heavily armed naval craft some 100 metres long designed to attack submarines and aircraft carriers.

The Ekranoplans, as they were called, relied on an aerodynamic effect called wing-in-ground (WIG) to avoid radar by flying just above the surface of the water. This phenomenon exploits an area of higher pressure created between the lower surface of the wing and the ground, reducing drag and giving the wing more lift. (It also explains why some planes coming in to land appear to their pilots to "float" along when just above the runway.) While various military WIG craft have appeared over the years, they remain a rarity. That may change as a range of smaller versions, called AirFish, are launched as high-speed ferries.

The AirFish are being built by ST Engineering AirX, part of a big Singaporean technology group. Eurasia Mobility Solutions, a Turkish company, has placed a preliminary order for ten, along with options for ten more. These versions are the AirFish 8, which carry two crew and eight passengers, and will be used to transport tourists between Mediterranean coastal resorts. As they do not require a runway or a port, the AirFish can operate directly from a small dock or even a beach. They are capable of cruising at 70 knots (130kph), although they can dash at up to 120 knots.

As to whether these unusual craft count as boats or planes, marine authorities have concluded they are a type of boat, says Leon Tan, AirX's general manager. The company is now seeking certification for passenger use. The AirFish 8 will also be less expensive to build and operate than the seaplanes and helicopters it will compete with. For one thing, the AirFish 8 will use a V8 car engine, which is more fuel-efficient and cheaper to run than an aircraft engine. Such an engine can also be converted to a hybrid-electric system.

AirFish of different sizes are possible. The company already has a two-seater version, even if Mr Tan thinks that would be a niche market. Once the technology becomes more familiar, though, he reckons larger AirFish carrying a couple of dozen passengers are likely to be built. Giants the size of the Ekranoplans, however, would probably be monstrously uneconomical. ■

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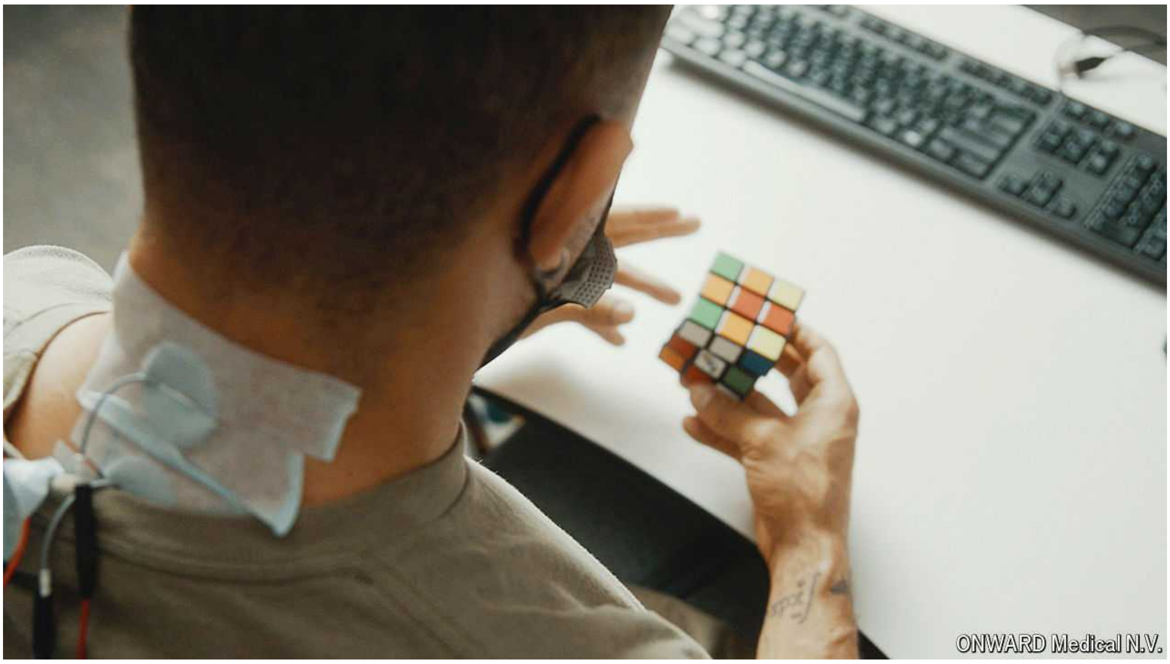
Science & technology | Charging ahead

A promising non-invasive technique can help paralysed limbs move

All that's needed is electricity and exercise

May 20th 2024



FOURTEEN YEARS ago, Melanie Reid, a journalist, fell off a horse and broke her neck. The injury to her spinal cord left her paralysed, limiting the function of her four limbs and torso—a condition known as tetraplegia. For years her left hand was incapable of either sensation or motion. Now, however, Ms Reid can not only move that hand; she can also, as she puts it, practise the "right to put my hair in a ponytail".

Ms Reid's remarkable—if incomplete—recovery required neither surgery nor medication, but, rather, exercise and electricity. She was one of 60 patients from test sites across three countries to receive a novel form of non-invasive spinal-cord stimulation, known as ARC^{EX}, pioneered by Grégoire Courtine of the Ecole Polytechnique Fédérale de Lausanne and colleagues. The results of the trial were published in *Nature Medicine* on May 20th.

Muscles in the human body move when electrical signals reach them from the brain via the spinal cord. In the case of reflexive movements, the signal comes directly from the spinal cord, bypassing the brain altogether. If the nerves in the spinal cord are damaged, the internal electrical circuit is broken and paralysis can result.

It is well established that applying electricity to the remaining nerves can boost the signal from the brain and cause paralysed limbs to move. Researchers therefore would place surgical implants directly on the spinal cord, as this yielded the best results. But several studies in recent years have shown that non-invasive techniques work just as well, if not better. If electricity is pulsed through electrodes placed on the skin, some muscle function can be restored without the need for incisions, needles or hospitalisation. Dr Courtine's latest study is the largest and most robust so far to demonstrate this technique.

Physical rehabilitation remains the primary form of treatment for tetraplegia, to strengthen and maintain existing function. For patients whose ability to handle objects and experience sensation is severely impaired, this may involve passive stretching of muscles. For those who retain at least some movement and feeling, which was true for most participants in Dr Courtine's study, exercises involve targeted weight and resistance training.

These exercises may help patients perform basic tasks, but only marginally affect sensation and muscle control. To test how effective their electrical intervention was compared with exercise alone, Dr Courtine's team first asked all participants to undergo two months of physical rehabilitation. Then they underwent an additional two months of rehabilitation supplemented by electrical stimulation with the ARC^{EX} device.

Researchers placed two electrodes on the back of a patient's neck—above and below the site of injury—and two more by the collarbone or hipbone to close the circuit. A current was then applied. Patients then carried on with their existing exercise regimen, completing tasks to improve movement and grip strength.

Positively buzzing

In the two months of rehabilitation alone, the functional abilities of patients initially increased, then flattened off. With electrical stimulation, 72% of participants meaningfully improved their performance on tests of strength and function. Even after the stimulation was turned off, 90% of the participants experienced improvements in at least one of these areas. Importantly, none reported any serious adverse effects.

Why such long-lasting benefits arise is not entirely clear. Previous research suggests that stimulation may strengthen existing connections between nerve cells, and encourage new ones to grow.

Such successful studies increase the likelihood of stimulation devices making their way to the clinic. Dr Courtine, for example, says that he is in discussion with America's Food and Drug Administration for approval of ARC^{EX}, and hopes to commercialise it by the end of the year. Though it is unclear whether those with the most severe injuries will benefit, any step forward is good news for patients. "There are no miracles" in recovery from spinal-cord injury, says Ms Reid. "But tiny gains can be life-changing." ■

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Science & technology | Cyber security

It is dangerously easy to hack the world's phones

A system at the heart of global telecommunications is woefully insecure

May 17th 2024

FOR YEARS experts have warned that a technology at the centre of global communications is dangerously exposed. Now there is more evidence that it has been used to snoop on people in America.

Kevin Briggs, an official at America's Cybersecurity and Infrastructure Security Agency, told the Federal Communications Commission (FCC), a regulator, earlier this year that there had been "numerous incidents of successful, unauthorised attempts" not only to steal location data and monitor voice and text messages in America, but also to deliver spyware (software that can take over a phone) and influence voters from abroad via text messages. The comments were first reported by *404 Media*, a technology news website. America's big mobile operators have erected better defences in recent years. But much of the world remains vulnerable.

The hacks were related to an obscure protocol known as Signalling System 7 (SS7) as well as a newer one called Diameter. Developed in the 1970s to allow telecoms firms to exchange data to set up and manage calls, nowadays SS7 has more users than the internet. Security was not a big issue when SS7 was first introduced because only a few fixed-line operators could get access to the system. That changed in the mobile age. SS7 became crucial for a wide range of tasks, including roaming. According to the US Department of Homeland Security, SS7 is a particular risk because there are "tens of thousands of entry points worldwide, many of which are controlled by states that support terrorism or espionage".

Security experts have known for more than 15 years that the protocol was vulnerable in several ways. In 2008 Tobias Engel, a security researcher, showed that SS7 could be used to identify a user's location. In 2014 German researchers went further, demonstrating that it could also be exploited to listen to calls or record and store voice and text data. Attackers could forward data to themselves or, if they were close to the phone, hoover it up and tell the system to give them the decryption key. Surveillance companies and spy agencies had known about the issue for a lot longer. Many were taking advantage of it.

In April 2014 Russian hackers exploited SS7 to locate and spy on Ukrainian political figures. In 2017 a German telecoms firm acknowledged that attackers had stolen money from customers by intercepting SMS authentication codes sent from banks. In 2018 an Israeli surveillance company used a mobile operator in the Channel Islands, a British territory, to get access to SS7 and thus users around the world.

That route is thought to have been used to track an Emirati princess who was abducted and returned to the United Arab Emirates in 2018. And in 2022 Cathal McDaid of ENEA, a Swedish telecoms and cyber-security company, assessed that Russian hackers had long been tracking and eavesdropping on Russian dissidents based abroad by the same means.

Beginning in 2014 Chinese hackers stole huge amounts of data from the Office of Personnel Management, the government agency that manages America's federal civil service. The most sensitive data were security-clearance records, which contain highly personal details. But phone numbers were also stolen. According to semi-redacted slides published by the US Department of Homeland Security, American officials noticed "SS7 anomalous traffic" that summer which they believed was related to the breach.

On my main phone

Mr Briggs's comments to the FCC bring the scope of the SS7 problem into sharper focus. "Overall", he said, the incidents he reported were "just the tip of the proverbial iceberg of SS7- and Diameter-based location and monitoring exploits that have been used successfully." American mobile operators are sensibly stripping out SS7 from their networks, but, to varying degrees, all still have roaming connections with the rest of the world, where the protocol remains ubiquitous. Moreover, although the newer Diameter protocol is an improvement in several respects, it nonetheless "has many of the same vulnerabilities" as SS7, argues Mr McDaid, "and is worse in some ways."

One reason that telecoms firms have neglected to address the issue is that most attackers have political rather than commercial motives. Surveillance tends to be focused on a very small number of high-value targets. "The attackers generally don't aim to damage the workings of the mobile network," notes Mr McDaid. Because the impact is on the individual rather than the company, he says, "Sometimes, the incentives to put in protection are not fully aligned." Mobile operators need to monitor their networks, update software and conduct regular "penetration tests", drills in which they subject their own networks to simulated attack, he says.

Phone users can protect themselves against SS7-based eavesdropping (but not location tracking) by using end-to-end encrypted apps such as WhatsApp, Signal or iMessage. But these, too, can be circumvented by spyware that takes over a device, recording keystrokes and the screen. In April Apple warned users in 92 countries that they had been targeted by a "mercenary spyware attack". On May 1st Amnesty International published a report showing how "a murky ecosystem of surveillance suppliers, brokers and resellers" from Israel, Greece, Singapore and Malaysia had put powerful spyware into the hands of several state agencies in Indonesia. That, too, is the tip of an iceberg. ■

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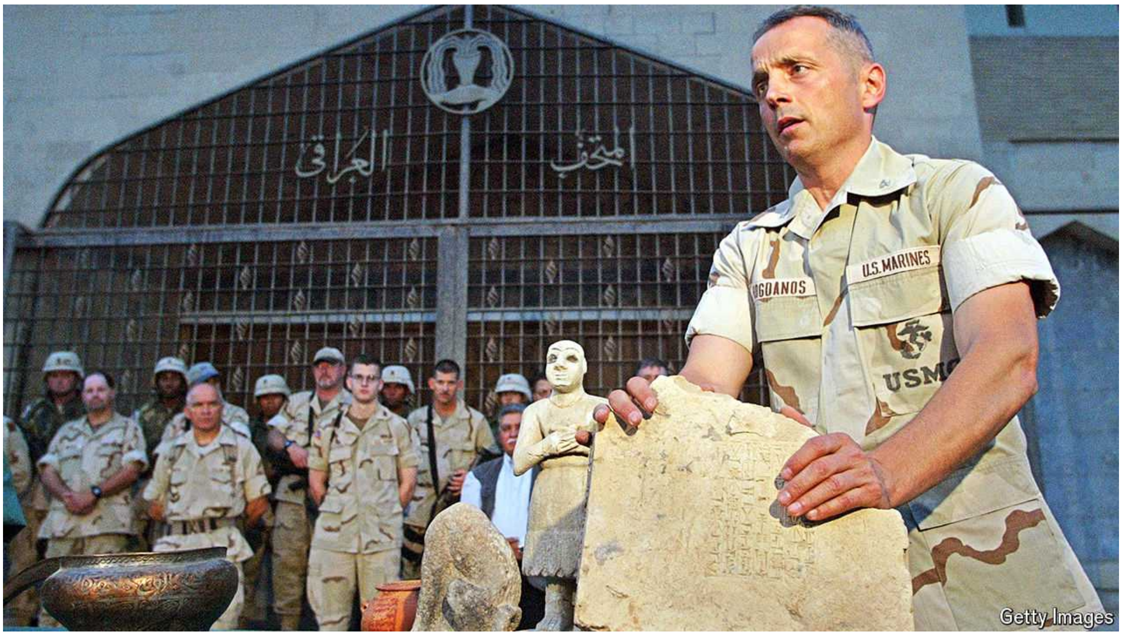
Culture

Culture | The art cop

Meet the man causing cracks in the antiquities trade

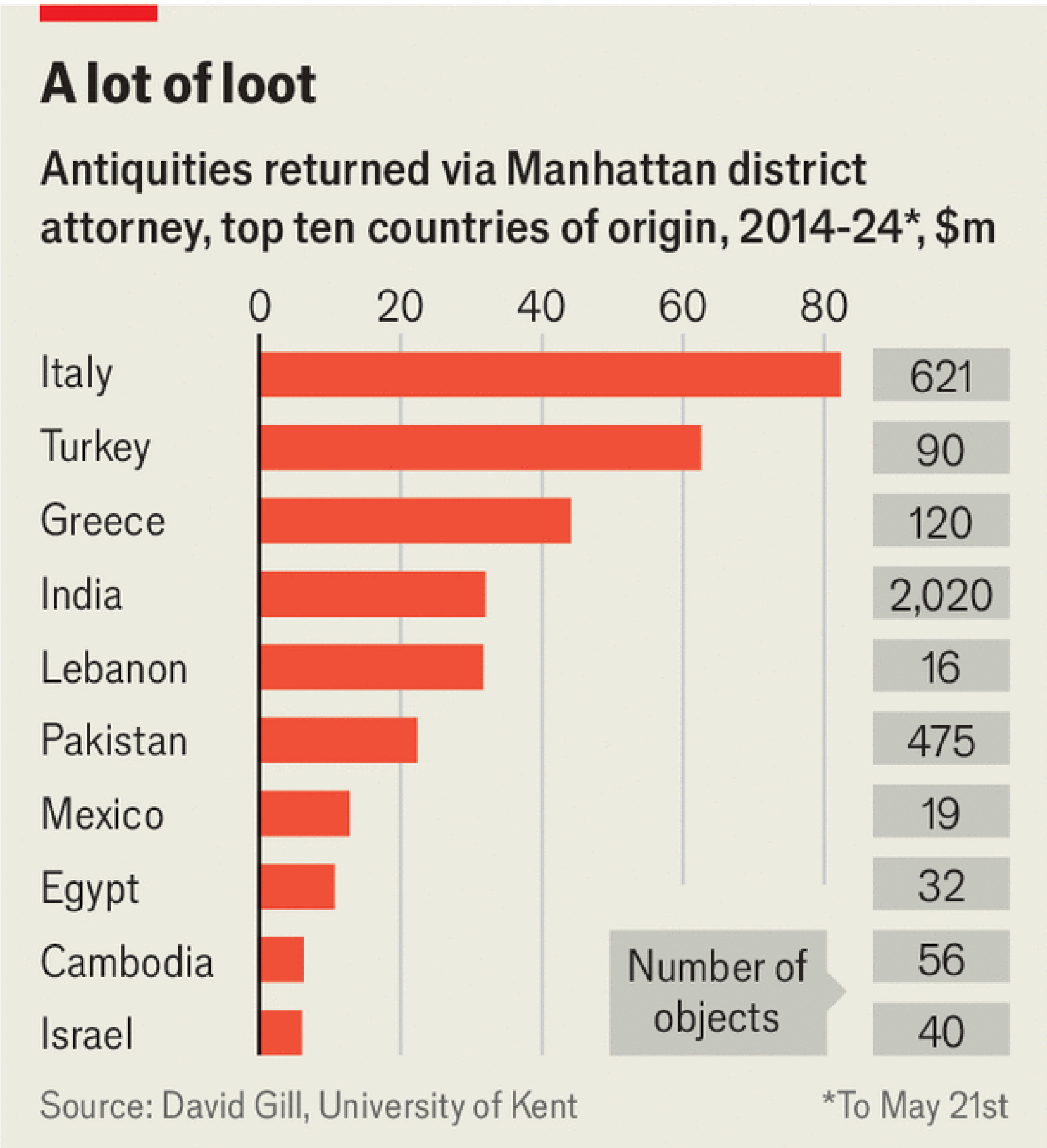
Matthew Bogdanos employs unorthodox tactics to repatriate stolen art and antiquities

May 23rd 2024



Museums used to make the news for big acquisitions. Today, however, you are just as likely to read a headline about art being given up to the authorities or back to its country of origin. New York, capital of the global art market, has become a hub for restitution efforts. In the past month 38 antiquities were returned to China, 27 to Cambodia, ten to Egypt and three to Indonesia. All were stolen, according to state law in New York. Behind these repatriations was the office of the Manhattan district attorney (DA), and specifically its Antiquities Trafficking Unit (ATU), led by Matthew Bogdanos.

If New York is filled with art dealers, Mr Bogdanos (pictured) is the un-dealer. Since its creation in 2017, the ATU estimates it has recovered 5,776 objects worth an estimated $456m (see chart). "We don't approach you unless we've got you covered six ways from Sunday," says Mr Bogdanos. With his tough-guy rhetoric, Mr Bogdanos can sound like a cross between Indiana Jones and Robin Hood, though his work has also earned him detractors. "He's bullying people into returning things with the threat of jail," says a lawyer and antiquities expert. Still, many are watching Mr Bogdanos to see whom he will take on next and how his tactics might inspire other authorities abroad.



The Economist

Usually when the ATU moves to seize a work, and the museum or collector holding it sees the evidence, little or no resistance is offered. That makes recent news more interesting: two institutions are publicly challenging Mr Bogdanos's efforts to seize works in their collections. Since September the Art Institute of Chicago has been battling the ATU in the New York Supreme Court to hold onto a drawing by an Austrian painter, Egon Schiele, which Mr Bogdanos claims was looted in the Holocaust but the Art Institute says was not stolen.

In October 2023 the Cleveland Museum of Art sued the DA's office to prevent it from seizing the centrepiece of its classical galleries, a Roman bronze worth $20m. The DA alleges it was looted from Turkey, before it was sold in New York in 1986. Both Cleveland and Chicago may challenge the DA's jurisdiction in their states and question Mr Bogdanos's tactics.

He certainly cuts an unusual figure in the art world. A retired marine colonel and amateur boxer with degrees in law and classics and a fondness for quoting Shakespeare and Cicero, Mr Bogdanos spearheaded efforts to fight looting while deployed to Iraq in 2003-06. When not prosecuting murders (one of his duties as an assistant DA), he has focused on art trafficking since 2011.

New York is an ideal beachhead for assailing art crime. Mr Bogdanos claims that he has jurisdiction over any case involving objects connected to Manhattan's many museums, galleries, auction houses and private collectors—whether sold, exhibited or even purchased with a wire transfer originating there.

The ATU is not the largest art-crime fighter in the world; that distinction probably goes to Italy's Carabinieri Art Squad, which has a staff of several hundred, compared with the ATU's 19. What makes the ATU unique is that it is led by a prosecutor, not law-enforcement officials. That means Mr Bogdanos can push cases along with prosecutorial powers, including search warrants on warehouses and servers, from which his team has gathered five terabytes of data on smugglers. (A single terabyte could hold around 1,000 copies of the "Encyclopedia Britannica".) America's FBI and Department of Homeland Security also track down stolen art.

Mr Bogdanos is surfing an international wave of interest in the origins of museums' collections. Concern about Nazi-looted art has been long-running, but public pressure has recently expanded to include colonial conquests, too. In 2017 Emmanuel Macron, the president of France, declared his desire for "the temporary or definitive restitution of African heritage to Africa". In Britain the Charities Act of 2022 authorised trustees of national museums to seek repatriation on "moral" grounds, though in February its arts and heritage agency announced that the government would seek to block international transfers of ownership.

In America's normally chummy art market, Mr Bogdanos has ruffled feathers. "We walked into a world where everything was done in hushed tones and the more money you had the more you were able to negotiate," he says. Even lawyers and judges were at first sceptical of applying law typically used to go after stolen cars and crooked pawnbrokers to pursue Cambodian statues hacked out of temples.

Mr Bogdanos follows leads, but he also pursues trafficking networks: 95% of the objects the ATU has seized went through the hands of just 12 people. And 95% of those objects pass through one or more of just five countries—Belgium, France, Germany, Switzerland and the United Arab Emirates—where they might be exhibited in a regional museum before being sold to a straw-man buyer through an auction house or dealer. "Provenance" (art-speak for who owned something and when) is sometimes invented. "Germany has an entire industry devoted to creating false provenance," says Mr Bogdanos.

Some of the ATU's targets are blatantly criminal and knowingly deal in "blood antiquities" and looted objects. But others are just buyers whose paperwork does not check out. Standards for provenance have changed: a certificate and a handshake might once have counted as due diligence in the notoriously freewheeling art market.

Mr Bogdanos has had success invoking national cultural-property laws, which say that any antiquity is the property of the government where it originated if it was not exported with official permission after a certain date. In Turkey the cutoff is 1906; in Italy and Egypt it is 1909 and 1983, respectively. As a result, the ATU has pursued objects held in collections for decades, even if they were bought long ago in good faith.

Some think Mr Bogdanos is overzealous. "He's used a sledgehammer to crack a nut," says Joanna van der Lande of the Antiquities Dealers' Association, a British trade group, who adds that "he's destroyed the New York market" by creating "massive uncertainty" among collectors and dealers. The antiquities trade, worth a few hundred million dollars of the $65bn art market, has visibly shrunk: there are only two storefront galleries left in Manhattan. In 2016 Sotheby's moved its antiquities sales to London, which, Mr Bogdanos points out, is beyond his jurisdiction.

Museums are on high alert and are paying more attention to provenance. In March the Metropolitan Museum of Art, on which Mr Bogdanos has executed 19 search warrants, hired a head of provenance research to lead a team of 11 people who will search their collection of 1.5m objects for stolen items. They have their work cut out: the International Consortium of Investigative Journalists claims to have tallied more than 1,000 holdings of the Met previously owned by individuals indicted or convicted of crimes. (The Met says that figure does not match its own internal calculations.)

Whatever happens in the Cleveland and Chicago cases, Mr Bogdanos is on a tear. There is no shortage of potential investigations, as wars allow antiquities to be stolen in the Middle East and Ukraine. It will be a long time until questionable provenance becomes ancient history. ■

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Culture | A modern Orwellian tale

What if calling someone stupid was a crime?

Lionel Shriver imagines cancel culture going to even greater extremes

May 17th 2024

Mania. By Lionel Shriver. *Harper; 288 pages; $30. Borough Press; £22*

ARE YOU hateful enough to use the S-word? You know the one: stupid. It has been banned in schools, its use and synonyms (dumb, slow) considered "slurs" worthy of expulsion. Even its antonyms are grounds for book bans and boycotts: only a "cerebral supremacist" would have the gall to buy Elena Ferrante's novel "My Brilliant Friend". Instead, those wanting to be politically correct display copies of "The Calumny of IQ: Why Discrimination Against 'D— People' Is the Last Great Civil Rights Fight" on their coffee tables.

Welcome to the America of Lionel Shriver's "Mania". The novel opens with the narrator's son, Darwin, being sent home from school because he called a classmate's T-shirt "stupid". "I don't understand the rules anymore!" he complains to his mother. "Can anything be stupid, or is everything intelligent now?"

Transformed by ideological extremism (everyone is smart and anyone who feels differently is a bigot), America is both the novel's setting and subject. The *New York Times* has dropped the crossword puzzle, because its clues made people feel bad when they could not guess the word. Universities have open admissions; spelling bees and IQ tests are banned. Most students care less about learning than studying their instructors' behaviour for slip-ups. Professors must treat all students as equal and deem all answers correct.

Pearson Converse, the narrator, is a literature professor in Pennsylvania and is hauled before the "dean of cognitive equality" for teaching Fyodor Dostoevsky's novel "The Idiot". It was a cheeky act of resistance—and a futile one. She ends up having to apologise to keep her job.

As in George Orwell's "1984", spies are everywhere, but in "Mania" there are no telescreens. Instead children report their parents for forcing extra tutoring or pushing them to be ambitious. Every school has a "mental-parity champion", who can call in child-protective services at the slightest hint of intellectual "abuse". Pearson discovers this after her daughter, Lucy, who is wilfully resistant to learning to read but smart enough to game the system, turns her in. Orwell's Winston Smith was tortured into compliance by the Ministry of Love; Pearson has to complete a Cerebral Acceptance and Semantic Sensitivity course to avoid losing Lucy to foster care.

As a writer, Ms Shriver is merciless and funny; as a thinker she is contrarian. She has been described as a "pro-Brexit, anti-woke, #MeToo-sceptical Democrat" and does not shy away from fraught subjects. Her best-known novel, "We Need to Talk About Kevin" (2003), is told from the perspective of a mother whose son has gone on a mass-shooting rampage at his school.

Some may feel they have heard too much about "cancel culture" to seek out a work of fiction that tackles it so squarely. But the novel's themes—of society's quick pivots when it comes to socially acceptable beliefs, and how close friendships can be poisoned by the culture wars—feel like a welcome distraction, given their slightly (but not unbelievably) absurd elements. As Pearson observes, "I suppose none of this was funny, really; still, I couldn't help but laugh." ■

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Culture | Back Story

Jürgen Klopp’s masterclass in how to win—and lose

Two gestures capture the Liverpool manager’s method: the fist pump and the hug

May 17th 2024

An obvious way to recount Jürgen Klopp’s time as manager of Liverpool, one of the grandest clubs in the world’s most popular sport, is in titles and accolades. Between his first match in 2015 and his last on May 19th, he won seven major trophies. But a neater encapsulation of the German coach’s impact lies in a pair of gestures. Together they form a pictographic guide to management in football and beyond—and even to a philosophy of life.

The first gesture is an alpha-male expression of triumph. After big wins at Anfield, Liverpool’s home ground, Mr Klopp skipped over to the Kop, a grandstand which, even at a club followed more fervently than most, is known for its passionate supporters. To adoring roars, he punched the air once, twice, three times. Then he thumped the Liverpool badge on his chest. The fist pump was both a party and a promise. *We did it—and we'll do it again.*

Mr Klopp's other signature move—a bear hug—befitted commiseration as much as celebration. He hugged his players whether they won or not. He hugged them whether they performed well or badly (or didn't get onto the pitch at all). Often he hugged the opposition, generally after beating them.

It helped that he is extremely tall, so enveloped his footballers as a father might his sons. His less rudimentary qualities include a superstar charisma, usually on show in media appearances and, joyously, when Liverpool scored. He sprinted up the touchline to embrace his team, spectacles flying, teeth beaming in a 1,000-watt smile. *La Gazzetta dello Sport*, an Italian paper, called him "Liverpool's fifth Beatle".

Beneath the exuberance is a tactical mastermind. Mr Klopp's style of football combined innovation with a kind of mad energy. In his Liverpool teams the full-backs, notionally defenders, were the most creative players. He mostly forswore fielding an old-school striker, instead relying on darting wingers for goals. Often players join megaclubs like Liverpool and quail. Under his tutelage, stars became better and unknowns became stars.

However long the odds, he insisted there was a way to win. And win Liverpool did, sometimes in adversity. They came back from 3-0 down against Lionel Messi's Barcelona en route to clinching the Champions League, Europe's biggest prize. Amid an injury blight, a team made up largely of juniors claimed a domestic cup. In 2020 Liverpool secured their first English league title for 30 years. After special victories, manager and players joined the fans in singing "You'll Never Walk Alone", the emotive club anthem which, as Mr Klopp noted, is "a little bit like a prayer".

Yet it wasn't all fist pumps and trophies. Most football teams never win anything. Mr Klopp's won a lot (as his previous sides did in Germany); but they also fell short in agonising circumstances. Powered by petrodollars, Manchester City twice pipped him to the English Premier League title on the season's last day. Twice his men were beaten by Real Madrid in the Champions League final, the first time after Mo Salah, his top scorer, was fouled out of the game and his goalie was elbowed in the head.

As online footage attests, within hours of that disappointment Mr Klopp was defiantly singing about bouncing back. He knows how much football matters—and how little. "Somebody said that football is a matter of life and death," another feted Liverpool manager, Bill Shankly, famously remarked. "It's more important than that." In Mr Klopp's formulation it is "the most important of the least important things": enrapturing, but only a game, and meant to be fun.

That is a wise perspective on football, and on failure. "If we can do it, wonderful," Mr Klopp told his players before that ineffable match with Barcelona. "If not, then fail in the most beautiful way." Assuring people that defeat is okay can empower them to take risks, thus making them likelier to succeed. But Mr Klopp also knows that failure is not shameful but inevitable, and can even be glorious. As Samuel Beckett once put it: "Try again. Fail again. Fail better."

The fist pump and the hug—the one-two embodies the methods of a coach who leaves an outsize impression on English culture. More than that, it captures a deep purpose of sport. Yes, it can teach you how to win: the tenacity required, and the teamwork, and the luck. But, given that most people are not world champions, on or off the pitch, the corollary of that lesson may be more useful. As much as winning, sport teaches you how to lose, and carry on. ■

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The trial of Donald Trump, considered as courtroom drama (May 10th)
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Salman Rushdie's gripping take on being stabbed (April 16th)

Also: How the Back Story column got its name.

Culture | The "Bridgerton" effect

The hit series "Bridgerton" has set off a string-quartet boom

It is a surprising example of how popular culture can shape consumer habits

May 20th 2024

PITBULL DOES not make the kind of music you would describe as romantic. Listeners are unlikely to swoon when they hear the American rapper's lyrics, such as "I'm the plumber tonight / I'll check yo' pipes." And yet when a couple start kissing in a horse-drawn carriage in the new season of "Bridgerton"—which debuted on Netflix on May 16th—they do so to a cover of Pitbull's "Give Me Everything" played by a string quartet. Remove the braggadocio lyrics, add staccato violins and a song can go from gross to engrossing.

With vibrant costumes and focus on the marriage market, "Bridgerton" positions itself as a modern period drama. Viewers have spent almost 1bn hours watching the first season, and nearly 800m with the second, according to Netflix. The series has sent internet searches for corsets and wisteria soaring. It has also made string quartets more fashionable than they have been in centuries.

The soundtrack sets the tone for the show's blend of old and new sensibilities. It is full of classical crossovers, with string renditions of songs by Ariana Grande, Harry Styles and Taylor Swift. Vitamin String Quartet (VSQ), who perform many of the show's tracks, saw a surge in popularity after "Bridgerton" arrived in 2020. Before the show's premiere, total fortnightly streams amounted to 3.8m, but they jumped 350% after it. Interest has stayed high, says Leo Flynn, the group's brand manager: some of their most popular songs have more than 20m streams apiece. VSQ recently announced plans for a tour of more than 40 cities across America.

According to a survey by the Royal Philharmonic Orchestra in London, people are more interested in going to events that merge classical music and pop than almost any other kind of orchestral concert. (They ranked second in 2023, up from sixth in 2018.) Fever, an entertainment-booking platform, has been organising string-quartet concerts by candlelight since 2019. It now holds events in more than 150 cities worldwide, many of them with pop music, and they have been attended by 3m people.

Just as such reinterpretations provide the backdrop to courtships in "Bridgerton", they are popular choices for weddings, too. Betrothed couples have long booked string quartets, but many now forgo Bach for Beyoncé. Lucy Gijsbers, the founder of London Strings, a quartet for hire, says that around 40% of clients "specifically request 'Bridgerton'-style music" as something "both classy and up-to-date".

The show is not the first pop-culture sensation to influence fans' preferences. "The Queen's Gambit", a mini-series released in 2020, made chess cool for a time. Fans of the "Top Gun" films in 1986 and 2022 felt the need for speed—and the need to buy a pair of Ray-Ban aviators. "Challengers", a new romance drama about professional athletes, has popularised a #TennisCoreAesthetic, which includes short pleated skirts and sleeveless sweaters.

Some music purists may sniff, but modern tunes help to demystify a rarefied art form and bring in younger audiences. If "Bridgerton" continues to hit a high note, it might just have a harmonious effect on the classical-music sector as a whole. ■

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Culture | The spice of life

Spices have their own riveting, piquant history

How spycraft and cartography flourished in their wake

May 22nd 2024

Spice. By Roger Crowley. *Yale University Press; 320 pages; $25 and £20*

THEY LOOKED humble enough. One observer compared clove plants to laurel shrubs, while nutmeg, he noticed, grew on something resembling the pear tree. Despite their common appearance, in the 16th century these spices were special—and not just because, by a fluke of evolution, they grew only on a handful of islands in the Malay Archipelago, which came to be known as the Spice Islands. As Roger Crowley, a British maritime historian, explains in an engaging new look at seasoning's long ago seasons, nutmeg and cloves would have effects far beyond the kitchen, kindling revolutions from mapmaking to spycraft.

For centuries many were in doubt about the spices' origins. Marco Polo, the famed Venetian explorer, thought cloves came from China and nutmeg from Java. Mr Crowley begins his story in 1511, when the Portuguese began muscling into the South-East Asian spice trade. Eager for profit, their

Spanish and English competitors soon joined them. In 1553 a trio of ships left London on a journey to reach the Spice Islands via Russia and the Arctic. Their voyage ended in disaster, but their fervour is not hard to understand.

Light and long-lasting, aromatics could fetch markups of 1,000% by the time they reached European markets. That made them more precious than their weight in gold, and the ports that unloaded them soon shimmered, too. "You are no city", wrote Fernando de Herrera, Seville's poet laureate, "you are a universe."

Just as the ancient Egyptians carved reliefs of spice fleets on their tombs, and the Romans valued them as portals to the gods, these explorers fell for spices' allure. "The scent of the clove is said to be the most fragrant in the world," claimed Garcia de Orta, a Portuguese botanist, adding that it smelled as sweet as "forests of flowers". Others marvelled at how spices interacted with the wider ecosystem. Encountering the bright green nutmeg trees, Portuguese sailors delighted in the "multitude of parrots and various other birds" that swooped and spread their seeds.

With cloves came conflict. In the war for spices, Portuguese and Spanish explorers killed locals, and each other, with gusto. Soon enough naval expeditions and the spices and other goods that inspired them would draw a "maritime belt" around the planet, Mr Crowley explains.

But competition for spices also fired up human ingenuity. Wherever they went, sailors kept scrupulous logs, detailing narrows and shoals for future adventurers. As more information became available in Europe—Portuguese captains were, among other things, expected to record latitudes—cartography became more common. In 1548 an Italian mapmaker produced the first pocket atlas. Spain and Portugal each held a master map of the world, constantly updated and jealously guarded from rivals.

That battle for intelligence helped to hone nations' spycraft. Ca'Masser, a Venetian agent posing as a merchant, learned a lot by loitering on the waterfront in Lisbon. "I have seen the sailing charts of the route to India," he reported back in code. Mr Crowley describes the 16th century as a "golden age" of cryptography.

Ultimately the Portuguese monopoly on spices was upended by a Dutch spy, Jan Huygen van Linschoten, who worked as secretary for the bishop of Goa in the 1580s and copied his charts, maps and navigational secrets.

They formed the basis of a book, “Itinerario”, which helped “launch the Dutch assault on the spice trade” and “dismantle the Portuguese empire” in the Spice Islands. Not bad for a secretary. ■

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The controversial cult of the host club in Japan

Why women pay men in make-up to flatter them

May 21st 2024

In Kabukicho, a red-light district in Tokyo, four young men surround your female correspondent. Hiragi Saren, a 25-year-old with bleached hair, a black tank top and a silver necklace, sits closest. He chatters warmly and glances seductively, his pink eyeshadow glimmering under the chandeliers. His three assistants keep filling your correspondent's *shochu* glass and shower her with compliments about her appearance. She doubts their sincerity, but is strangely pleased. After an hour and a half, the bill is ¥30,000 ($200).

Host clubs are booming in Japan. Some 21,000 hosts—well-dressed young men, often wearing make-up like K-pop stars—work at 900 such establishments. They pamper and flatter their female clients. Sex is not part of the bargain but could happen, somewhere else. Clients usually seek psychological rather than physical intimacy and a break from reality. Hosts refer to them as *hime* (princess), and never ask how old they are or what they do for a living.

To understand the cult of the host, start with two statistics. More than 60% of Japanese women in their late 20s are unmarried, double the rate in the mid-1980s. A recent survey found that more than a third of unmarried adults aged 20-49 had never dated. Many single women visit host clubs because they are lonely. They get a thrill from meeting “the kind of men they don’t meet in everyday life”, Mr Hiragi says.

The first host club opened in the mid-1960s, mostly serving as a dance hall for rich matrons and widows. Early hosts described themselves as “male geishas”, says Hojo Yuichi, who runs Ai Honten, the oldest active host club. At first, the clubs were seen as a fringe, sleazy business. But that stigma has faded.

Successful hosts are now celebrities. In the 2000s they started appearing on TV shows. Today many have a big social-media following. Billboards and trucks display pictures of the highest earners. Hosts feature as characters in manga and anime, too. They have become “an archetype within Japanese popular culture”, says Thomas Baudinette, an anthropologist at Macquarie University. Mr Hiragi moved to Tokyo from a rural area with dreams of becoming a famous host. “I wanted to be part of a world that’s glamorous,” he says.

Glamorous, yet controversial. Feminist groups accuse host clubs of exploitation: overcharging for drinks and manipulating clients into racking up huge tabs. Hosts praise those who spend the most, calling them “ace”. Some customers end up in debt after paying millions of yen for a single visit. Takahashi Ichika, a client, recalls that her favourite host would ignore her and fiddle with his phone when she refused to order champagne. “I would spend more money because I didn’t want him to dislike me. I wanted his attention,” she says.

Some women go to extraordinary lengths to feed their host habit. A survey last year showed that among women arrested for selling sex around Okubo Park, a popular pickup spot, over 40% were trying to earn enough money to go to host clubs. Politicians have started discussing ways to regulate the industry, for example by cracking down on opaque pricing. Host-club owners hope to pre-empt this with better self-regulation.

Some see a link between the cult of the host and obsessive fan culture. In a survey in 2023, 72% of Japanese women in their 20s said they indulged in *oshikatsu* (avidly supporting a celebrity, for example by buying several copies of each new hit). The objects of their adoration were often pop idols.

But some are switching their allegiance to hosts, to whom they can get much closer. Ms Takahashi says she used to spend a lot on boy bands, but when concerts stopped during covid, she started to splurge on hosts instead.

Many other Japanese businesses, such as cuddle cafés, offer intimate services, usually to men. Mr Baudinette worries, though, that for many Japanese people, "Intimacy can only be accessed through commoditised forms."

Yamada Kurumi, a client, works at a brothel to earn enough money to visit the clubs, which she does about once a week. She had boyfriends in the past but finds hosts more exciting. She is unsure whether to seek an office job after graduating from college or to carry on with sex work, which pays better. "A lot of people start losing touch with friends once they get addicted to host clubs," says Ms Yamada. "My host is already part of my everyday life…If I get a normal job, I probably won't be able to see him any more. That scares me." ■

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Economic & financial indicators

- Economic data, commodities and markets

Economic data, commodities and markets

May 23rd 2024

Economic data

1 of 2

	Gross domestic product % change on year ago: latest		quarter*	2024†	Consumer prices % change on year ago: latest		2024†	Unemployment rate %	
United States	3.0	Q1	1.6	2.2	3.4	Apr	3.0	3.9	Apr
China	5.3	Q1	6.6	4.7	0.3	Apr	1.0	5.0	Apr‡§
Japan	-0.2	Q1	-2.0	1.3	2.7	Mar	2.3	2.6	Mar
Britain	0.2	Q1	2.5	0.4	2.3	Apr	2.6	4.3	Feb††
Canada	0.9	Q4	1.0	1.9	2.7	Apr	2.5	6.1	Apr
Euro area	0.4	Q1	1.3	1.0	2.4	Apr	2.4	6.5	Mar
Austria	-1.7	Q4	0.2‡	0.5	3.4	Apr	3.5	4.9	Mar
Belgium	1.3	Q1	1.2	1.1	4.9	Apr	3.0	5.5	Mar
France	1.1	Q1	0.9	1.1	2.4	Apr	2.7	7.3	Mar
Germany	-0.2	Q1	0.9	0.2	2.4	Apr	2.1	3.2	Mar
Greece	1.1	Q4	0.6	2.8	3.2	Apr	3.2	10.2	Mar
Italy	0.6	Q1	1.2	1.0	0.9	Apr	1.6	7.2	Mar
Netherlands	-0.7	Q1	-0.4	0.4	2.6	Apr	2.8	3.7	Apr
Spain	2.4	Q1	2.9	2.4	3.4	Apr	2.9	11.7	Mar
Czech Republic	0.2	Q4	2.0	1.2	2.9	Apr	2.1	3.0	Mar‡
Denmark	-0.2	Q1	-6.9	1.4	0.8	Apr	1.7	2.9	Mar
Norway	-0.8	Q1	0.7	1.0	3.6	Apr	3.3	3.9	Feb‡‡
Poland	1.9	Q1	1.6	2.9	2.4	Apr	3.8	5.1	Apr§
Russia	5.4	Q1	na	1.9	7.8	Apr	6.4	2.7	Mar§
Sweden	-0.9	Q1	-0.4	0.3	3.9	Apr	2.0	8.9	Apr§
Switzerland	0.6	Q4	1.2	1.0	1.4	Apr	1.4	2.3	Apr
Turkey	4.0	Q4	3.9	3.0	69.8	Apr	54.4	8.8	Mar§
Australia	1.5	Q4	1.0	2.0	3.6	Q1	3.2	4.1	Apr
Hong Kong	2.7	Q1	9.6	3.2	2.0	Mar	2.2	3.0	Apr‡‡
India	8.4	Q4	8.0	6.6	4.8	Apr	4.9	8.1	Apr
Indonesia	5.1	Q1	na	5.1	3.0	Apr	3.2	4.8	Q1§
Malaysia	4.2	Q1	na	4.4	1.8	Mar	2.5	3.3	Mar§
Pakistan	nil	2023**	na	1.7	17.3	Apr	19.7	6.3	2021
Philippines	5.7	Q1	5.3	5.4	3.8	Apr	3.7	4.5	Q1§
Singapore	2.7	Q1	0.2	2.4	2.7	Mar	3.0	2.1	Q1
South Korea	3.2	Q1	5.2	2.7	2.9	Apr	2.6	3.0	Apr§
Taiwan	6.5	Q1	1.1	3.3	2.0	Apr	2.0	3.4	Apr
Thailand	1.5	Q1	4.6	2.8	0.2	Apr	1.2	1.1	Apr§
Argentina	-1.4	Q4	-7.3	-3.0	289	Apr	249	5.7	Q4§
Brazil	2.1	Q4	-0.1	2.1	3.7	Apr	4.0	7.9	Mar§‡‡
Chile	2.3	Q1	7.8	2.8	3.5	Apr	3.6	8.7	Mar§‡‡
Colombia	0.9	Q1	4.4	1.1	7.2	Apr	6.4	11.3	Mar§
Mexico	1.6	Q1	0.8	2.3	4.7	Apr	4.4	2.7	Mar
Peru	-0.4	Q4	0.9	2.5	2.4	Apr	2.6	8.5	Apr§
Egypt	2.3	Q4	na	2.6	32.6	Apr	31.8	6.7	Q1§
Israel	-0.6	Q1	14.1	1.9	2.8	Apr	2.9	3.3	Mar
Saudi Arabia	-0.8	2023	na	2.0	1.6	Apr	2.1	4.4	Q4
South Africa	1.2	Q4	0.2	1.6	5.1	Apr	4.8	32.9	Q1§

Source: Haver Analytics. *% change on previous quarter, annual rate. †The Economist Intelligence Unit estimate/forecast. §Not seasonally adjusted. ‡New series. **Year ending June. ††Latest 3 months. ‡‡3-month moving average. Note: Euro area consumer prices are harmonised.

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Economic data

2 of 2

	Current-account balance	Budget balance	Interest rates		Currency units	
	% of GDP, 2024[†]	% of GDP, 2024[†]	10-yr gov't bonds latest,%	change on year ago, bp	per $ May 22nd	% change on year ago
United States	-3.0	-6.3	4.4	71.0	-	
China	1.1	-4.5	2.1 [§§]	-39.0	7.24	-2.9
Japan	2.9	-4.8	1.0	57.0	157	-11.5
Britain	-2.8	-4.2	4.2	16.0	0.79	2.5
Canada	-0.4	-0.6	3.6	44.0	1.37	-1.5
Euro area	3.0	-3.1	2.5	6.0	0.92	1.1
Austria	2.8	-2.4	3.0	-11.0	0.92	1.1
Belgium	-0.2	-4.6	3.0	-7.0	0.92	1.1
France	-0.7	-4.9	3.0	1.0	0.92	1.1
Germany	6.5	-1.5	2.5	6.0	0.92	1.1
Greece	-5.5	-1.4	3.5	-50.0	0.92	1.1
Italy	1.1	-5.4	3.8	-46.0	0.92	1.1
Netherlands	8.7	-1.1	2.8	-1.0	0.92	1.1
Spain	2.5	-3.5	3.3	-19.0	0.92	1.1
Czech Republic	-0.5	-2.5	4.2	-37.0	22.8	-3.9
Denmark	9.5	1.6	2.5	-24.0	6.89	0.1
Norway	15.9	12.0	3.7	35.0	10.7	2.0
Poland	0.2	-5.2	5.7	-30.0	3.93	6.1
Russia	2.5	-1.8	14.2	333	90.1	-11.1
Sweden	5.6	-1.0	2.3	-7.0	10.7	-1.5
Switzerland	6.6	-0.3	0.7	-25.0	0.91	-1.1
Turkey	-3.1	-4.6	25.9	1,710	32.2	-38.4
Australia	1.2	-1.0	4.3	88.0	1.51	nil
Hong Kong	6.3	-1.4	3.8	36.0	7.81	0.3
India	-1.1	-5.3	7.0	1.0	83.3	-0.5
Indonesia	-0.2	-2.4	6.8	41.0	15,992	-6.9
Malaysia	2.1	-4.4	3.9	3.0	4.69	-3.0
Pakistan	-3.0	-7.0	14.1 [†††]	-97.0	279	2.2
Philippines	-2.5	-5.9	6.7	91.0	58.1	-3.9
Singapore	18.3	0.1	3.3	45.0	1.35	nil
South Korea	2.5	-1.4	3.5	7.0	1,363	-3.3
Taiwan	14.5	0.1	1.6	45.0	32.3	-4.9
Thailand	3.0	-3.6	2.8	12.0	36.3	-5.2
Argentina	0.1	-1.2	na	na	890	-73.7
Brazil	-1.7	-7.3	11.7	-25.0	5.15	-3.7
Chile	-3.3	-2.3	6.0	42.0	906	-11.8
Colombia	-2.9	-5.1	10.5	-78.0	3,834	18.1
Mexico	-0.4	-5.0	9.7	88.0	16.6	7.4
Peru	-0.4	-3.1	7.1	-21.0	3.74	-1.3
Egypt	-3.4	-11.0	na	na	46.8	-34.0
Israel	5.3	-6.6	4.8	90.0	3.67	-0.3
Saudi Arabia	0.9	-1.3	na	na	3.75	nil
South Africa	-2.0	-5.2	10.3	-93.0	18.2	5.5

Source: Haver Analytics. [§§]5-year yield. [†††]Dollar-denominated bonds.

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Markets

In local currency	Index May 22nd	% change on: one week	Dec 29th 2023
United States S&P 500	5,307.0	nil	11.3
United States NAScomp	16,801.5	0.4	11.9
China Shanghai Comp	3,158.5	1.2	6.2
China Shenzhen Comp	1,784.7	1.4	-2.9
Japan Nikkei 225	38,617.1	0.6	15.4
Japan Topix	2,737.4	0.2	15.7
Britain FTSE 100	8,370.3	-0.9	8.2
Canada S&P TSX	22,346.8	0.3	6.6
Euro area EURO STOXX 50	5,025.2	-1.5	11.1
France CAC 40	8,092.1	-1.8	7.3
Germany DAX*	18,680.2	-1.0	11.5
Italy FTSE/MIB	34,460.5	-2.6	13.5
Netherlands AEX	910.5	-0.3	15.7
Spain IBEX 35	11,329.0	-0.3	12.1
Poland WIG	88,314.4	0.3	12.6
Russia RTS, $ terms	1,203.6	0.3	11.1
Switzerland SMI	11,958.7	0.5	7.4
Turkey BIST	10,899.3	7.3	45.9
Australia All Ord.	8,118.3	1.2	3.7
Hong Kong Hang Seng	19,195.6	0.6	12.6
India BSE	74,221.1	1.7	2.7
Indonesia IDX	7,222.4	0.6	-0.7
Malaysia KLSE	1,622.1	1.2	11.5
Pakistan KSE	74,956.7	0.4	20.0
Singapore STI	3,307.9	0.6	2.1
South Korea KOSPI	2,723.5	-0.3	2.6
Taiwan TWI	21,551.8	1.9	20.2
Thailand SET	1,370.8	nil	-3.2
Argentina MERV	1,562,849.3	5.8	68.1
Brazil BVSP*	125,650.0	-1.9	-6.4
Mexico IPC	56,444.5	-1.8	-1.6
Egypt EGX 30	27,227.4	7.5	9.4
Israel TA-125	1,968.4	-3.2	4.3
Saudi Arabia Tadawul	12,157.0	0.4	1.6
South Africa JSE AS	79,492.6	0.2	3.4
World, dev'd MSCI	3,479.8	0.2	9.8
Emerging markets MSCI	1,093.4	0.8	6.8

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 29th 2023
Investment grade	103	154
High-yield	355	502

Sources: LSEG Workspace; Standard & Poor's Global Fixed Income Research. *Total return index.

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Commodities

The Economist **commodity-price index**

2020=100	May 14th	May 21st*	% change on month	% change on year
Dollar Index				
All Items	136.3	139.7	2.3	14.2
Food	144.0	144.7	-1.8	6.6
Industrials				
All	130.0	135.5	6.1	21.9
Non-food agriculturals	133.2	135.2	0.3	21.6
Metals	129.1	135.6	7.7	22.0
Sterling Index				
All items	139.2	141.1	nil	11.5
Euro Index				
All items	143.9	147.0	0.7	13.4
Gold				
$ per oz	2,350.8	2,431.8	4.9	23.6
Brent				
$ per barrel	83.2	82.4	-8.7	9.9

Sources: Bloomberg; CME Group; Fastmarkets; FT; LSEG Workspace; LME; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; Urner Barry; WSJ. *Provisional.

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Obituary

Obituary | Morality and butchery

Ebrahim Raisi was obsessed with the security of the people

The hardline president of Iran died in a helicopter crash on May 19th, aged 63

May 22nd 2024

As the helicopter rose through the misting clouds, Ebrahim Raisi stared sombrely out of the window. The view, of the rugged mountains of north-west Iran, should have been magnificent. Today, there was not so much to see. And in any case he was not given to smiling. It did not suit the black turban he wore, a token of his descent from the Prophet, or his usual black clerical robes, or his thin glasses. He preferred to appear as what he was, an unbending expert on sharia law, for whom chopping off the hands of thieves was "one of our greatest honours".

Yet he had done an unusual amount of smiling that day, as he inaugurated, with President Ilham Aliyev of Azerbaijan, the giant Qiz Qalasi dam on the Aras river. It marked a rapprochement between their countries. They had had their ups and downs, but today he had called Mr Aliyev a brother and a friend. Their co-operation, he said, would make their enemies despair.

Enemies inevitably preyed on his mind. They began with America, a country he loathed beyond any other except the false Zionist regime of Israel. But Israel, especially after the Hamas attacks of October 7th, could be made to disappear. America was the immovable Great Satan whose sanctions weighed Iran down, cramping its oil exports, tyrannising its innocent people and scuppering his attempts to improve the economy. He had often talked of restoring the nuclear deal of 2015 which Donald Trump had rescinded. But he did not mean it much. When he appeared on "60 Minutes" in 2022, infuriatingly interviewed by Lesley Stahl with her hastily thrown-on headscarf and pitiful expression, he said he could not talk to the Americans. There was no trust. A meeting with Biden would be pointless. He did not deny that Iran was enriching uranium to a very high grade, but that was for industrial use, agriculture, medicine. A nuclear weapon? Baseless. It had no place in their doctrine.

Alongside the foreign demons lurked enemies of the state: anyone opposed to the revolution of 1979, when the Shah was toppled and Ayatollah Ruhollah Khomeini established his theocracy. He had been swept up in it as a young student at the seminary, where he was taught for a while by Khomeini's brother and the supreme leader's successor, Ali Khamenei. Thanks to Khamenei he got his first prosecutor's job at the age of 20, and at 25 was deputy prosecutor in Tehran. It was there in 1988 that thousands of enemies of the state were massacred by a "Death Committee" that re-tried leftists in the jails and, if they would not recant, hanged them from cranes by the half-dozen. Westerners said he was on that committee; they called him the Butcher of Tehran. He repeatedly denied it. But he was sure it had been the right thing to do. Khomeini had decreed a fatwa against those miscreants for waging war on God. And when a prosecutor defended the security of the people, he should be praised.

Disorder appalled him. Acts of chaos were unacceptable. In 2009 he enthusiastically backed a clamp-down on the Green Movement, which was rioting against a disputed election. Hundreds were arrested to uproot this sedition. In 2022 it was the women's turn, objecting to his hijab and chastity law with displays of what amounted to nudity and indecency. So, when they objected, he made the law tighter. For showing any part of the body higher than the ankles or forearms, or lower than the neck, they would now get not five years in prison, but ten. He sometimes admitted that women had talents, and rights, too; at home he had two daughters, and his wife, Jamileh Alamolhoda, taught at a university. But in public she knew her place. Sitting beside him, swathed in black, she would say "We want women to remain women! Why should we be like men?"

National morality he could police as hard as he liked. Other powers were more limited. Khamenei had the final word on everything. Foreign policy was mostly made by commanders of the Islamic Revolutionary Guard Corps, despite the fact that at meetings with them they would sit meekly cross-legged at his feet. It was also made by those invaluable proxy groups—Hamas in Gaza, Hizbullah in Lebanon, the Houthis in Yemen—which, in his view, safeguarded a region where Israel was the disrupter.

His own brief was to run the country, and he did so as a jurist, since all his previous jobs—prosecutor-general, attorney-general, head of the judiciary—had to do with the law. When he first ran for president in 2017, it surprised people. He knew nothing of economics, indeed had little standard education; after a few years of school, it was into the seminary in Qom. The Koran, and sharia, were his first recourse: his idea of rooting out graft and corruption was to prosecute his foes with big, showy trials. He had entered politics because it was his revolutionary and religious responsibility to do so. If Westerners carped on about human rights, he retorted that these meant security. Freedom was not included.

He did not win, that first time. He got only 38%. In 2021 he changed his tactics, touring the country to talk to the poor. His closeness to Khamenei and the juduciary also paid off; 600 rival candidates, some of them even conservatives, were reduced to a handful by the clerical authorities. He won a landslide then, and fellow conservatives controlled every branch of power.

Rumours had been swirling that he was first in line for supreme leader. Yet it was never proclaimed. Besides, though he stated otherwise, he was not an ayatollah, or sign of God. He was merely a *hojat-ol-eslam,* or authority on Islam. When Khamenei declared him president, he mentioned this fact. He also called him popular; but that wholesale rejection of candidates had not gone down well. Turnout in 2021 had been Iran's lowest-ever.

There was much to ponder on that flight home. The foreign minister, sitting opposite, was fidgety; others dozed. But the president stared out of the window, unsmiling, as the fog closed in. ■


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Where next for Iran?
Meet Nvidia's challengers
How to save South Africa
Britain's election surprise
MAY 25TH–31ST 2024
Cash for kids
Why policies to boost birth rates don't work

Table of Contents