

The Economist

Why energy bail-outs are a bad idea

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Europe's merger misconceptions

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MARCH 28TH-APRIL 3RD 2026

**ADVANTAGE
IRAN**



The Economist

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The world this week

Politics

3月 26, 2026 05:25 上午



Various countries, including Egypt, Pakistan and Turkey, said they were willing to mediate between [America and Iran](#), with Pakistan saying it was ready to host talks. Donald Trump had earlier backed down from a threat to strike Iran's energy facilities. He claimed several times that talks were under way with Iran and producing results. Iran denied that any such dialogue was taking place, but that messages were being "conveyed via friendly countries". America has reportedly put forward a 15-point peace plan. The Pentagon ordered additional troops to the Gulf, according to reports; thousands of Marines are already en route to the region. The Strait of Hormuz remained largely closed to shipping, though Iran said it would allow vessels from friendly countries to pass.

Iran executed three young men in connection with the demonstrations that swept the country earlier this year. They are thought to be the first formal executions of any protesters detained during the unrest; more are expected. Observers said it was a sham trial. <https://t.me/demagazinesharing>

Israel announced that it would establish a security zone in southern [Lebanon](#) policed by Israeli troops in order to curtail Hizbullah's activities. Soldiers blew up bridges crossing the Litani river, around 20km (12 miles) north of the Israeli border, to secure the area. Hizbullah, which is backed by Iran, agreed on paper to a ceasefire in 2024, but launched missiles at Israel again recently. Many observers think Israel will now be seen as an occupying force in the south. Meanwhile, the Iranian ambassador was ordered to leave Lebanon, a few days after the Lebanese prime minister said that Iran's Revolutionary Guards were directing Hizbullah's operations in the south.

The Asian Development Bank announced a financial-support package for member countries to help mitigate the **economic impact of the Iran war**. Sri Lanka became the first country to tap the programme. The Philippines declared a national energy emergency; the country gets almost all of its oil from the Gulf. The president, Ferdinand Marcos junior, said that "nothing is off the table" as the government seeks new sources of oil and imposes measures to ensure economic stability.

Chad deployed more troops to its border with **Sudan** after a drone attack launched from across the border killed 17 people. Both sides in Sudan's civil war blamed each other for the incident. Chad has said it is ready to respond to any further acts of aggression.

Don't forget the war

Russia attacked **Ukraine** with 948 drones, its biggest assault on the country over a 24-hour period since the conflict began four years

ago. Volodymyr Zelensky, Ukraine's president, said Russia had been emboldened by America's conflict with Iran. Meanwhile, Russia reportedly suspended operations at its oil-export hubs at Primorsk and Ust-Luga on the Baltic Sea after they were struck by Ukrainian drones.

Several weeks of coalition negotiations loom in **Denmark** after an indecisive [general election](#). Mette Frederiksen, the prime minister, and her Social Democrats won the most votes but fell short of a majority. She will try to form a government with a left-wing bloc of parties but will also need backing from the Moderate party. Greenland featured as an issue in campaigning, but voters expressed most concern about immigration and welfare.

A proposal in **Italy** to introduce minor changes to the judicial system was [roundly rejected by voters](#) at a referendum. The proposed changes sought to separate the career structure for judges and prosecutors and rejig the bodies that oversee them. The right-wing government backed the reforms, claiming they would make the judiciary more independent. The opposition turned the vote into a plebiscite on Giorgia Meloni, the prime minister; it was her first big defeat since taking office in 2022.

In **France** the candidate backed by the populist-right National Rally won the mayor's office in Nice, the fifth-biggest city, in local elections, but the party [failed to win its prized targets of Marseille and Toulon](#). The Socialists kept control of the mayoralty of Paris, where their candidate, Emmanuel Grégoire, defeated Rachida Dati, a conservative former minister of culture. During the campaign Mr Grégoire kept his distance from the far left, which faces accusations of antisemitism.

In Belgium soldiers began patrolling Jewish areas following several **antisemitic attacks**, including the explosion of a device outside a synagogue in Liège. Two men were arrested in London for setting fire to ambulances operated by a Jewish charity. The vehicles were

set ablaze in Golders Green, an area with a large Jewish population. The ambulances served the whole community.

Modern times



Sarah Mullally was installed as the [Archbishop of Canterbury](#), becoming the first female primate of the Church of England and ceremonial head of the worldwide Anglican community. In another first, the **BBC** appointed someone from the world of big tech as its new director-general. Matt Brittin is a former executive at Google. He takes over from Tim Davie, who resigned over allegations of editorial bias at the BBC, including selective editing of a documentary to show Donald Trump in a worse light.

The Taliban government in **Afghanistan** released an American it had held in captivity for over a year. Dennis Coyle lived in the country as a language researcher. His family say he was not charged with any crime. Earlier this month America's State Department designated Afghanistan as a "state sponsor of wrongful detention". Iran was given the same designation shortly before America launched its attack on the country.

A military plane carrying 128 passengers crashed on take-off in **Colombia**, killing at least 69 people. Gustavo Petro, the president, seemed to suggest that “bureaucratic problems” were partly to blame for holding up his plans to modernise the armed forces, though he gave no actual cause of the accident.

Venezuela’s interim president, Delcy Rodríguez, shook up the country’s senior military ranks and sacked the defence minister, who had been close to Nicolás Maduro, ousted as president in an American operation in January. The new defence minister is Gustavo González López, who led the intelligence services when Mr Maduro was in power and is loyal to the socialist regime.

The Senate confirmed Markwayne Mullin as secretary of **homeland security**, as Congress continued to haggle over a funding deal to end a [partial shutdown](#) of the department. The impasse has left airport-security workers unpaid, leading to staff shortages and long queues at airports. Immigration and Customs Enforcement officers have been sent to help ease the disruption.

The **Democratic** candidate won a special election in the Florida state-legislature district that includes Donald Trump’s Mar-a-Lago home in Palm Beach. A Republican had carried the district by 19 percentage points just two years ago. The swing underscores Democrats’ growing strength ahead of November’s midterm elections.

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The world this week

Business

3月 26, 2026 04:45 上午



Oil prices swung wildly in response to developments in the Iran war, rising sharply on fears that it would take months for energy markets to stabilise after the conflict, and falling amid speculation about peace talks. Prices for natural gas, especially in Europe, similarly whipsawed. With investors worried that [higher energy prices will push up inflation](#), possibly causing central banks to increase interest rates, the yields on government bonds continued to rise. Gold, typically a haven in times of chaos and high inflation, has fallen from recent highs; its spot price is down by nearly 20% since the war began in late February.

Brent crude oil price

March 2026, \$ per barrel



Source: LSEG Workspace

Christine Lagarde, the president of the **European Central Bank**, said in a speech that the ECB was “prepared, if appropriate, to make changes to our policy at any meeting”, which markets interpreted as paving the way for interest-rate rises this year. Ms Lagarde told [The Economist](#) that “too much has already been damaged” in the Iran war and the disruption to energy could last for “years”.

TotalEnergies struck an agreement with the American government to “renounce” its offshore-wind licences in America and instead invest in fossil-fuel production. The French energy giant will invest \$928m in a liquefied-natural-gas plant in Texas as well as in

conventional oil and shale. In return the government will reimburse Total \$928m for cancelling two wind-power projects. Patrick Pouyanné, Total's chief executive, remarked that "the development of offshore-wind projects is not in the country's interest."

In a [landmark trial a jury in Los Angeles](#) sided with a 20-year-old woman who claims that **Meta** and **YouTube** contributed to her depression during childhood. The jury found that the companies had been negligent and that their platforms were designed to be addictive to young people. A separate jury in New Mexico found Meta liable for not protecting children from the harmful effects of social media.

OpenAI abruptly dropped **Sora**, its AI video-generation tool, cancelling a \$1bn deal with Disney that would have allowed users to create content using Disney characters. The startup had only just published a set of guidelines for publishing safely on Sora, including safeguards for teens.

A nutritious deal

Danone, a French foods company, buffed up its range of fitness products by agreeing to buy **Huel** for €1bn (\$1.2bn). Huel makes meal-replacement drinks, snacks and food supplements that are popular with gym fanatics, or "Hueligans" as the firm describes them.

Arm, a British chip designer in which SoftBank holds a majority stake, unveiled its first chip, as it branches out from selling chip designs. Its AGI CPU is purpose built to co-ordinate large numbers of tasks among data-centre AI agents, using less power and promising to reduce costs for customers compared with traditional CPUs. Its lead partner and first customer is Meta; other partners include OpenAI.

After eight years of negotiations Australia and the EU signed a **free-trade pact** that removes tariffs on most goods, with the notable exception of Australian beef and lamb, which still face quotas. Farmers' groups in Australia criticised the deal. Meanwhile, the EU announced that a trade agreement with Mercosur countries will come into provisional effect on May 1st.

Argentina's president, Javier Milei, was able to claim that his tough economic reforms were bearing fruit when data showed the economy had expanded by 4.4% in 2025, after contracting in 2023 and 2024. A survey of economists by the central bank forecasts that GDP will grow by 3.4% this year.

Elon Musk unveiled an ambitious plan to build two chip factories near Austin, Texas, one to produce chips for cars and robots and the other to supply AI data centres in space. The "Terafab" complex will be built by Tesla and SpaceX, though no timeline was given for its development. Earlier, a federal jury found that Mr Musk had misled investors in Twitter when he implied in the spring of 2022 that he was no longer interested in buying the social-media platform, causing its share price to fall. He subsequently bought it in October that year and renamed it X.

Leaving orbit

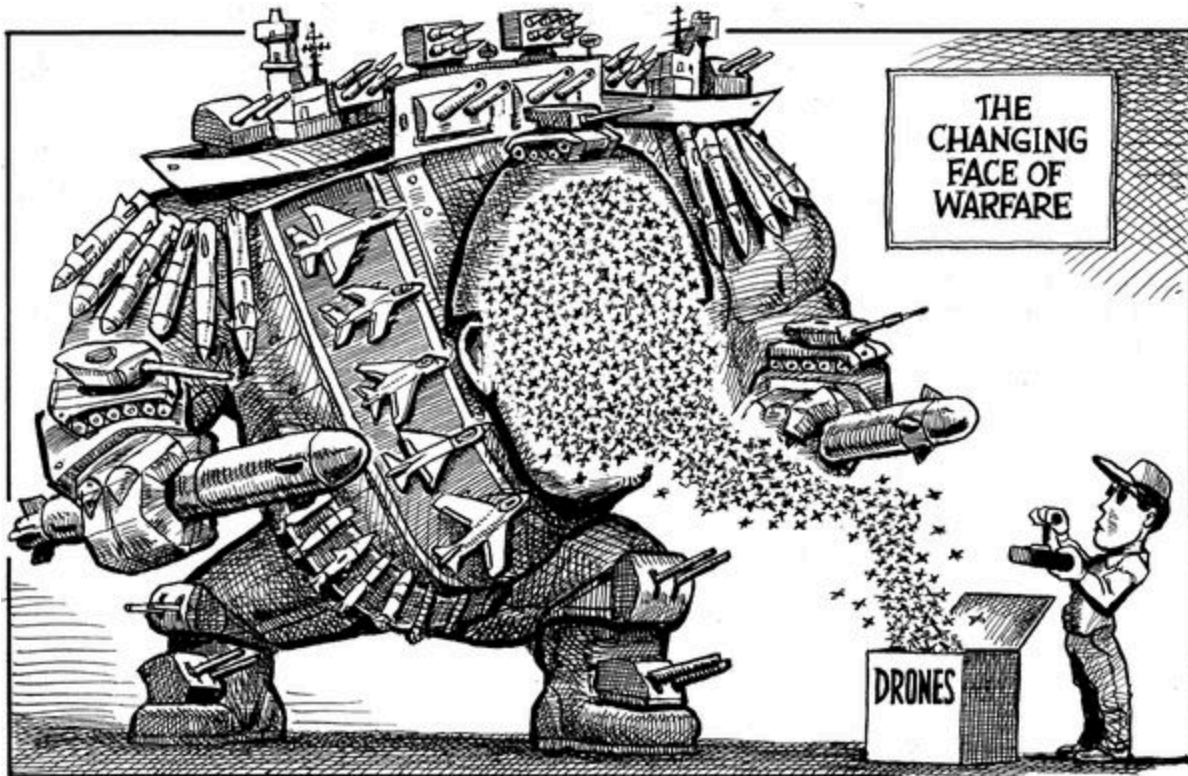
NASA [overhauled its Artemis Moon programme](#), ditching a plan to build a space station in lunar orbit and instead repurposing its components to build a base on the Moon, which will eventually use nuclear power. We are "focusing on infrastructure that supports sustained operations on the lunar surface", said Jared Isaacman, NASA's administrator. It still hopes to land astronauts on the Moon in 2028, with SpaceX and Blue Origin developing the landers. China is aiming to land its own astronauts on the surface around 2030.

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The world this week

The weekly cartoon

3月 26, 2026 06:10 上午



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

[Autonomous swarms are the future of drone warfare:](#)

[Ukraine is scaling up interceptor drones](#)

[Ukraine's top drone commander wants to bleed Russia's army dry:](#)

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

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Leaders

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Country first :: A rare Brexit dividend

Our cover

Advantage Iran

A month of bombing has achieved nothing. Will Donald Trump escalate, or talk?

3月 26, 2026 05:35 上午



EVEN BY HIS chaotic standards, Donald Trump has just presided over an unusually wild week in his misguided war on Iran. The president had threatened imminent, punitive bombing of Iran's civilian energy infrastructure. Though Iran didn't quail, markets did. So a U-turn followed. Mr Trump said he had become aware of secret proposals for peace talks, and held off. The Pentagon then said it would send some of the 82nd Airborne Division. That suggests escalation is still

a possibility. Amid such uncertainty, Iran's regime seems unfazed. Remarkably, it now has a strategic advantage over its opponents.

True, the Islamic Republic has suffered dramatic blows. Many of its leaders, and hundreds of civilians, are dead. Its air defences are in pieces; its navy and missile launchers are largely gone. And yet the regime endures. As we warned when this war began, its mere survival counts as a victory of sorts.

Read the rest of our cover package

- [What a battle to reopen the Strait of Hormuz would look like](#)
- [How long will Israel stay in Lebanon?](#)
- [America's pro-Israel lobby is facing a backlash](#)

At home the regime's grip is not easing, but has if anything been strengthened by the onslaught from America and Israel. The hardline Revolutionary Guards are in control. Domestic opponents, whether ethnic separatists or urban protesters, are deathly quiet. Iran's stocks of highly enriched uranium, some 400kg, remain untouched, probably still under rubble. Most strikingly, Iran has established a chokehold over the Strait of Hormuz, blocking exports of oil and gas from the Gulf that account for a fifth of the global supply. For decades American military planners have prepared for this obvious risk. But the war has proved both that Iran can strangle the strait, and that it would be [agonisingly hard to loosen its grip](#). Iran's asymmetric warfare, with missiles, cheap drones and perhaps mines against shipping, is keeping the superpower at bay.

Meanwhile, even though its proxies are weaker than before, Iran still has cards to play abroad. Because the Houthis in Yemen have held off shooting missiles at tankers in the Red Sea, some Saudi oil, pumped to the coast and bypassing Hormuz, reaches world markets. A lid remains on global oil prices, though they have still hovered around \$100 a barrel in recent days. But the Houthis may now be

incentivised to demand a high price—such as international recognition of their control over north Yemen—to hold their fire. In Iraq, Shia groups aligned with Iran are turning against Kurds (and Americans). And Hizbullah, Iran’s client in Lebanon, may regain some local legitimacy as a “resistance” outfit, as the country comes under attack from Israel. An Israeli attempt at [occupation](#) could intensify that conflict and strengthen the group’s position.

In the Gulf, America’s allies did not wish for war, but now fear that a wounded, defiant Iran may emerge as an even bigger threat than before. Their security systems—air defences and costly interceptor rockets—are imperfect. Their economies look hostage to Iranian threats. One option is to go all-in with America on the war. The United Arab Emirates has warned against talks with Tehran, saying that Iran is committing “economic terrorism” in the region. The Saudis reportedly want America to deploy ground troops.

Nor is Israel really any safer than before. Binyamin Netanyahu is thrilled by the sustained attack on Iran. Yet Iranian missiles have penetrated Israeli airspace, killing civilians. The nuclear threat from Iran has not been eradicated. Without regime change, the ballistic-missile threat will return, requiring Israel to strike Iran every few months. Most worrying for the Jewish state, its long-standing ties with America may be under strain. The war is already unpopular with most Americans. If casualties mount, petrol prices soar and markets slide, who will they blame? Already some on the Republican right are pointing to Israel. Voters, especially the young, have grown more hostile towards it; pro-Israel lobbyists in America are [struggling](#).

In short, for all the power and sophistication of the military onslaught from America and Israel, Iran feels it has the upper hand over Mr Trump. It has shown that it is more capable than America of both inflicting pain and withstanding it. Mr Trump launched his war, unforgivably, without offering a strategic rationale for it. Despite operational successes and his nonsensical claim of having already

changed the regime in Tehran, he has yet to win any substantive gains from the fighting. As the political costs mount, Mr Trump will come under growing pressure. His choices are to escalate, or talk.

He may be tempted by dramatic escalation, inflicting damage on Iran's civilian infrastructure and oil industry in the hope of compelling it to reopen the strait. Marines could grab Kharg Island and its oil infrastructure, take slivers of coastal territory or occupy islands inside the strait. That might bring limited military benefit. But none of those gambits looks like a potential knockout blow. Iran could still fire missiles and drones from inside the country, or try to mine the strait. Occupying soldiers would quickly morph into sitting ducks. Mr Trump, having yearned to banish the memory of Jimmy Carter's military misadventure in Iran in 1980, would risk repeating it. Shifting large-scale resources to the region would leave America's military forces weaker elsewhere, notably in Asia.

Full metal straitjacket

The less bad option, therefore, is to seek serious negotiations. Pakistan's government stands by to mediate. Mr Trump says he has offered a 15-point plan to Iran, though officials in Tehran deny talks are under way. But America has previously entered into negotiations in bad faith, using them as a ruse before attacking. Iran will thus be sceptical.

So Mr Trump must agree to a full ceasefire, and compel Israel to abide by it. Talks on reopening the strait and steering Iran away from its nuclear programme will be bitterly difficult. And any eventual deal will be worse than what could have been struck before the war began, because Mr Trump has unwittingly strengthened the hand of hardliners and made clear the leverage they have over the strait. The result is that for now, at least, the advantage lies with Iran. ■

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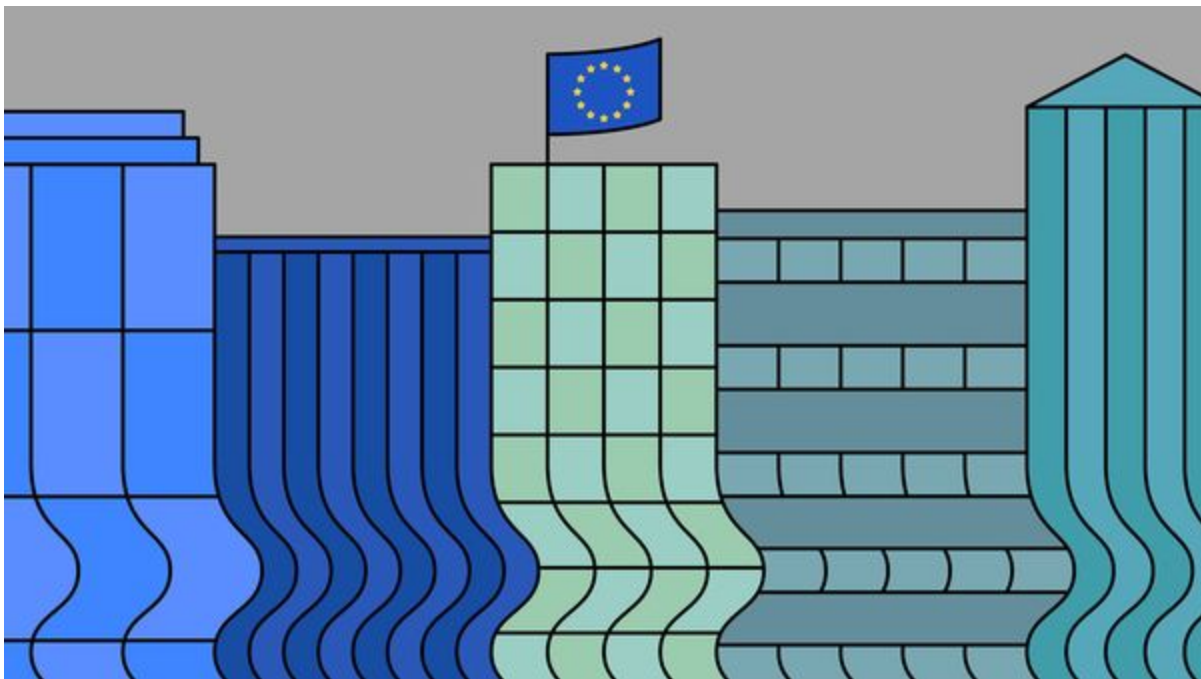
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Mythbusting on trustbusting

Europe should think twice before weakening its merger rules

A strict competition policy is not the barrier to bigger firms

3月 26, 2026 05:39 上午



AN AIR OF gloom hangs over European companies. On the global stage, many are dwarfed by America's tech titans and China's industrial giants. The European Union is home to only three of the world's top 50 tech firms, by market capitalisation; its largest bank ranks 16th globally. To dispel the misery, some think the bloc's strict competition policy needs updating. The European Commission, which enforces antitrust rules, will soon publish draft guidelines that

are expected to be more lenient. Encouraging firms to scale up is a laudable aim. Weaker competition policy would not achieve it.

The debate about the purpose of European competition policy is as old as the European project itself. The principled view, which came to dominate, is that a robust competition policy serves consumers, growth and innovation by ensuring that no firm achieves a controlling share of its market. A more political view is that it should serve wider goals, including national security and industrial policy.

Dig deeper

- [Will the EU's new merger rules unleash a wave of dealmaking?](#)

As policymakers seek to prepare the continent for harsher geopolitical times, it is no surprise that the political view is [gaining favour](#). Mario Draghi, a former Italian prime minister, argued in an influential report that competition policy needs to change to support innovation and secure supply chains. Ursula von der Leyen, the president of the European Commission, has gone a step further, arguing for “European champions” and “merger guidelines that reflect the realities of the global market, not just the European one”.

Loosening competition policy would be misguided. The hurdles in the way of bigger European businesses are not merger rules but parochial politicians and a variety of other regulations, as the examples of banking, telecoms and defence show. Start with banks. The absence of large pan-European lenders is not because of trustbusters. Banking remains a national market. Local supervisors prevent banks from moving capital and liquidity seamlessly between a parent institution and its foreign subsidiaries. There is still no unified deposit-insurance scheme. And politicians are fiercely protective of national champions, as the attempt by UniCredit, an Italian bank, to take over Commerzbank in Germany shows. The

German government opposes the merger, claiming it would undermine funding for the *Mittelstand*.

Telecoms is not a truly integrated market, either. Spectrum auctions are largely national, as are rules around security, emergency services and the like. More than 270 regulators oversee digital networks across the EU. As long as a customer in France cannot easily buy services from an Estonian provider, mergers are likely to increase market power and raise prices.

Defence, the third example, is similarly fragmented, even though competition policy has already been loosened. The main reason is that governments want to keep their defence industries on a tight rein. More pan-European procurement and a dose of competition from startups would do far more to spur both innovation and consolidation.

Each example shows that the barrier to scale is not competition policy, but the fact that the single market remains incomplete. Indeed, where the market is fully integrated, European firms have managed to achieve world-beating results. Just think of ASML, which has a near-monopoly on the most important chipmaking machines in the world, or of firms like Spotify and SAP, which hold their own against global rivals. European pharma is a rich ecosystem made up of research institutes, smaller upstarts and corporate giants.

Integrating financial and digital services across borders is a much gnarlier task than diluting merger rules, in large part because it means encouraging national governments to loosen their grip. But if Europe really is to compete on the global stage, there is no substitute for hard graft. ■

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Let markets work

The case against energy bail-outs

As war rages in Iran, governments must not repeat the mistakes of 2022

3月 26, 2026 05:35 上午



WHEN CRISES have struck in recent years, politicians in the rich world have been quick to turn to bail-outs. During the covid-19 pandemic and the energy crisis caused by Russia's invasion of Ukraine in 2022, governments opened their chequebooks and made heavy-handed interventions as they sought to cushion the damage that was being inflicted on households and businesses.

So it is with the energy crisis stemming from the Iran war, which has sent the price of oil and liquefied natural gas (LNG) rocketing. Spain has slashed VAT on fuel and household electricity, Italy has cut petrol duties, South Korea has capped prices at the pump and Japan is spending more on subsidies to limit them. Britain's government is considering subsidising the energy bills of welfare claimants, and promises to crack down on "profiteering". Even in energy-secure America, Democrats have called for windfall taxes on oil companies, with the revenue channelled to households.

Dig deeper

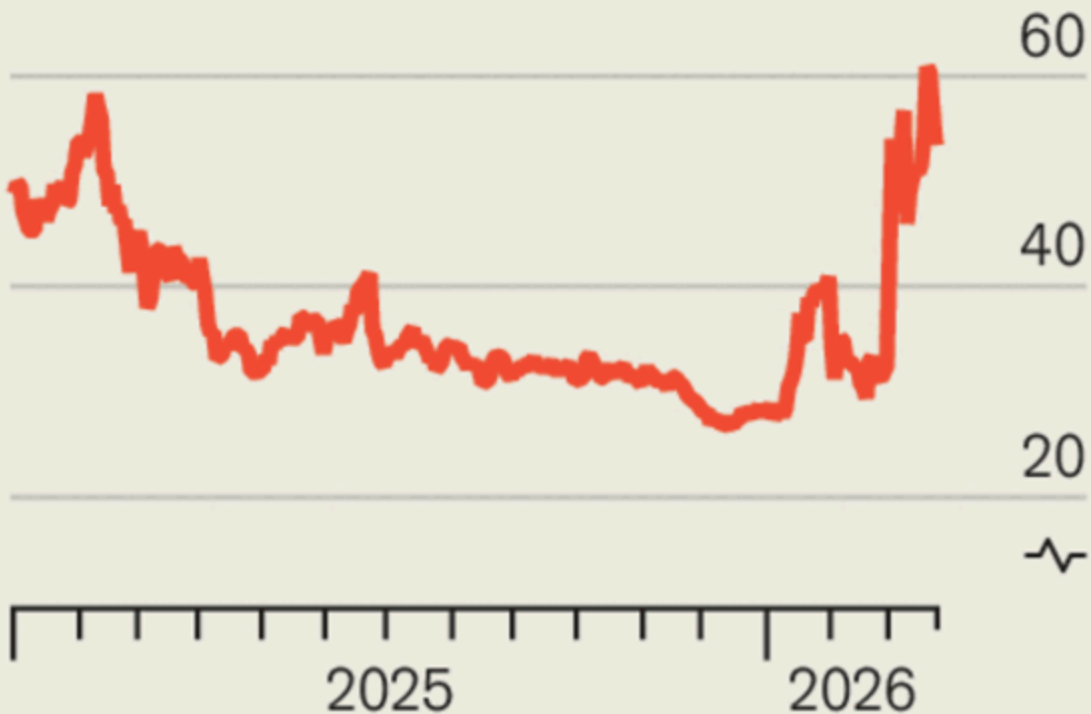
- [How high could global inflation go?:](#)

Such interventions will do more harm than good. High prices and fat profits tell consumers to economise on energy while encouraging producers to find and sell more. And as the energy crisis of 2022 showed, interfering with these signals can hurt some of the world's poorest people.

It is arithmetically impossible for every government to shield its consumers from the energy shortage. So long as the Strait of Hormuz remains closed, the world has lost 15% of its oil supply; add in damage to Qatar's facilities, and the global supply of LNG is down by about a fifth. No amount of subsidy can bring this back. Global energy consumption must fall.

European natural-gas price

€ per MWh



Source: LSEG Workspace

The effect of handouts is therefore to force the adjustment on others. After the continent lost most of its supply of Russian gas in 2022, many European countries spent more than 2.5% of GDP on subsidies over two years. The interventions were clumsy. Across the rich world as a whole more than half the money was spent blunting the price mechanism, and about four-fifths was untargeted, benefiting richer households, which tend to consume the most energy. Europe was always going to pivot to LNG, but subsidies made the global crunch worse. As LNG imports rose by 65% in Europe, they fell by 16% in South Asia. Pakistan and Bangladesh suffered blackouts and deepening poverty.

Repeating the trick would be both shameful and expensive. In 2022 Europe's interventions felt cheap because interest rates and bond yields started the year near zero. Today the cost of debt is much higher. The war has caused bonds to sell off sharply, particularly in gas-dependent countries. Britain must now pay nearly 5% to borrow for ten years, about half a percentage point more than during the height of the panic under Liz Truss. Borrowing more to subsidise energy will eat up scarce fiscal space. And by stimulating the economy, it could make it harder for [central banks to control inflation](#); further unsettling bond markets.

Regulatory interventions do not cost money, but are just as likely to backfire. It is desirable for providers that have not been disrupted by the conflict—including renewables providers—to enjoy high profits, because that encourages a more secure supply of energy. "Windfall" taxes also have a nasty habit of becoming permanent. Britain never scrapped the extra levy it imposed on oil-and-gas profits from the North Sea in 2022, which took the marginal tax rate to a punitive 78%. It would have been better to cut the tax to promote energy security.

Beyond avoiding past mistakes, what should governments do? They could temporarily increase cash payments to poor households through the welfare state, while leaving energy prices, and hence the incentive to economise, intact. In 2022 there were some more calibrated interventions: Germany offered cash support tied to energy usage.

Similar principles could be applied on an international scale to direct aid to the world's neediest. During the energy shocks of the 1970s, the IMF provided extra balance-of-payments support for the countries most seriously affected, and relieved poor countries of much of the interest bill. It may find itself having to do a modern version of that today, much as it ran a dedicated lending scheme for countries affected by high food and fertiliser prices in 2022-24.

The long-run challenge is clear: economies need to be weaned off insecure sources of energy while, ideally, burning less fossil fuel. It is a fantasy to think that this transition can be achieved if governments keep mindlessly absorbing the costs of the present system, while limiting rewards for those offering more robust alternatives. ■

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Stop the impoverishment

Mexico must unleash its private sector

Claudia Sheinbaum's biggest problem is weak investment and growth, not Donald Trump

3月 26, 2026 05:35 上午



MEXICO SHOULD be prospering. It benefits from tension between the United States and China: the “nearshoring” of supply chains on which American businesses rely means more factories are going up across North America. Mexico has become America’s largest trading partner. It has been partly shielded from President Donald Trump’s tariffs by the free-trade zone the two countries share with Canada. Trade in high-tech products is booming. Foreign direct investment grew last year even as it fell in other emerging markets.

And yet the [economy is limping](#), not sprinting. After averaging annual growth of just 2% over the past two decades, GDP expanded by a paltry 0.8% in 2025, the lowest rate in years (the covid-19 pandemic aside). Income per person has slid back to the level of 2017. Domestic investment is contracting.

Dig deeper

- [Mexico's broken economy](#):

Pinning the blame on Mr Trump will not work. The new tariffs that he has applied are indeed unhelpful. His constant bashing of the [United States-Mexico-Canada Agreement](#), which he negotiated in his first term—and which is now under formal review—is unsettling. But the American president is not the big headache. Indeed, exports grew by 7.6% last year, leading to Mexico's first trade surplus since 2020. The country's worst problems are domestic—and self-inflicted.

Since taking power in 2018 Morena, the ruling party, has pushed through constitutional reforms that actively undermine the economy. [Judges must now be elected](#), adding to legal uncertainty. Independent regulators have been subverted, or abolished outright. The state has entrenched its control of the [energy system](#), locking out badly needed private capital even as government debt soars. Rather than undertake tax reforms, the government has been shaking down large firms to raise more cash. All this comes on top of the perennial problems of crime and insecurity caused by rampant drug gangs.

This is not a crisis. Mexico has sound monetary policy, with a floating exchange rate and a respected, independent central bank. But the economy risks succumbing to a more chronic condition: low growth. To give her credit, President Claudia Sheinbaum, who took office in 2024, understands this. Plan Mexico, her six-year strategy, identifies low investment as the worst problem for the economy. It contains some useful ideas, such as tax breaks for research, training and

investment. But to truly rejuvenate an anaemic economy she needs to direct her energies at the underlying issues holding back her country.

Most important is the size of the informal economy. Over half of Mexico's workers toil in it, a proportion that has not changed in decades. Off-the-books employers tend not to invest in their businesses, leaving them low-tech and inefficient. For investment to grow in the long run more workers need to join the formal sector. To encourage this Ms Sheinbaum should scrap the two-tier social-security system, which is based on payroll taxes and discourages formal jobs. She should replace it with a universal system funded by taxes on consumption. Coupled with less onerous regulation and a simpler tax code, this would allow the investible formal sector to expand, and the economy to grow.

A patchy electricity system is also curbing growth. Changes made to the constitution by Morena have entrenched the controlling role of the state, but the state has no money to invest. Now the party is backtracking. A new model that allows private firms to take minority stakes in state-run energy projects is a welcome start. But Ms Sheinbaum should go much further. The government should break from the party line and let private investors back their own energy projects.

Morena—under its founder, Andrés Manuel López Obrador, and now under his protégée, Ms Sheinbaum—has shown itself willing to rewrite Mexico's constitution to meet party goals. In doing so it has won wide popular support, becoming perhaps the most powerful left-wing party in the democratic world. Ms Sheinbaum still has time to use this power to help her people get richer. If she does not, Mexico is doomed to keep limping along. Squandered potential is a form of impoverishment, too. ■

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Country first

England has shown the world how to replace farm subsidies

A rare Brexit dividend

3月 26, 2026 05:35 上午



A COMMON BELIEF among farmers, though one generally uttered quietly, is that their neighbours could be doing a better job. Perhaps they have sown wheat too early, or failed to tackle weeds. The same spirit of one-upmanship might be applied to entire countries. Some have better farming policies than others, wasting less public money and boosting productivity more than pollution. Surprisingly, England has earned the right to look down on others.

Brexiters who claimed that leaving the European Union would lead to superior policies have been wrong about most things—but when it comes to farming, they were right. Under the EU’s common agricultural policy, Britain mostly paid farmers to farm, handing out subsidies per hectare. Northern Ireland, Scotland and Wales still do a lot of that. But England, which has distinctive farming policies just as it has distinctive education policies, has remorselessly slashed such payments. They will [vanish entirely next year](#).

Dig deeper

- [English farming is changing quickly, for the better](#):

To get public money, English farmers must now choose to do things that provide public goods, such as establishing hedgerows or growing plants that feed insects and birds. Some activities, such as monitoring the condition of the soil, pay a few pounds per hectare; others are worth much more. “Agri-environment” schemes like this have existed for years, in England and elsewhere. But England is unusual in redirecting almost all its farm payments towards them. In the EU, only a quarter of farm payments go to schemes of this sort.

Although it is too early to tell if England’s approach is boosting biodiversity or cutting greenhouse-gas emissions from agriculture, the early signs are encouraging. Livestock numbers are falling, tree-planting is rising and more land is being left fallow. The blow to food production is likely to be small. Farmers mostly seem to be putting their worst land into environmental schemes—the bogs, slopes and awkward field corners where they struggle to manoeuvre a tractor.

Fears that they would be unable to cope with the loss of subsidies have proved groundless. Only 1,200 of England’s roughly 100,000 farmers took government grants to quit, and some of them were probably going anyway. Profits have held up, admittedly owing in part to Russia’s invasion of a big cereal producer. Farmers have not only learned to apply for environmental grants; they are also making

better use of their land and buildings. They rent fields to solar-power producers and cottages to holidaymakers.

The removal of per-hectare subsidies has made farming harder and riskier, which may explain why the land market has cooled. Since the Brexit vote in 2016 the price of ordinary arable land in England has increased by 12%. In Scotland and Wales, which have been slower to abandon per-hectare payments, it is up by 46% and 33% respectively. Good farmers in England should find it easier to expand as a result, or to acquire land for the first time.

The scheme could be bolder. As well as paying for environmental activities, the government could try spelling out desirable outcomes, such as more birds or less flooding in a given area, and then invite farmers to bid to achieve them. The ruling Labour Party has made some peculiar decisions, such as capping the amount of environmental payments per farm. That move might seem intuitive to a party that has always disliked large landowners, but it makes no ecological sense. A flower is no less attractive to a bee if it grows on a big estate.

Policies can always be improved. England's feat is to have herded farmers into a new system of environmental incentives at high speed, with minimal bleating. Although angry farmers have driven their tractors to Westminster, they were protesting against changes to inheritance tax, not subsidy cuts.

More drastic policies are available. New Zealand abolished agricultural subsidies in the 1980s and replaced them with nothing. It ended up with an innovative, market-oriented industry. But New Zealand needs to control agriculture, too, not least because its cows belch so much climate-altering methane. With few carrots to offer, it is struggling. England's gentler approach may prove more fertile. ■

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Letters

- **[Should Europe's pensions be reformed?](#)**

A selection of correspondence :: Also this week, Hungarian think-tanks, Brazilian film, Iran, Asian pop music, email sign-offs

A selection of correspondence

Should Europe's pensions be reformed?

Also this week, Hungarian think-tanks, Brazilian film, Iran, Asian pop music, email sign-offs

3月 26, 2026 04:46 上午



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Inter-generational transfers

[Your leader calling for reforms to Europe's pensions gave Otto von Bismarck credit](#) for inventing the pay-as-you-go system, whereby

today's workers pay for current pensions ("Unleash the pensions", March 7th). Germany's 1889 law in fact introduced a funded system. But Bismarck arguably favoured a different approach and was overruled by bureaucrats at the Ministry of the Interior. They dismissed PAYG as the economics of a bad housekeeper, because it concealed the true cost of pensions by deferring the burden to future generations. A fully capital-funded system was the stated goal, even if never fully achieved in practice.

Germany's move towards PAYG was gradual. A revision of the law in 1899 quietly eliminated the requirement to cover future entitlements. More dramatically, the remaining pension reserves were heavily invested in war bonds during the first world war, used in effect to finance a conflict Germany ultimately lost. What remained was then wiped out by hyperinflation in the early 1920s. Even then, PAYG was regarded as a temporary necessity, with capital-based funding remaining the stated idea. History repeated itself in the second world war: reserves were raided for the war effort. Formal adoption of PAYG came with the pension reforms of 1957 and 1969, after lengthy political debate.

The case for pension reform may be strong. But the historical record of funded systems offers a warning too: they are a fine idea, right up until when governments decide to invest them in a war they might lose.

TIMON DE GROOT
Social and economic historian
International Institute for Social History
Amsterdam

Hungarian influence?

According to Charlemagne (March 14th), the great menace now confronting Europe is not war, stagnation, or energy insecurity, but

the alarming possibility that a few Hungarian-linked media outlets, conferences and think-tanks might exist in Brussels. The column suggests that [Hungary, a country of 10m people, has constructed an “illiberal industrial complex” capable of reshaping Europe’s intellectual life.](#)

If so, this would be a remarkable feat, given the crowded marketplace it supposedly threatens: a Brussels ecosystem already populated by thousands of NGOs, advocacy groups, foundations, EU-funded initiatives and well-endowed policy institutes, most of which share broadly similar assumptions about migration, climate policy and social issues, and remarkably the same assumptions as *The Economist*. Against that backdrop, the sudden appearance of a handful of conservative platforms seems less like a megaphone drowning out debate than a slightly different voice entering a very loud room.

The more curious implication of the piece is that intellectual pluralism is healthy, provided it remains within familiar ideological boundaries. When progressive organisations publish reports, host conferences and influence policy, this is civic engagement. When conservative ones do the same, it becomes an “illiberal industrial complex”.

If Brussels truly is the open marketplace of ideas it claims to be, a few Hungarian-funded think-tanks should hardly be cause for alarm.

JOHN O’ BRIEN
Head of communications
MCC Brussels

Celluloid heroes

I was surprised by the claim in your article on [the resurgence of interest in Brazilian films](#) that the industry has “long been considered

Latin America's cinema laggard" ("The new national pride", March 14th). The article points to the fact that many other Latin and South American countries exceed Brazil in the number of Oscars their films have received. But the Oscars historically have tended to favour productions that look like Hollywood movies. One of the virtues of Brazilian cinema is its originality, a quality for which it has been admired by film lovers around the world for many decades.

A different picture is offered by the list of the greatest films of all time published by the British Film Institute in 2022. Two Brazilian films appear on this list: "Limite", an influential silent film from 1931 by Mário Peixoto, and "Twenty Years Later", a documentary by Eduardo Coutinho released in 1984. Mexico and Chile each have one film on the list and there are four from Argentina, three of which were directed by Lucrecia Martel. Even the BFI's list, which favours American and European cinema, does not reflect some of Brazil's greatest artists: Humberto Mauro, Lima Barreto, Alberto Cavalcanti, Glauber Rocha, Nelson Pereira dos Santos, Rogério Sganzerla, Júlio Bressane, among others.

At the recent Oscars "The Secret Agent" was nominated for best picture and best actor. Let us celebrate the success of the director, Kleber Mendonça Filho, without denigrating one of the richest cultures in film history.

JONATHAN MACKRIS
Berkeley, California

The wider effects of the Iran war

You wrote about [the operational constraints of the Iran war on the oil market](#), touching on the Strait of Hormuz, convoy limits, insurance, strategic reserves, Russian waivers and shale ("After shock", March 14th). But the conflict is not only testing oil logistics. It is also testing the wider architecture that has made American

power comparatively cheap to sustain: universal shipping norms, allied automaticity and the confidence structure behind American financial primacy.

If Gulf energy infrastructure keeps being hit, and if institutions, insurers and operators begin adapting through differentiated passage, pricing and risk treatment, the significance of the war changes. The danger is no longer just a costly oil shock. It is that small changes in allied and market behaviour may begin to make American primacy more conditional and more expensive to reproduce.

In that sense, the deeper issue is not simply whether Donald Trump can cool prices. It is whether this war is exposing how tightly military coercion, alliance management, shipping governance and sovereign finance are now coupled.

STÉPHANE TIBI
Jerusalem



Shooting for the stars

[Your article on Stray Kids showed how digital platforms and highly organised fandoms have reshaped global pop](#) ("Down with the kids", February 28th). Another pop act from Asia suggests that model is already evolving. SB19, a five-member group from the Philippines known for powerful live vocals and stagecraft, displays many of the traits associated with K-pop's global reach: over 1bn Spotify streams, Billboard chart success, British and European chart appearances and a fiercely co-ordinated international fanbase.

What distinguishes SB19 is structure. Through their own company, 1Z Entertainment, the group manages its business affairs and retains its artistic independence, an approach that challenges the tightly managed production model long associated with K-pop. The result is P-pop, Filipino pop music that combines local identity with global reach.

K-pop may have pioneered the model; SB19 suggests that global cultural production is becoming an ecosystem rather than an industry.

VIRGINIA WATSON
Honolulu

You make a sweeping assumption about your readership's listening habits. I probably conform to the typical demographic of your readers, with an unbroken subscription since my time as a student at the London School of Economics. I can also name all Stray Kids' hits and the members of the band, and am very much looking forward to seeing BTS in concert in July.

JOSEPHINE GAULD
Freetown, Sierra Leone

I am a 75-year-old grandparent who is somewhat stymied about ways to connect with my 13 year-old granddaughter. I called her after reading your article. She and I had a great FaceTime conversation about K-pop groups, whom she likes, how she finds their music, and so on. I've now got a list of musicians to explore. You did a great job fostering inter-generational communication.

KAREN CHRISTENSEN
Aurora, Illinois

Respectfully

[Bartleby's taxonomy of email opening lines was entertaining](#) (March 7th). But people often remember endings more vividly than beginnings. "Sincerely" sounds like you're protesting. Anything with "yours" is presumptuous. "Kind regards" is safe but flavourless. "Best regards" is marginally warmer. Plain "regards" borders on hostile. "Best wishes" belongs on a birthday card.

In Jonathan Safran Foer's "Everything Is Illuminated", a character signs off his letters with "Guilelessly". That may be the most honest option going.

EUGENE YIGA
Barcelona

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By Invitation

- **[Europe's choice: Grow, or become a vassal](#)**

At war with itself :: It's time the continent's more ambitious nations left the rest behind, writes Ulrike Malmendier

- **[Iran's Revolutionary Guards won't defend the regime to the last man](#)**

Guarding whom? :: Mohsen Sazegara, one of the force's founders, believes its various units are more divided than they appear

At war with itself

Europe's choice: Grow, or become a vassal

It's time the continent's more ambitious nations left the rest behind, writes Ulrike Malmendier

3月 26, 2026 04:45 上午



AS BOMBS CONTINUE to fall in the Middle East and the Strait of Hormuz remains closed to most vessels, Europe finds itself once again in a position of helplessness. Energy prices are climbing, the continent's leaders are divided and its meagre growth prospects are likely to dissipate and turn into recession. Founded to rebuild a peaceful and prosperous continent, the European Union is too fragile to withstand a world in which its allies act as adversaries and it is

powerless to protect its own supply chains. A stagnant Europe cannot dream of geopolitical sovereignty.

There is no mystery as to why Europe is fading. There is only so much growth a given industrial and technological base can generate. Not only is Europe an insignificant player in artificial intelligence, it also missed the previous technological revolution, the rise of software. And its high energy costs are stripping it of the industrial base acquired during the revolution before that. Europe's leaders are mostly aware of these challenges, and wish to fix them. The question is whether they will manage.

The most promising idea is to make the European market—the second-largest in the world after America's—widely accessible to startups and innovative companies by offering them a so-called 28th regime: a single set of European regulations that firms can opt into if their national system holds them back. This idea, proposed in reports by Enrico Letta and Mario Draghi, both former Italian prime ministers, would make it easier to nurture companies in the most dynamic parts of the economy: software and AI. And it is the right moment to implement it. There are currently few incumbents, so it would create many winners and few losers. Of all the ways to show Europe is serious about making up the economic ground it has lost over the past three decades, it is perhaps the easiest—and one with enormous potential.

On March 18th the European Commission unveiled its version of this idea, called EU Inc. Alas, the proposal is timid at best. It creates a European register for firms, but each company is still incorporated in a member state and governed by that country's law. Preventive administrative, judicial or notarial control is required for every formation and amendment of articles of association, preserving the very gatekeepers the regime was meant to bypass.

What Europe needs is a single legal framework that allows a company to operate across the continent: one registration, one set

of employment rules for cross-border hires, one value-added-tax return, one insolvency procedure if the company fails and one regime if the founders want to sell and exit. And yes, a common corporate-tax base.

The commission's proposal does offer two glimmers of hope: first, an EU-wide stock-option regime, with common standards that all countries must respect; and second, a simplified insolvency procedure for startups. Both show Brussels can be ambitious.

Unfortunately, the former faces fierce resistance from the trade unions that fear "tax-base erosion" (through corporate tax avoidance) and "regulatory shopping". And the latter suffers from restrictions, such as applying only to firms with fewer than 100 employees. A fast-growing firm that crosses that threshold—the type of firm most likely to need cross-border insolvency protections to attract investment—is excluded. This cannot help. The continent has no shortage of startups. What it lacks is the ability to scale them up into large, dynamic, frontier companies.

These failures reflect an exhausted institutional method. The European project is designed to help the bloc's members obtain gains they cannot attain alone. But a key ingredient of overcoming this collective-action problem is ensuring that no single member can block decisions. For the EU's single market—the policy designed to turn 27 national markets into a single pool of consumers—this mostly works. The commission can act by qualified majority. But scaling companies requires harmonising tax, employment law and insolvency, among others. These changes require unanimity, meaning a single member state can block the rest. Germany systematically blocks any changes touching on labour law, France any attempt to boost competition in services, Ireland and Luxembourg any effort on harmonised tax bases, and so on.

The EU's founding treaties, designed for a peace project among six countries after two world wars, cannot produce the growth 450m

Europeans now need if they want to assert their role and their values amid geopolitical upheaval. Even after the Lisbon treaty, which came into force in 2009, changed the voting process from unanimity to qualified majority in many areas, the EU still does not deliver where it matters most for growth and sovereignty: genuine supranational companies, common defence procurement, unified energy markets or a true capital-markets union.

That leaves only one alternative, which is becoming increasingly inevitable: a coalition of the willing. The EU will continue to police the single market. But a small group of member states can go further and faster outside the unanimity trap. To start with, if they can agree on a genuine supranational company form, harmonised stock-option taxation, friction-free hiring across borders and a unified insolvency framework, those countries will attract the firms and talent the rest of the continent cannot retain.

Without the creation of this leading pack, a future looms in which reforms are blocked at every step by the Viktor Orbans of the day. That would result in a continent that cannot scale its own companies, power its own industry or arm its own defence—a continent on the road to vassalage. The member states willing to act should do so. The rest can follow when they are ready. ■

Ulrike Malmendier is an economics professor at the University of California, Berkeley. She was on the German government's Council of Economic Experts from 2022 to 2026.

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Guarding whom?

Iran's Revolutionary Guards won't defend the regime to the last man

Mohsen Sazegara, one of the force's founders, believes its various units are more divided than they appear

3月 26, 2026 04:45 上午



WITH THE Islamic Revolutionary Guard Corps leading Iran's military efforts in the Middle East war, Iran's most powerful armed forces find themselves at the centre of attention—and the subject of many questions. Where did the IRGC come from? What is its current condition? Might it attempt a coup, or even turn its back on the very

idea of an Islamic Republic? And, as the war stretches on, is it really the fearsome enemy it seems?

The IRGC was formed immediately after the victory of the Islamic Revolution in 1979; I was one of its founders, having previously been a leader of the student movement against the Shah. The Guards were originally intended to be a people's army with no more than 5,000 professional personnel, and perhaps ten times as many semi-professional members, serving alongside the regular army in defending the country during times of war. Models such as America's National Guard or the citizen-based defence forces in countries like Switzerland and Israel were considered as inspirations.

However, over time this organisation became distorted. It gradually drifted away from its original mission, in three stages. First, after the Iran-Iraq war of 1980-88, it moved into construction and other economic activities. Second, during the reform movement that emerged in the late 1990s, Ali Khamenei, the supreme leader, brought the IRGC into the political arena to suppress dissent. Third, from the mid-2000s, the organisation moved into terrorism and organised crime.

In its military branches the IRGC now employs more than 180,000 people. The Basij, a militia controlled by the group, claims at least 2.5m members. The Quds Force, also run by the IRGC, has thousands of permanent cadres—a credible estimate from a few years ago put it at 14,000—and functions in practice as a terrorist and organised-crime organisation operating throughout the Middle East and beyond. Its activities have been responsible for many international conflicts and are disliked by some other parts of the IRGC within Iran.

For years the IRGC has organised and trained special cells throughout Iran. Even if the governmental structure were to be severely damaged or cease to function, these cells, numbering in the thousands—one source says as many as 30,000—could operate

independently, engaging in fighting, sabotage and the creation of instability. The IRGC has also built redundancy into its upper tiers: after recent assassinations of senior figures it designated up to three successors for each IRGC commander in case they too were killed.

It would be wrong to think of the IRGC as functioning like a conventional army with a coherent chain of command. Although it can influence decisions of the supreme leader through reports from units such as the IRGC Political Bureau, the primary command centre ultimately remains within the leader's office. The structure that this sits at the heart of is complex, and the IRGC is only a part of it. As such, it is hard to imagine the organisation staging a coup.

The Guards are also hamstrung by greed and mismanagement. Corruption has spread through the structures of the Islamic Republic like a cancer, affecting large parts of the IRGC. Loyalty in the organisation's lower ranks has been eroded by the corruption among the generals at the top and their networks. Setting the Guards directly against the people has only increased dissatisfaction within their ranks. Some of the Quds Force's overseas forays have been unpopular internally, too.

The prevailing sentiment among a large portion of the IRGC's rank and file, and even within the Ministry of Intelligence, is that their duty is not to defend a particular individual or even the system of *velayat-e faqih*, from which the supreme leader derives his legitimacy, but rather to protect the territory of Iran and the security of its people. By appealing to this sentiment, it may be possible to redirect the loyalty of the IRGC towards a National Reconciliation Council. This would have to include representatives from all four of the main political currents: republicans, monarchists, ethnic groups and supporters of the current government and *velayat-e faqih*; otherwise civil war surely awaits.

The council could appoint a transitional government to administer the country. This government could then prepare a referendum on

whether to continue with or dismantle the Islamic Republic system, conducted under the supervision of international organisations.

The supreme leader has the power under the constitution to create such a council in place of the parliament. Could he be persuaded to take this dramatic step? It is possible if, say, America pushed hard for making the formation of a National Reconciliation Council—and the subsequent steps—a condition for ending the war. Were that to happen, the supreme leader would face pressure to acquiesce not only from the people but also from large parts of the governing structure and military forces, including the IRGC.

Some will argue that the Revolutionary Guards are too bound into the current system to accept such a radical change. The conflicts of the past year appear to have strengthened their unity behind the dictator and the current system. But those bonds may be weaker than they look. Six months ago an internal assessment conducted by the Ministry of Intelligence reportedly indicated that about half of the rank-and-file members of the IRGC viewed their membership in the organisation simply as a job; if they were to find better employment, they would leave for it. Of the other half, who had ideological or political attachments, a large majority were dissatisfied because of the corruption of the commanders, the misguided policies of the leadership and the fact that they had been set against the people.

Relying on internal fractures within the IRGC and expecting mass defections, stoked by America, Israel or Iran's monarchists, may be too much to hope for. However, forming a reconciliation council whose membership includes current political prisoners, leaders of the reform movement and respected IRGC commanders is a feasible path towards a stable, neighbourly post-war Iran.■

Mohsen Sazegara is a pro-democracy activist and politician who lives in America. He co-founded the Islamic Revolutionary Guard Corps.

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Briefing

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Unsafe passage :: Many shipping routes are vulnerable, from the Strait of Malacca to the Panama Canal

- **[What a battle to reopen the Strait of Hormuz would look like](#)**

Stranglehold :: A lot of ships, aircraft and soldiers would have to spend a long time in harm's way for uncertain results

Unsafe passage

Hormuz is not the only weak spot for global trade

Many shipping routes are vulnerable, from the Strait of Malacca to the Panama Canal

3月 26, 2026 04:46 上午 | ISTANBUL, PANAMA, SINGAPORE, TAIPEI and WASHINGTON, DC



"FIVE STRATEGIC keys lock up the world!" declared Sir Jacky Fisher, a Victorian admiral. He was talking about places that command critical waterways: Singapore, Cape Town, Alexandria, Gibraltar and Dover. Today you would definitely add to the list the tiny island of Hormuz and the strait that shares its name. Iran has turned the key on the narrow channel, the only sea passage out of the Gulf, locking up a fifth of the world's oil and liquefied natural gas. Economies around

the globe are shuddering. And Hormuz is not even the world's most vital sea-lane by most measures. The old preoccupation with defending the flow of commerce is suddenly looking pertinent again.

"A lot of people are going to wake up to the fact that maritime trade is of great value and has to be protected," says Steven Wills of the Centre for Maritime Strategy, an American think-tank. Even in a world criss-crossed by pipelines, lorries, trains and cargo planes, ships still carry about 85% of the world's exports by volume, according to Clarksons, a shipping broker (or 55% by value, since a mobile phone or gold bar shipped by air is worth much more than a lump of coal in a bulk carrier). That trade is menaced by new dangers.

Show them who's Bosphorus

For one thing, cheap technology is extending the reach of armed groups farther out to sea. Merchant ships sailing between Asia and Europe through the Bab al-Mandab strait have long contended with Somali piracy. From 2023 to 2025 they also faced drones and missiles fired by Houthi militiamen in Yemen. Many still take the long way around Africa rather than risk this. The strait, through which 9% of world trade used to pass, now carries only 4%—and will carry even less if the Houthis resume their attacks in solidarity with Iran.

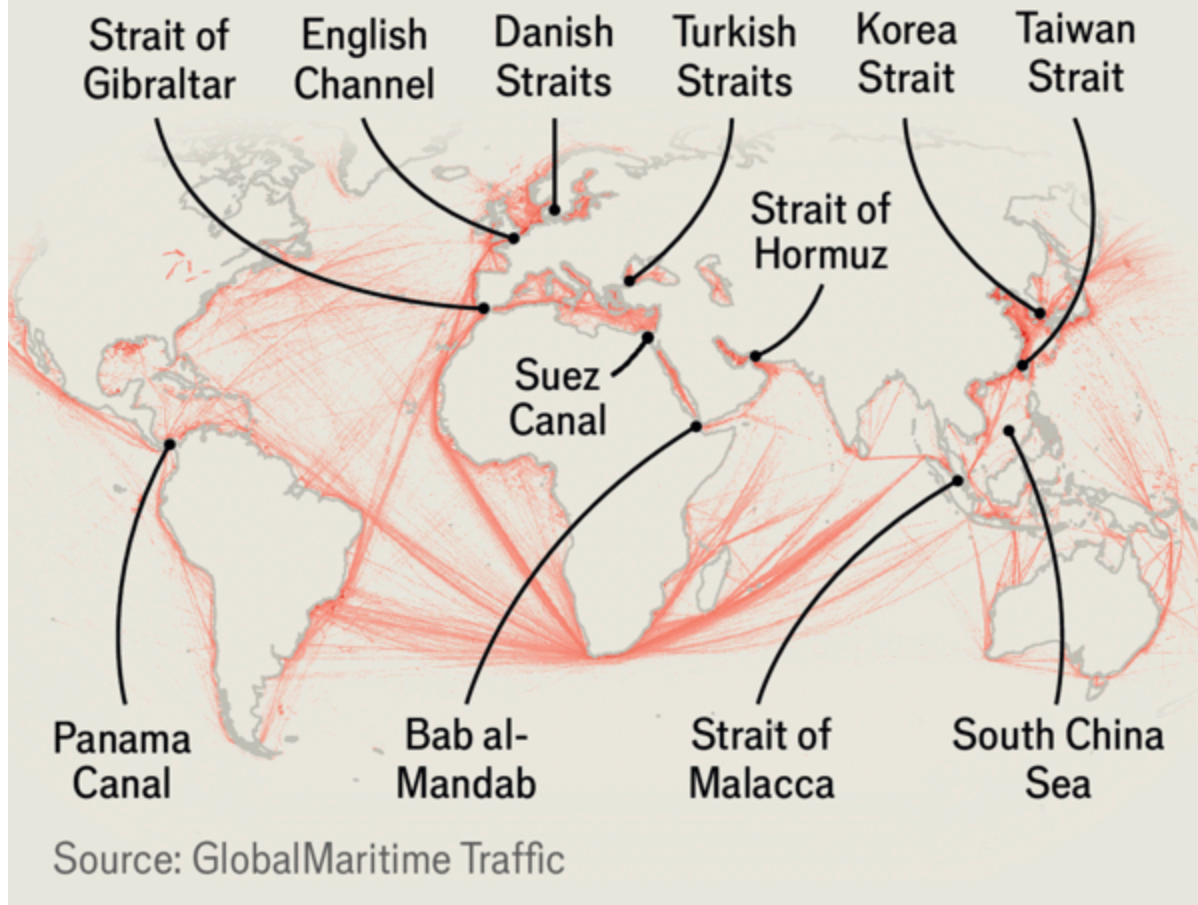
A second threat comes from wars spilling over into nearby seas. Russia's invasion of Ukraine severely disrupted the flow of grain, oil and other critical commodities across the Black Sea and underlined the geopolitical clout that control of the Bosphorus and Dardanelles confers on Turkey. America's and Israel's war on Iran is causing even greater havoc now in the Gulf. Most catastrophic would be a conflict between America and China, perhaps over Taiwan, which might involve blockades and unrestricted attacks on shipping of the sort seen during the first and second world wars. An American submarine recently sank an Iranian warship—America's first such attack since 1945.

Another factor is the impact of climate change. Droughts have led to repeated restrictions on the number of ships able to use the Panama Canal in recent years, forcing some to go around Cape Horn. And shrinking ice-caps may open new Arctic shipping routes, increasing the importance of remote chokepoints such as the Bering Strait. Donald Trump, America's expansionist president, has cited the need to protect sea-lanes around America as a reason to take control of both the Panama Canal and Greenland. Even if the [Strait of Hormuz is somehow reopened](#), a dozen or so potential strangleholds on the world's seaborne commerce will come under new scrutiny.

The importance of maritime chokepoints has been apparent since antiquity. During the Peloponnesian war in the 5th century BC, it was Sparta's capture of the Dardanelles, impeding the flow of grain from the Black Sea, that forced hungry Athens to surrender. In the first world war Britain and its allies tried to seize the channel to defeat the Ottoman empire, but the Gallipoli campaign was a costly failure.

Global shipping chokepoints

Density of cargo traffic, Sep 2024



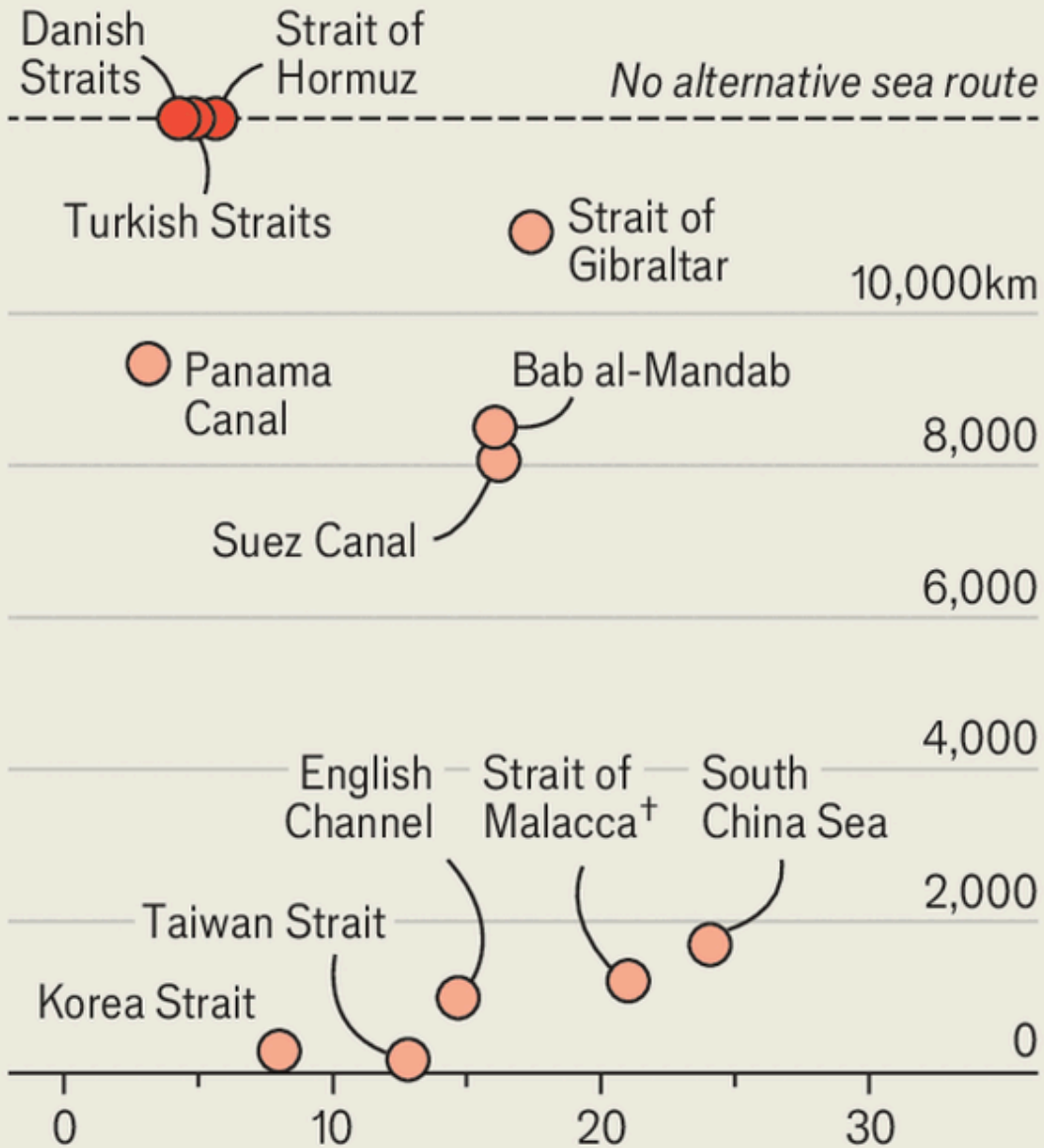
The lesson of the past four weeks is that even in the age of aircraft, missiles and satellites, geography matters. Some of the world's chokepoints throttle sea-lanes bringing raw materials to and finished goods from the factories of Asia, including the Taiwan Strait and the Strait of Malacca. Others supply to Europe, including Gibraltar, the English Channel and the Kattegat, Skagerrak and Oresund off Denmark, which connect the Baltic and North seas. The Suez and Panama Canals are shortcuts so useful they were worth carving across continents to build. Hormuz provides energy to both Asia and Europe.

Hormuz is neither the busiest nor even the oiliest of the world's pinch-points—Malacca holds both those titles (see map). But it is the only way in or out of the Gulf, which makes its closure especially disruptive. The Danish and Turkish straits, too, are the sole route to the seas beyond.

But even if ships can find another way around, the closure of critical sea-lanes can add thousands of miles and weeks of sailing to a journey. To assess the scale of the vulnerability, *The Economist* calculated the optimal routes between 41,387 pairs of ports and roughly estimated the trade along each one. We then modelled how the routes would change if transit through any big chokepoint were disrupted.

Funnel vision

Global trade chokepoints, estimated average added travel distance if blocked*, km



Share of global seaborne trade affected, by value, 2025, %

Sources: BACI;
The Economist

*Weighted by goods value †3.3% of trade blocked entirely if Singapore is inaccessible

The results are striking. A closure of the Strait of Malacca, despite the enormous traffic passing through it, would necessitate only a minor detour. Were access to all the various channels through the Indonesian archipelago blocked, however, perhaps by a government taking sides in a war between America and China, a huge volume of shipping would have to take a gigantic detour. And were Gibraltar to become impassable, almost as big a share of maritime traffic would have to take an even bigger detour (see chart).

Imagine a container ship circumnavigating the globe to serve some of the world's main ports—leaving Los Angeles, say, and calling at Tokyo, Busan, Shanghai, Singapore, Dubai, Rotterdam and New York before returning to Los Angeles. It would transit through many of the world's chokepoints (some of them twice). The most combustible part of this globe-spanning system is in the Middle East.

Geology bequeathed the Gulf region a bounty of hydrocarbons where the Arabian tectonic plate buckles beneath the Eurasian one. History has added seismic politics: the collapse of the Ottoman empire, unstable Arab states, the Israeli-Palestinian conflict, Islamist extremism and so on. This has produced wars, insurgency and intense foreign meddling. The Suez Canal was blocked for years of Arab-Israeli enmity. Since 1979 a radical clerical regime has ruled Iran, controlling the northern shore of the Strait of Hormuz and generating repeated crises in the Gulf.

Alas and Malacca

Most tankers leaving the Gulf head on to the Strait of Malacca. In 2003 Hu Jintao, then China's president, fretted about the "Malacca dilemma": the vulnerability created by the transit through the strait of 80% of China's oil imports. "Certain major powers have consistently meddled in and attempted to control shipping lanes in the strait," he said, in a veiled reference to fears that the United States might try to blockade China. But China's concern is broader, in

that its coast is surrounded by archipelagic countries, some potentially hostile, in a vast arc from Indonesia to Japan.

In the middle of this barrier is another potentially explosive hotspot: Taiwan. China considers the self-governing island, which makes about 90% of the world's most advanced semiconductors, part of its territory. Xi Jinping, China's current president, has ordered his armed forces to be ready to conquer it by 2027. They regularly rehearse isolating and invading Taiwan. American strategists, for their part, consider how they might [counter-blockade China](#) to defend the island.

The closure of Hormuz has made these scenarios suddenly seem more plausible. To diminish the risks, China is rapidly building an ocean-going navy that is already numerically larger than America's. It has been learning to operate ever farther from home waters, not least with aircraft-carriers. Australia, Japan and the Philippines, in turn, are boosting their defences and working ever closer together.

China is also creating new supply routes for energy with oil and gas pipelines to Russia and Central Asia and through Myanmar to the Bay of Bengal, skirting the Malacca Strait. Since Mr Xi's rise to power in 2012, the Belt and Road Initiative has invested in a global logistical network including ports around maritime chokepoints that, some fear, could one day be used for military purposes. Since 2013 China has turned several disputed reefs and cays in the South China Sea into military bases. In 2017 it established its first overseas military base in Djibouti (officially to support anti-piracy patrols). It has also been experimenting with an Arctic shipping route along Russia's northern coast.

How much these efforts can mitigate China's vulnerabilities is unclear. One sign of its growing concern is a government agency's recent commissioning of a study into the risks of "international maritime chokepoints". Another is the number of public figures calling for more robust action to counter the threat. Xu Yaoqiang of

the China Electricity Council, which represents the power industry, argues that the war in Iran highlights the hidden dangers. "These waterways are narrow, easily blocked and monitored, and highly susceptible to control by external forces in times of war," he wrote in the *People's Daily*, the Communist Party's main newspaper. China should abandon its peacetime mindset, accelerate construction of pipelines to Pakistan and elsewhere and "develop high-seas escort and emergency-support capabilities". Others have suggested taking limited military action abroad to defend Chinese interests, without emulating American "hegemonism".

Indonesia, Malaysia, Singapore and Thailand co-operate in patrolling the Malacca Strait against piracy, albeit warily, given historical rivalries and underlying tensions about the status of the waterway. What they might do in a conflict is a question of much debate. They probably cannot stop China or America from trying to close the main passages—the straits of Malacca, Sunda and Lombok. Might some take sides? China already has several near-client states in South-East Asia, such as Cambodia and Myanmar, and would love to expand the list. But most countries in the region fear its growing clout.

America has looked to India to counterbalance China, for instance by helping to track Chinese ships and submarines exiting the Strait of Malacca. India has in recent years grown closer to America and Israel but it, too, has recoiled from their war and the associated energy shock.

India may yet renew older friendships. It has been close to Russia to offset China, and friendly with Iran to counterbalance Pakistan, drawing American sanctions (some now lifted). It has invested in the Iranian port of Chabahar to gain access to Central Asia; its ships are among the few that Iran has been allowing out of the Gulf.

Farther to the west, Europe has been helping Ukraine hold off Russian forces. As the EU boycotted Russian oil and gas sent via pipeline, the Kremlin redirected its supplies onto tankers bound for

Asia, often at discounted rates. In doing so, however, Russia must negotiate a series of pinch-points controlled by NATO countries, not least the Turkish and Danish straits (accounting for 20% and 35% of its crude exports respectively). Some vessels of its “ghost fleet” flying false flags have been seized by European countries.

When Russia blockaded Odessa and other Ukrainian ports on the Black Sea, Ukraine’s grain exports all but halted. World food prices spiked until Ukraine established a safe shipping corridor. Sporadic attacks on merchant vessels continue, and mines threaten all ships. Meanwhile, Turkey’s closure of its straits to military vessels means that Russia has not been able to reinforce its Black Sea fleet, which Ukraine has battered.

Turkey’s president, Recep Tayyip Erdogan, may now revive a pet project: digging a new canal, known as Kanal Istanbul, to reduce congestion in the Bosphorus. A big question is whether it would be subject to the Montreux Convention of 1936, which regulates commercial and military shipping in the straits. The Baltic Sea, meanwhile, has become almost a NATO lake since Sweden and Finland joined the alliance in response to the war in Ukraine. That has not stopped attacks on seabed infrastructure, however, including gas pipelines and communications cables, probably by both Ukraine and Russia.

Across the Atlantic, the Panama Canal’s more modest traffic—accounting for just 3% of maritime trade—belies its importance. It allows the US Navy to shift ships between the Atlantic and the Pacific and handles about 40% of American container traffic. Mr Trump has complained that America should never have given Panama full control of the canal, all the more so because the Panamanian government allowed a firm based in Hong Kong, a Chinese territory, to operate ports at either end of it. American pressure recently induced the authorities to reverse themselves and entrust the ports to two European firms. President José Raúl Mulino says the crisis is over, but China promises to make Panama pay “a heavy price both

politically and economically". Meanwhile, Nicaragua dreams of building a rival canal.

Many countries will now redouble their efforts to mitigate their vulnerabilities, whether by diversifying suppliers, building new infrastructure or adopting alternative technologies such as renewable energy. But these plans will take years, if not decades, to bear fruit. If the war lasts, the world will have to rely for some time on the adaptability of global logistics networks.

When access to Suez was impeded by the Houthis, shipping lines took quickly to the route around Africa. Given the oversupply in global shipping at the time and the relatively low share of transport costs in the price of most goods, the extra expense was bearable. In much the same vein, food and medicine are already starting to make their way overland to the Gulf from Jeddah on the Red Sea, Fujairah on the Gulf of Oman and even distant Turkey.

But the lorry, road and pipeline capacity of such workarounds is limited. Reports suggest a 30km traffic jam has formed at Fujairah, says Peter Sand of Xeneta, a data firm. What is more, the impoundment of so much crude has caused the price of fuel for ships to double, with operators passing the cost on to customers. Satellite data suggest the world's fleet is sailing 2% slower in March, presumably to conserve fuel.

Some 300 oil tankers are stuck in the Gulf or are making their way to other destinations. Chartering rates for the biggest, 8% of which are out of action, have soared from about \$90,000 a day before the war to around \$230,000. They may soon fall if too many tankers end up chasing too little oil. As HSBC, a bank, notes in a report, the closure of the strait means potential "overcapacity in alternative loading regions".

Such gyrations are the inevitable product of upheaval at one of the world's chokepoints. Shipping firms are fundamentally conservative

businesses. Even if they can secure insurance, the big ones do not want to provoke the ire of customers or investors by putting vessels in harm's way and the smaller ones have too few ships to risk losing any. Moreover, many crew have contracts that allow them to refuse to work in war zones. It does not take much, therefore, to create big disruptions.

Kattegat got your tonnage?

Many countries will be hoping that freedom of navigation, a diplomatic principle that has largely prevailed for more than a century, will survive. Alfred Thayer Mahan, a 19th-century American naval strategist, regarded the oceans as "a wide common" traversed by users in all directions. He argued that global power derived from a mastery of the seas and that America's navy should work to protect its merchants. In fact, the first foreign war America ever fought, in 1801, was to defend American shipping from predation by the ruler of what is now Libya.

Mr Trump's national security strategy, published in November, affirmed the importance of "preserving freedom of navigation in all crucial sea-lanes". Yet an "America First" president might be inclined to shrug off global burdens. In his zig-zags on Iran, he at one point seemed ready to declare victory and leave the Strait of Hormuz for others to sort out: "We don't use it. You know, at a certain point it will open itself." Such nonchalance about one of shipping's keys does not bode well for the security of the others. ■

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Stranglehold

What a battle to reopen the Strait of Hormuz would look like

A lot of ships, aircraft and soldiers would have to spend a long time in harm's way for uncertain results

3月 26, 2026 04:45 上午



DONALD TRUMP says he is talking to Iran's leaders about [ending his bombing campaign](#); Iran says he is not. But what he certainly is doing is preparing an alternative, should a negotiated end to hostilities prove elusive. Two amphibious units of US Marines are on their way to the Gulf, one from Japan and the other from California. An elite infantry division which specialises in parachute assault will

reportedly soon be following. Their deployment suggests that America's president is contemplating an attempt to pry open the Strait of Hormuz by force. That is a daunting task.

Since the start of Operation Epic Fury, Iran has menaced the strait, snarling roughly 20% of global exports of oil and liquefied gas, among other essential cargoes. Nineteen commercial vessels have been struck, inside the Gulf, in the strait and just outside it. Traffic has slowed to a trickle, largely of ships linked to Iran. That has sent commodity markets in particular and financial markets in general [into convulsions](#).

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

The Pentagon appears to have a three-phased plan to [open the strait](#). The first stage involves hunting down Iranian military assets—speedboats, missiles, drones and mines—that threaten shipping in the strait. (Iran's warships and submarines seem to have already been destroyed.) The hunters are mainly aircraft, but may soon include ground troops. The second phase is sweeping the strait for mines. Last, once Iran's ability to prey on shipping has been sufficiently reduced, the US Navy would start escorting tankers through the strait. Each stage could take several weeks and would pose considerable risk to American forces.

Iran has many ways to attack ships. Missiles and drones can strike from above. Speedboats loaded with missiles and explosives can swarm ships or plough into them. Beneath the water, mines of various sorts may lurk. And the soldiers and kit used in such attacks are dispersed and hidden in inlets, caves and underground tunnels scattered along hundreds of kilometres of coastline. That makes them difficult to spot and destroy solely from the air.

In recent days, American warplanes have pummelled Iran's shores. On March 19th General Dan Caine, America's top soldier, said that fighter jets had dropped 5,000-pound bombs to penetrate layers of

rock and concrete to demolish underground bunkers storing anti-ship missiles. America has also sent helicopters and low-flying attack jets, like the A-10 "Warthog", essentially a flying machine-gun, to strafe Iranian speedboats. American forces say they have damaged or sunk more than 120 Iranian naval vessels and 44 mine-laying ships. "What the US is doing right now is just hammering every cave, building and garage that might house these weapon systems," says Bryan Clark of the Hudson Institute, a think-tank in Washington. "But it's hard to really eliminate all the potential threats."

An idea gaining currency involves deploying special forces or Marines on nearby islands to spot and destroy targets nestled in rugged terrain. Military officials are reportedly weighing the seizure of Kharg Island, Iran's main oil-export terminal, or three islands under Iran's control but claimed by the United Arab Emirates just inside the strait. In addition to searching for threats, these troops could set up short-range air defences to help protect shipping, points out Mark Cancian of the Centre for Strategic and International Studies, a think-tank.

But deploying troops would be risky. They would be well within range of Iranian artillery, not to mention drones. Moreover, they would need to be resupplied, putting yet more planes and ships in harm's way. Their presence might also bring only a limited benefit. Iran's Shahed-136 drones can fly more than 1,500km, so can hit anywhere in the strait or the Gulf from nearly anywhere in Iran.

Clearing mines would be equally fraught. There are conflicting reports about whether Iran has deployed any, but shipping firms are naturally reluctant to take their chances. Before the start of the war, Iran was estimated to have stockpiled around 6,000 mines of different types. They include moored mines that linger just below the surface and detonate when struck by a vessel, as well as more advanced devices that sit on the seabed and are triggered by a ship's magnetic or acoustic signatures. Though America has sunk many of Iran's mine-laying craft, commercial or fishing vessels can

be used instead. "Any ship can be a mine-layer," points out James Foggo, a retired admiral.

The US Navy has long neglected mine warfare. In January, with terrible timing, it scrapped its last Avenger-class mine-clearing ships based in the region. Two of the three vessels that replaced them, "littoral combat ships" with mine-clearing equipment, are not in the Gulf, and must make their way from Asia. On arrival they can deploy helicopters with airborne detection systems and underwater drones which can both search for and disarm mines. But these systems have not yet been used in battle and have suffered a series of technical glitches in testing. Mr Clark reckons that clearing the strait could take anywhere between one and three weeks. At some point officials will have to "rip off the band-aid" and begin escorting ships without complete certainty that all threats have been eliminated, he adds.

Escorting tankers through the narrow strait would be the most complex and perilous phase of the operation—and potentially an open-ended one. Convoys would require dozens of drones, attack helicopters and fighters circling protectively overhead, as well as airborne warning and control aircraft to spot incoming missiles and drones. Warships would use short-range guns or electronic warfare systems to disable incoming drones and pricier and scarcer interceptors against missiles. Maritime experts reckon that the navy would need a destroyer to accompany every couple of tankers, given how closely they will travel together through the strait.

The navy currently has 14 destroyers in the region, but six of them are busy protecting aircraft-carriers. Bringing more destroyers to the Gulf could take weeks, and would divert yet more American forces from other parts of the world, such as Asia. Although America's allies might be willing to help, most have balked at sending ships while the war is still under way. Whoever undertakes it, such a mission would be extremely expensive and use up yet more of America's and its allies' dwindling stocks of [anti-missile munitions](#).

The geography of the strait also poses problems. It is barely 50km wide at its narrowest, and hemmed in by mountains, so American warships will have only limited time to detect and parry incoming missiles and drones. They will also need to execute tricky manoeuvres in strong currents to keep close formation with the ships they are escorting. And all of this presumes that there are commercial ships willing to run this gauntlet.

America's navy has gained valuable experience in recent years battling the Houthis, a militia in Yemen allied to Iran, Mr Foggo points out. But Iran's arsenal is more sophisticated—and its resolve may be greater, since the regime is fighting for its survival. "They've been husbanding their resources for this purpose for decades," says Mr Clark. "They'll be able to continue this for as long as we're willing to do it." ■

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Home truths

The world's most unaffordable housing is not where you think

Asia's great cities will founder without more reasonably priced homes

3月 26, 2026 05:39 上午 | Delhi, Phnom Penh and Singapore



ACROSS ASIA, a great expansion is under way. Cities in developing countries such as India, Indonesia and the Philippines are gaining hundreds of millions of people. This urbanisation is only getting started. In South Asia, for example, barely 35% of the population is urban, compared with 80% in North America.

Yet [problems in Asia's great metropolises are mounting](#). The likes of Delhi, Jakarta and Manila suffer from awful pollution, traffic and crime. The greatest challenge is a shortage of decent and affordable housing. Fixing that would improve millions of lives. It would also boost economies by making city-dwellers more productive.

Asia is home to more than half of the 1.1bn people who live in slums, according to research by Habitat for Humanity, an NGO with headquarters in Atlanta. The Asian Development Bank reckons that more than 40% of Asia's urban population lives in accommodation that is in some way substandard (for example because it is ramshackle, lacks services such as power and water or is overcrowded). The government of the Philippines thinks its cities need 7m more homes; Indonesia is said to be 27m short. In India, where data are patchier, estimates go up to 47m.

A shortage of good housing goes hand in hand with high prices for the few decent dwellings. The Urban Land Institute, a non-profit group based in Hong Kong, reckons that quality flats in Manila, the capital of the Philippines, cost 20 times the median household income. That is a higher multiple than in Mayfair or Manhattan, and four times the level that the institute considers "affordable". Indeed, it finds that only seven of Asia's 51 biggest cities boast formal housing markets that are "affordable", according to its thresholds.

All this is hurting Asian economies. For one thing, squalid conditions may be discouraging rural people who could find more productive work in the cities from starting new lives in them. A study in India in 2020 found that villagers in [Bihar](#), a poor north-eastern state, would rather earn 35% less at home than endure difficult conditions in cities.

Cheaper, safer housing would also bring more direct economic gains. Good housing reduces time lost to sickness. It provides space for people to carry on a trade from home. Security of tenure and room to study make it easier for children to enroll in school and to stay

enrolled. A global study by Habitat for Humanity finds that replacing slum housing with better homes is associated with a 4% increase in life expectancy, a 28% increase in school attendance and a boost to local GDP of up to 10%. Climate change raises the stakes. Those living in rickety housing will be hurt most by shocks such as heatwaves.

The rent is too high

Respondents reporting housing-related financial difficulties in the past 12 months, 2025, %



Source: Gallup

In any fast-growing city, a degree of squalor is inevitable. “Every city, whether it’s Paris or New York, goes through an adolescent phase, where growth is chaotic, resources are strained and things get overloaded,” says David Smith of the Affordable Housing Institute, a consultancy in Boston. But with better policies Asian authorities could shorten this painful passage—and mitigate some of its costs.

Across Asian cities, land-use regulations commonly make it difficult to build affordable housing at scale. Rules governing the height of buildings or restricting residential construction in commercial areas seek to prevent overcrowding. But they often have the opposite effect, by forcing people into slums. When in 2018 Mumbai let developers build taller buildings, housing supply in affected areas rose by 58% and the price of newly built units declined by 24%, says a new paper by Sahil Gandhi of the University of Manchester and Geetika Nagpal of the World Bank.

Fixing a hole

Property developers are reluctant to build affordable housing, bemoans Joy Belmonte, the mayor of Quezon City in the Philippines, because posh units create bigger profits. In Phnom Penh, Cambodia’s capital, foreign investment (much of it from China) has triggered a building boom. But much of the cash is going into glitzy condominium towers. In theory, new supply at any price level ought to hold down costs for everyone. But the impact is smaller if new properties are bought by investors who keep them empty, which is often the case in places such as Manila and Phnom Penh.

Mortgage markets are another obstacle. Many people in Asia work in the informal economy, which limits their ability to borrow. Outstanding housing loans in South Asia and South-East Asia typically account for less than 10% of GDP, compared with more than 50% in rich countries. “It is too risky right now for us to cater

to low-income households,” says Enrich Lee, a property developer in Phnom Penh.

Governments itch to build cheap housing themselves. In Delhi’s Kalkaji neighbourhood local officials built the Asha Kiran (“ray of hope”) towers to rehouse people from nearby slums. Bijoy Patra, who spent four decades in a slum, now lives on the fourth floor of a new tower. He paid 147,000 rupees (\$1,700) for his one-bedroom flat and says his life has been transformed. “I spent years looking at the posh colonies of South Delhi from the outside,” he says. Now he lives in one.



But outcomes this good are rare. In India and elsewhere governments lack the money, land and administrative capacity to deliver public housing at scale. Asha Kiran contains 3,000 flats; Delhi has 30m people. In 2023 officials in the Philippines admitted they would not meet a goal of building 6m quality homes by 2028. They have since “recalibrated” the target to around 1m.

Instead, governments should “steer, not row”, says Mr Smith of the Affordable Housing Institute. Mr Lee, the Cambodian property developer, argues for more public-private partnerships in which the public sector pays for some costs. In India the national property body has urged officials to sell government-owned land at discounted rates, subsidise construction finance and roll out tax incentives to help developers build affordable housing.

Governments could also do more to stimulate demand, for example by subsidising credit. And too many government-led housing programmes prioritise ownership over tenancy—even though, for most newcomers to cities, renting is their only option. In Quezon City officials are more often leasing out public housing on short-term contracts, says Ms Belmonte, to make it easier for new arrivals to set up a sturdy and safe initial base.

Planning, financing and building affordable homes can be slow work. Politicians can usually find quicker ways to win votes. But the economic case for improving housing is strong. And the political rewards from doing so may be massive. “Housing quality is essentially a family’s kitchen-table referendum on a country’s leadership,” says Mr Smith. Governments that provide it may secure strong support for years to come. ■

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India's rebels

The end of the world's longest-running Maoist insurgency

A report from one of the Naxalites' final redoubts

3月 26, 2026 04:46 上午 | Kutul, Chhattisgarh

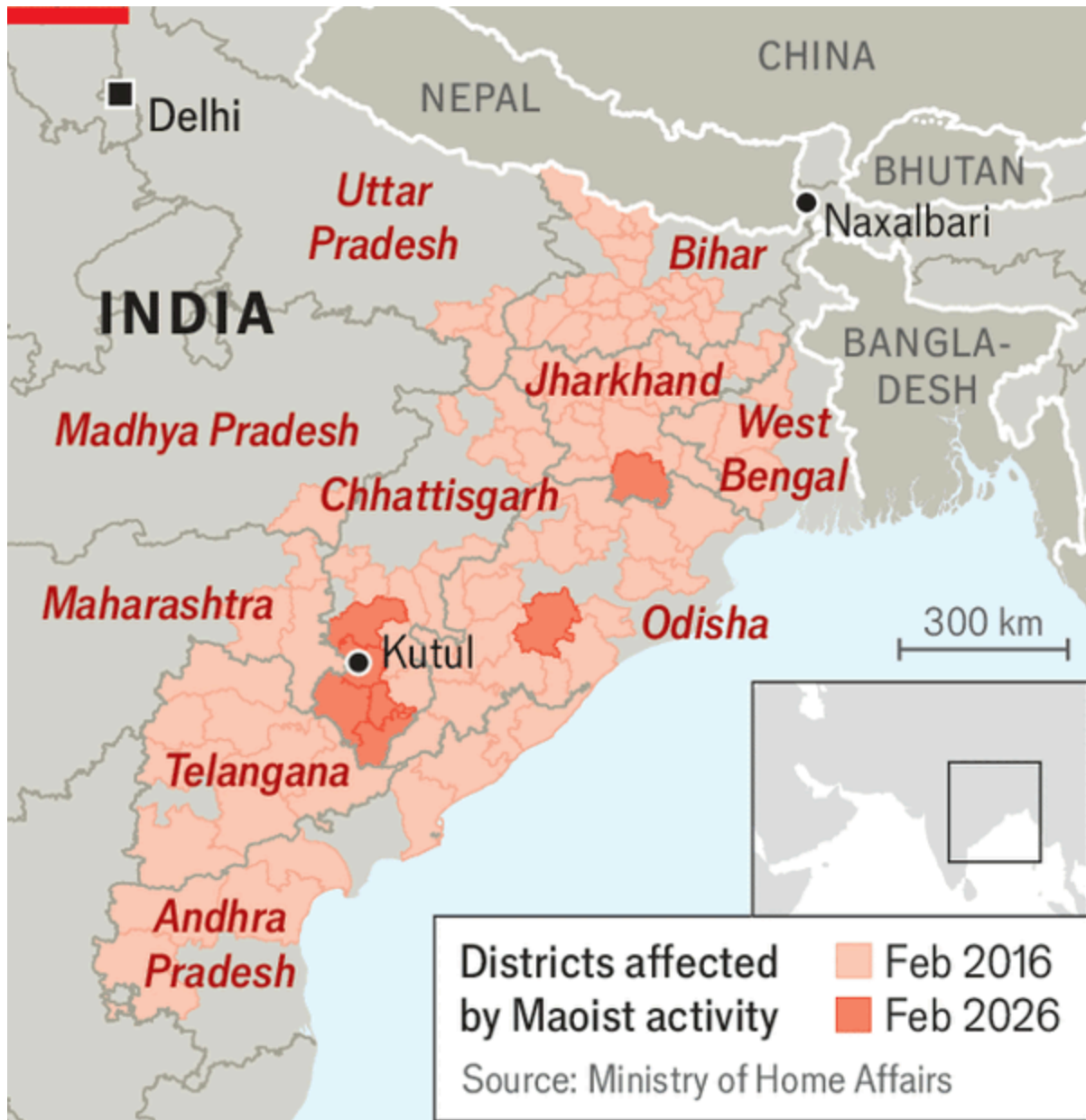


FORMER COMRADE ARAB would like to apologise. He is wearing a pink floral shirt and sitting under fluorescent lights at a centre for rehabilitated Maoist rebels in Chhattisgarh, a state in central India. The 35-year-old was once a commander for the rebels. During 19 years in the movement, he says, he ordered the execution of hundreds of people and led attacks that left thousands of families displaced.

For six decades Indian security forces have battled Maoist insurgents of the sort led by Comrade Arab, especially in areas across India's central and eastern states. For years Indian governments considered the rebels the biggest threat to domestic security. Now authorities insist they are on the verge of a historic victory: Amit Shah, the home minister, vows that India will be Maoist-rebel-free by March 31st. This deadline is "political rhetoric rather than a strategic goal", cautions Ajai Sahni, a counter-terrorism expert; there will doubtless still be Maoist rebels in April. Yet a visit to one of their last redoubts shows how much their power has waned.

The Maoists are known as "Naxalites"—named after Naxalbari, a village in West Bengal where their insurrection began in 1967. A police crackdown almost wiped them out, but during the 1980s they repaired to remote, densely forested districts, where they thrived. Though the early Maoist leaders were students and middle-class, the movement ended up drawing most recruits from tribal peoples—among the poorest and most neglected in the country. The fighters promised to protect tribal people who risked losing land to big projects such as mines and dams.

Since 2000 more than 12,000 Indians have died in Maoist-related violence. Rebels have blown up politicians and police, sabotaged mining projects and torched mobile-phone towers. At a peak around 2010 there were claimed to be 20,000 fighters operating in a third of India's districts.



Yet in recent years security forces have been stepping up their anti-Maoist operations, to great effect. Indian forces say they have killed 748 guerrillas since 2024, a record tally. They have had particular success picking off the most senior figures. Disheartened foot soldiers have surrendered in big batches. By February this year, the number of districts with Maoist activity had fallen to only seven out of some 800 (see map).

Until last year the village of Kutul in Chhattisgarh was sometimes described as the Maoists' unofficial capital. But now they have been pushed out. Many of the village's tribal residents seem relieved. They say the Maoists forced locals to run errands, donate food and, most tedious of all, attend classes in Marxist theory. They blocked efforts to construct health centres and roads. "Their ideology was good but they would kill anyone who disobeyed them," says a local. A kangaroo court ruled his brother was a government informant, and had him shot.

"The Marxists were not here for our welfare, they were only here for themselves," says the headmaster of the village school. He says the rebels prevented people gaining more than five years of education. The idea was for youngsters to get enough schooling to be useful foot soldiers, but no more than that. Locals who joined the Maoists and wished to marry were supposed to get vasectomies. Fighters expecting radical equality were surprised to be bossed around by high-caste cadres from out of state.

The government's counter-insurgency efforts have involved both carrots and sticks. Some rebels have been coaxed into surrender by promises of perks, such as cheques worth 50,000 rupees (\$530) and housing. When security forces came to Kutul, government officials promised to sign locals up to India's digital-identity system (which provides access to public services) and build concrete homes. The village was connected to the internet this January.

Yet battles against the Maoists have also been extremely brutal. Civil-society groups and some politicians have accused security forces of killing insurgents they could have captured. The state of Chhattisgarh operates a 5,000-strong "District Reserve Guard" drawn from tribal people, many of them former Maoists; it infiltrates and attacks the rebels, and interrogates those who surrender. Security officials say intelligence from this force is the main reason for the state's recent successes. But observers worry it resembles Salwa Judum, a state-sponsored militia from the 2000s that enlisted

defeated rebels instead of prosecuting them and armed vulnerable youths. It came to be as much resented by local people as the Naxalites themselves.

In Kutul, many villagers worry about what might come next. Buried under tribal groups' feet lie some of India's most lucrative reserves of iron ore and other minerals. Locals fear the government wants to clear the hills of insurgents so that companies can grab that treasure, displacing communities. If that happens, former Comrade Arab may come to regret his new career—helping hunt his former confederates as part of the District Reserve Guard. ■

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Welcome to Chevroletstan

China is breaking into one of the world's weirdest car markets

An island of American motoring in Central Asia is changing fast

3月 26, 2026 04:45 上午 | Tashkent



Due to levies sales of Chevys will not quickly run dry

TRAVELLERS ONCE crossed Central Asia by camel. Nowadays visitors to Uzbekistan notice that American workhorses own the steppe. Cars bearing the badge of Chevrolet, an American brand, are so ubiquitous that locals jokingly call the country "Chevroletstan". Outside the airport in Tashkent, the capital, a line of Chevy Cobalts

assembles. Order a cab on MyTaxi, Uzbekistan's answer to Uber, and it can be hard to tell which is yours.

Of the 430,000 cars sold in Uzbekistan last year, 83% were Chevys. The Cobalt, a saloon car, made up nearly a third; on desert motorways it is unusual to spot anything else. Between small towns it is the Damas (pictured), a loaf-shaped minivan, that is everywhere. It accounts for a quarter of sales. It is a Chevy, too.

Such homogeneity is the result of industrial policy. In 1992 Islam Karimov, Uzbekistan's post-communist dictator, decided to build a car industry. The state partnered with Daewoo, a South Korean firm. After Daewoo went bust following the Asian financial crisis of 1997-98, General Motors, Chevrolet's owner, stepped in. Karimov protected his Chevys with levies. Tariffs on cars were 100% or higher. GM sold its stake in the partnership in 2019 but a deal permits UzAuto Motors, a state company, to keep making the cars.

Shavkat Mirziyoyev, who succeeded Karimov after his death in 2016, is less dirigiste than his predecessor. While tariffs on most imported cars remain high, he has cut levies on electric vehicles (EVs), in part to reduce pollution. In 2024 5% of cars sold in Uzbekistan were EVs, up from almost none in 2022. Some 90% of these were Chinese.

Mr Mirziyoyev retains a soft spot for the government's adopted champion. Last year he ordered his ministers to swap their Mercedes-Benz cars for Chevys. But the president has also schmoozed Chinese carmakers. In 2024 BYD opened a factory in Jizzakh, the region of his birth. The company gave Mr Mirziyoyev a luxury SUV.

Shiny Chinese EVs are thus becoming more common on Tashkent's roads. Locals' lungs will benefit: in 2024 the city's air quality was six times worse than the level the World Health Organisation deems safe. Uzbeks who have had to join waiting lists to get a locally built Chevy will also welcome more choice. Outside the city, where

charging points are scarce, Chevys still prevail. But BYD is making inroads in Chevroletstan—one steppe at a time. ■

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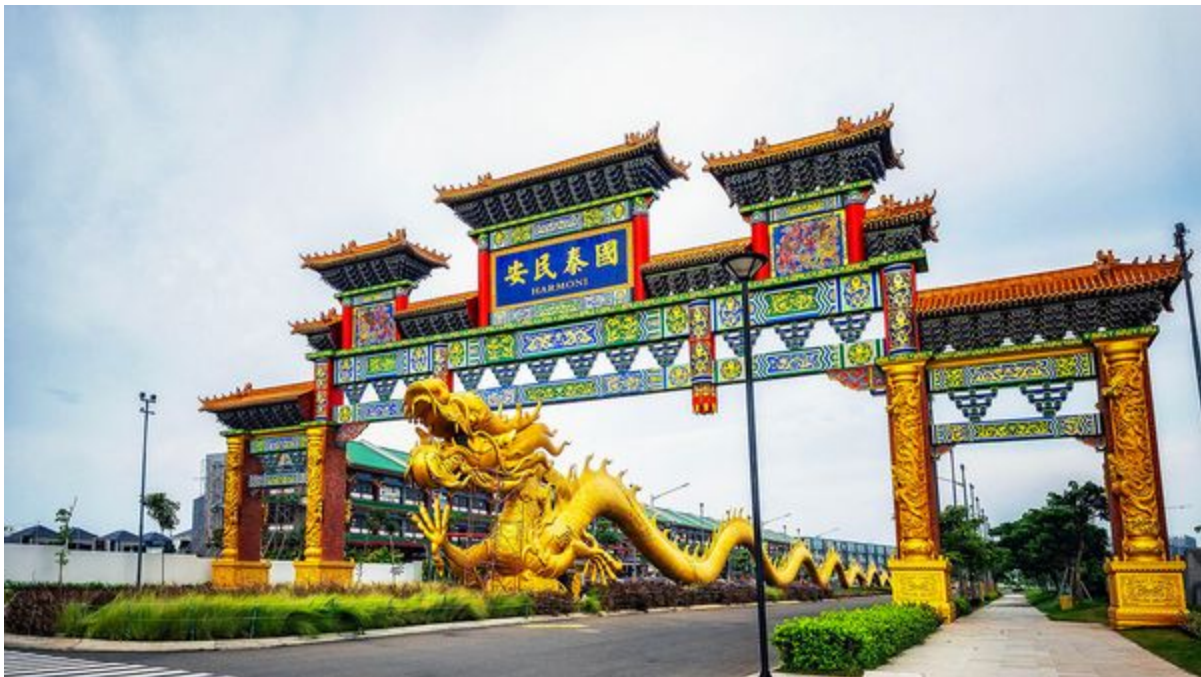
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Southward ho!

How Chinese companies are reshaping Indonesia

They are fleeing cut-throat competition at home

3月 26, 2026 04:45 上午 | Jakarta



Home away from home

WHEN DONNY ZHANG first visited Indonesia from China as a venture capitalist in 2015, he was amazed by how curious regulators were about Alipay, one of China's most successful online-payment apps. In 2021 he co-founded Yup, a similar app for working-class Indonesians (who are often ill-served by local banks). Indonesia was an appealing place to start a business, says Mr Zhang. It is a big emerging market, it is not too far from China and almost everyone has a smartphone.

Mr Zhang is just one among a vast number of Chinese who are choosing to work and start companies in the world's fourth-most-populous country (290m-strong). Indonesia issued more than 100,000 residence permits to Chinese migrants in 2024, more than double the number issued to people from all other countries combined, according to Indonesia's ministry of manpower. This tally was up from 80,000 the year before. "In reality that number is even higher because many Chinese initially enter on tourist visas when they're setting up their businesses," says an Indonesian-Chinese businessman.

The newcomers are running anything from restaurants and escape rooms to property firms and language schools. These businesses are often transplanted wholesale from Chinese cities by entrepreneurs eager to flee a slowing economy and cut-throat competition at home.

Many, like Yup, have thrived. It has drawn in more than 2m active account holders, raised more than \$100m in six rounds of funding and is close to breaking even, says Mr Zhang. Its customer operations are run from Jakarta, Indonesia's capital, but it also has an office in Shanghai focused on research and development. Mr Zhang hopes to expand elsewhere in South-East Asia in the next few years.

Big, recognisable brands from China are also now expanding in Indonesia. A few years ago it was rare to see a Chinese electric vehicle (EV) cruising the streets of Jakarta. Now they are commonplace. Chinese brands made up more than 90% of EV sales in the first half of 2025. BYD is spending more than \$1bn to build a factory that will produce up to 150,000 cars a year in West Java. GAC Aion, XPeng and Wuling have already started manufacturing locally. "Indonesia today feels like China in the 1980s," says a Chinese businessman who works for an Indonesian firm. "There are so many opportunities."

Indonesia attracts EV manufacturers in part because it has the world's largest reserves of nickel, a metal needed for making some types of EV batteries. Chinese firms already control three-quarters of nickel refining in the country, and are building infrastructure to turn that material into cells for EVs. CATL, the world's largest battery-maker, is constructing an integrated battery plant in West Java while Huayou Cobalt, a Chinese firm, recently replaced LG, a South Korean company, as the lead partner in a separate battery project. The Chinese investors are putting nearly \$10bn into the two projects, combined.

Pantai Indah Kapuk (PIK), a new city in north Jakarta built in part on land reclaimed from the sea (pictured), is popular with new arrivals from China. The sprawling development, around two-thirds the size of Manhattan, boasts expensive apartments and shopping centres filled with Chinese brands such as Tanyu (a grilled-fish restaurant chain), Haidilao (a hotpot chain) and Mixue, an ice-cream and milk-tea brand that has become the world's largest fast-food business by outlets, surpassing McDonald's, Starbucks and Subway. Mixue now has 2,600 outlets in Indonesia. That makes the country by far its largest market other than China.

Some Indonesians of Chinese heritage prefer not to live in PIK. They remember anti-Chinese riots in 1998 when hundreds of Indonesian-Chinese were murdered. Some of them worry that PIK is the most likely place in Jakarta to be targeted if anything of that nature happens again. The Chinese entrepreneurs pouring into Jakarta are betting that Indonesia's future will look like China's past. Indonesia's ethnic-Chinese minority pray that their past will not be repeated. ■

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Thai-ed in knots

Millions of Burmese struggle to find safety in Thailand

Many refugees are left exposed

3月 26, 2026 04:45 上午 | Chiang Mai



DELICIOUS SMELLS of Myanmar rise from bamboo stalls: mohinga fish soup, spicy pork sausages, fermented fish paste. People sip beers and smoke cheroots around a campfire while a guitarist plays popular Burmese songs. This night market, in Chiang Mai in northern Thailand, takes place on land that was once occupied by a junkyard. Ko Thet began clearing up the space a year ago; he planted trees and laid down turf. It is symbolic, he says, of what his fellow Burmese in exile have to do: take “root in foreign soil”.

Mr Thet fled his home in 2021 after the armed forces took power in Myanmar in a coup and launched a crackdown on their opponents. Like many Burmese who have sought refuge from hunger, forced conscription, attacks from the army and last year's devastating earthquake, he ended up in Thailand. The UN thinks there are 4.6m Burmese in that country. About half of them have arrived since 2021. Some 40% are undocumented. They include entrepreneurs and skilled professionals: doctors, teachers, engineers.

Some of the arrivals are more fluent in English and better with technology than their Thai peers. Most are prepared to accept lower wages. An increasing number of Burmese work in businesses that cater for Thailand's numerous foreign tourists.

Nye Chi is one of them: she sells a pickled-tealeaf salad from a stall she runs with her fiancé in Chiang Mai. She studied IT at university and dreamed of becoming a journalist. She says the coup "stole" her future. When the conflict began she joined a rebel army's medical team and trained as an anaesthetist. But she found it impossible to save lives with only paracetamol as a painkiller and with basic medical tools, so she left for Thailand to earn money for her family. It is too dangerous for her to go home. But like many Burmese, she does not feel safe in Thailand either.

Thailand has not signed the 1951 UN Refugee Convention and does not formally offer protection to asylum-seekers. The influx has led to a surge of xenophobic rhetoric in which the migrants are portrayed as a burden on local services and a threat to locals' jobs. Many of the new arrivals risk being arrested in raids and bundled back across the border. In some cases men who have fled conscription in Myanmar have been handed straight back to the generals they escaped from. Thai security forces are sometimes accused of extorting refugees, including by selling them unofficial "police cards" that are supposed to protect them from deportation.

In theory migrants from Myanmar—even undocumented ones—may apply for a so-called “pink card” issued by Thai authorities that offers the right to stay for a limited time while working in a blue-collar job. The point of this is to serve Thailand’s need for workers who can do “dirty, dangerous, demanding” jobs that locals spurn. That need has only grown since last year’s military conflict between Thailand and Cambodia. In its wake, hundreds of thousands of Cambodian migrants went home. But the process for acquiring one of these permits is expensive, convoluted and involves middlemen.

Ideally Thailand would make it much easier for refugees to find white-collar jobs. International institutions and academics believe the recent influx of educated brains could boost Thailand’s moribund economy. The country is ageing rapidly; it has a fertility rate of just 1-1.2 children per woman and needs new blood. But nationalists oppose the idea.

“Every Person Here Carries a Story”, reads a banner Mr Thet hangs at his market. “Someone Here Might Become Your Friend”, says another. These slogans sum up his aim: to build bridges between Burmese and Thai people. “We do want to go home,” he says. But he knows that this might not be possible for years to come. ■

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Banyan

Why Bangalore has India's best billionaires

Its philanthropists want to do more than just give money away

3月 26, 2026 04:45 上午



APART FROM its lovely weather and thriving tech startup scene, Bangalore offers little competition to India's great cities. The local food is top-notch, but the same can be said of Delhi. Its pubs are terrific, though so are Mumbai's. On the other side of the ledger is world-beating gridlock and insipid architecture. Yet there is a rarely noticed, little-appreciated measure on which Bangalore beats other cities hands down. That is the quality of its super-rich.

India has never wanted for plutocrats. Before independence, hundreds of maharajahs ruled bits of the country. Many provisioned their subjects with schools, universities and health clinics. Then there were the traders of Bombay and Calcutta who grew rich under empire and erected monuments and museums to secure their legacy. Economic reforms in the 1990s gave rise to gargantuan conglomerates such as Reliance, the country's biggest, which is among its most generous corporate givers.

The techwallahs of Bangalore are new additions to this group. The city is home to a cluster of IT-services companies that minted a new set of billionaires in the early 2000s. In the past few years makers of successful consumer apps have joined the party. It is this entire crowd that is rethinking the role of the billionaire.

Old-money philanthropy still flows mostly to fundamentals such as education and health, which together account for half of all donations. This is natural in a country that is still poor. But basics are not all that India needs. Indians who have gained access to decent schools and clinics now need further nourishment for the mind. And everyone benefits from institutions that help the state work better. These are the kinds of things that the new donors fund.

The new breed of philanthropists includes Nandan Nilekani, a founder of Infosys, a big IT-services firm. He is India's second most generous individual philanthropist, according to Hurun, a compiler of rich lists; his wife, Rohini Nilekani, is third. They give both money and time: Mr Nilekani is the architect of India's biometric ID system, Aadhaar, and the unofficial patron of India Stack, a web of technologies that aims to make India work better.

Kris Gopalakrishnan, another Infosys co-founder, has donated millions to set up brain-research labs in Bangalore and Chennai. Kiran Mazumdar-Shaw, the founder of a biotech firm, has along with Mrs Nilekani and Mr Gopalakrishnan provided funding for the Science Gallery, a venue in Bangalore that aims to inspire young people

through art and science. V. Ravichandar, who is a mere millionaire, spends his time working pro bono with the city and state in order to improve governance. He helped to design Bangalore's new civic authority.

This generation, made up of people who are now mostly in their 60s and 70s, is the model for the new billionaires of Bangalore. Its members do their good deeds quietly. They also offer advice and help build informal networks of would-be givers. The result is that the city has become a hub for this sort of institution-building philanthropy. Younger techies, such as Nikhil Kamath (39) and his brother Nithin (46), who founded a popular trading platform, are now also becoming generous donors, including to abstract-sounding things such as work on urban-governance systems.

One reason Bangalore's tycoons are different is that many of them have experience of being normal people. They have taken public transport and wrangled with public services. Their counterparts in Mumbai (still the billionaires' capital) or Delhi are more likely to have inherited family businesses. Another reason is that many are engineers who enjoy solving tricky problems. Old money tends to come from trading, regulatory arbitrage or resource extraction. It is a different mindset.

It is also the case that Mumbai, Delhi and Kolkata already have lots of institutions. Bangalore was until not long ago a sleepy retirement town. There is more for its billionaires to build. In that sense they are a throwback to Mumbai's rich a century ago, when families such as the Tatas funded research institutions and civic spaces that still serve the city.

Modern India was just being built then. It is still being built now. The need for institutions that can guide its trajectory is as urgent as ever. The government has made it onerous for charities to accept foreign funding. The money and expertise must now come from within.

Bangalore, as befits India's most forward-looking city, shows the way. ■

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China and Taiwan

Does the Iran war increase the risk of a Chinese attack on Taiwan?

China has reason to wait, but its window of opportunity has widened

3月 26, 2026 05:35 上午 | Taipei



FOR A WORLD shaken by war in Ukraine and the Middle East, there was a faintly reassuring line in the latest Annual Threat Assessment by America's intelligence agencies. "Chinese leaders do not currently plan to execute an invasion of Taiwan in 2027," said the report, released on March 18th. The new phrase was striking because American officials have warned for years that Xi Jinping, China's leader, has ordered his armed forces to be ready to attack Taiwan by

2027. And despite American clarifications that the deadline is for capability rather than actual invasion, it led to billions of dollars of spending in America and Taiwan to prepare for an attack by then.

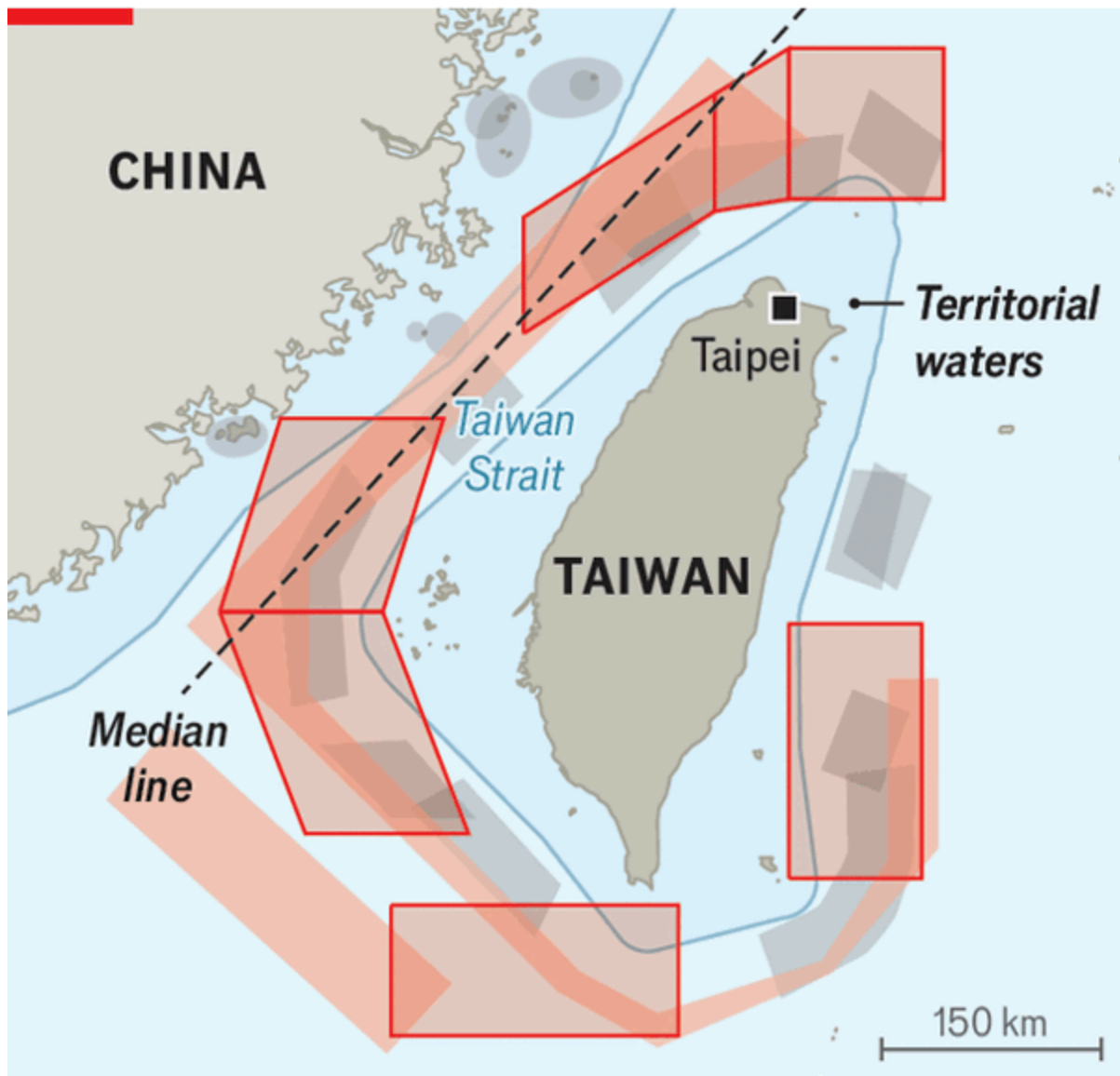
The new intelligence assessment came as welcome relief to some who are concerned about the most dangerous flashpoint in relations between China and America, which has long pledged to help Taiwan defend itself. To others, however, the intelligence community's reluctance to extend its latest prediction beyond 2027 was disconcerting. Its report also failed to confront a question on many minds: does the Iran war increase the risk that Mr Xi takes military action against the island that he yearns to unify with China?

Despite concerns that an over-politicised American intelligence community might have an incentive to downplay the threat, former officials and experts who monitor the People's Liberation Army (PLA) concur that an attack on Taiwan in or before 2027 is unlikely. There are, however, growing fears that the war in the Middle East—and its consequences for American politics and military power—might make Mr Xi more likely to strike Taiwan later this decade or early next.

America has already transferred military assets from the Indo-Pacific to the Middle East and may move more. The knock-on effects on maintenance and readiness could last for years. America and its allies have also used up many weapons needed to defend Taiwan. If the war drags on, America would face challenges on multiple fronts, said Li Yihu, an expert on Taiwan at Peking University, at a meeting of China's parliament in March. "If America's military presence in the Asia-Pacific is weakened, you can imagine the consequences. Who will benefit?"

The idea that Mr Xi had set a deadline of 2027 was widely repeated in government circles after Admiral Philip Davidson, as head of America's Indo-Pacific Command, first mentioned it in a Senate hearing in 2021. But close PLA-watchers see the "Davidson window", as it became known, more as an attempt by Mr Xi to inject urgency

into his efforts to modernise the armed forces ahead of their centenary in 2027. The period of greater concern now is the one between 2028, when America and Taiwan hold their next presidential elections, and the expected end of Mr Xi's fourth term in 2032. He will be 79 by then, and perhaps impatient for progress on Taiwan.



Chinese live-fire exercise areas

■ Dec 2025
 ■ Apr 2025
 ■ May and Oct 2024

Sources: China Maritime Safety Administration; People's Liberation Army; Taiwan Ministry of National Defence; Xinhua News Agency

Ely Ratner, the Pentagon's top Asia official in the Biden administration, does not think the war in Iran greatly increases the likelihood of Mr Xi making a move on Taiwan in the near term, but "it's more possible today than it was two months ago". If Mr Xi's

decision ultimately depends on whether he can achieve a quick victory at acceptable cost then “a less ready, distracted and spread-thin US military makes that date come sooner than it would have otherwise”, he says. “The risk in the medium term is going up substantially.”

Mr Xi could still profit from patience. The PLA has greatly enhanced its capacity to invade Taiwan, and has practised doing so with increasing frequency (see map). It has also tested the island’s air defences almost daily with military flights across the Taiwan Strait’s median line. But although it could probably conduct a blockade or quarantine, it cannot yet conduct an amphibious invasion at a sufficiently low cost and with enough speed to make it worth the risk. The longer it takes, the more time America has to intervene. Even overstretched American forces could still inflict huge losses, drawing on their recent experience using the latest technology, including AI, in battle. And the global economic fallout, which would hit China hard, would dwarf that from the Iran war.

Out of commission

Then consider the state of China’s military high command. Mr Xi has purged five of the six generals he appointed in 2022 to the Central Military Commission (CMC), which controls the PLA. The CMC now consists of just Mr Xi and a single general responsible for corruption investigations. Although many of the top brass were accused of corruption, Mr Xi also seems to have grown frustrated with the slow pace of his military reforms. Younger, tech-savvy replacements might perform better, but they must be carefully screened for links to their disgraced predecessors.

By 2028, however, his new military leadership should be in place, and Taiwan’s presidential poll that year could trigger a more aggressive approach. China refuses to deal with Taiwan’s Democratic Progressive Party (DPP), in power since 2016, and denounces the current president, Lai Ching-te, as a separatist. The main opposition

party, the Kuomintang (KMT), seeks closer ties with the mainland and has been blocking an increase in defence spending. A KMT victory in 2028 might allow enough rapprochement to satisfy Mr Xi. But another DPP win could increase the risk that he prioritises military options.

America's political calendar is a potential catalyst, too. Chinese officials have lobbied for Mr Trump to dilute America's security commitments to Taiwan as part of a broader deal on trade and security. That gives China an incentive to hold fire, as does Mr Trump's recent appetite for war. But Mr Xi's calculus could change if he fails to make progress in talks with Mr Trump in the next year or two. And as America's election approaches, he may conclude it makes more sense to strike Taiwan before Mr Trump is replaced by someone more committed to the island.

As Mr Xi makes these judgments, much will depend on how long the Iran war continues and whether America begins new escapades in Cuba, Greenland or elsewhere. China will also be watching the burn rate of ammunition, especially missile interceptors, by America, and how that affects weapons deliveries to Taiwan.

China's conclusions could alter what its military thinkers call a "strategic window of opportunity" to take Taiwan. Many of them think that window falls within the next few years, before America's efforts to restructure its own forces in Asia and boost Taiwan's defences take effect. Taiwan has been slow to modernise its forces, but has made progress recently. It plans to boost defence spending from 3% of GDP to 5% by 2030 and to build a new missile-defence system by 2033. Without such plans "the likelihood of an attack would rise", said Wellington Koo, Taiwan's defence minister, on March 20th.

If the war in the Middle East ends soon and neutralises the Iranian threat to America and its allies, then the impact on Taiwan could be limited. American forces could refocus on Asia and there would be

less need to replenish Middle Eastern arsenals. Some American officials also argue that they will be in a stronger position to take on China, having dealt with Venezuela and Iran, and even more so if the war in Ukraine ends. Conversely, that could provide China with an incentive to move against Taiwan sooner rather than later, while American forces and weapons stocks have yet to recover fully.

A longer Iran war (or an unstable peace) would give Mr Xi breathing space. That could let the PLA complete its reforms, perfect the art of amphibious assault and absorb the lessons from Ukraine, Venezuela and Iran. Once Mr Xi feels he has the capability, he may show less restraint, says Charles Wu of Taiwan's National Chengchi University. But Iran's grip on the Strait of Hormuz might also influence his choice of action, making a blockade more likely than an invasion. Though Mr Wu does not expect China to strike imminently, he foresees more frequent Chinese aerial and naval incursions as well as bolder combined exercises around the island "to see how America responds". That still makes this a dangerous moment for Taiwan, even if the prediction by American spies is correct. ■

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Women's rights

Jiang Shengnan is the most vocal woman in Chinese politics

She is trying to push change from within the system

3月 26, 2026 04:46 上午 | Beijing



Jiang Shengnan, living up to her name

WHEN JIANG SHENGNAN, a Chinese lawmaker turned political adviser, was born in 1973, a third daughter to parents in the coastal city of Wenzhou, many urged her mother to keep trying for a son. She refused and gave her daughter the name *Shengnan*, which means “better than men”. Ms Jiang insists she just wants women to be equal, but striving for that equality requires a mix of the resistance

imbued in her name and a level of pragmatism in a country where feminism is fraught.

Ms Jiang grew up to be a writer of online novels in the 1990s. Her later historical work, about a concubine's rise to become China's first empress dowager two millennia ago, was adapted into a drama series, "The Legend of Mi Yue", which racked up 700m views within 24 hours of its release in 2015. In addition to writing and working as a humanities researcher at Wenzhou University, she entered politics in 2018 as a legislator in the National People's Congress (NPC) and became one of the most prominent champions of women's rights. After serving a five-year NPC term, in 2023 she joined the parliament's top advisory body, the Chinese People's Political Consultative Conference (CPPCC).

Women make up a quarter of the NPC and a fifth of the CPPCC, but none are currently in the highest echelon, the Politburo. In political affairs the NPC is a mere rubber-stamp parliament, where lawmakers approve rather than argue. Yet on social issues, where the Communist Party carefully gauges popular opinion in order to maintain stability, there remains space to push back and debate.

Under Xi Jinping's rule, any hint of organising outside the system on sensitive issues has been quashed. That has made working within the system ever more important. In 2015 five feminist activists were arrested for planning to demonstrate against sexual harassment on public transport, despite government warnings. Their high-profile month-long detention marked a new crackdown on feminist activism, even as more women seek equal treatment at home and in the workplace. Patriarchal attitudes remain common, and plenty of men criticise female comedians and other outspoken women for fanning the flames of "gender antagonism".

All of that makes Ms Jiang more pragmatic. She aligns her proposals, such as extending paternity leave and curbing overtime, with government goals. For instance, the party is desperate for women to

have more children to stem demographic decline, and Ms Jiang says many of her proposals serve that goal. She puts forward solutions rather than problems. "I'm not a feminist," she tells *The Economist*, steering clear of a label associated with outside-the-system activism. "We're fighting against uncivilised old ideas, habits and harmful perspectives that linger, we are not fighting against gender. That is pointless." She says her proposals have to benefit everyone, not just women. "If you want to move something forward, you have to win the approval of the majority."

This year, the soft-spoken 52-year-old started a campaign to ban the forced marriage of rural women with learning disabilities. In 2022 a video was posted online showing a woman chained in a shack. She turned out to have been trafficked and had given birth to eight children. It ignited fury across China.

Ms Jiang is good at channelling anger on such issues into reform. One breakthrough came in her push for rural women's land rights in order to counter a preference for sons over daughters. Chinese tradition had meant that they lost their rights to land if they married men from outside their villages, but in recent years more rural women have fought back in the courts. In 2024 Ms Jiang recommended legal protections for "married-out women". Later that year, the government passed a provision stipulating the equal rights of rural women regardless of marital status.

In both her political and creative work, Ms Jiang imagines new worlds for women. She likens the extensive research for policy proposals to researching her historical novels. And she sees literature and film as crucial for waking up Chinese women, especially in the countryside. As more rural women logged on and criticised the strong female protagonists in her novels, she was initially dismayed. "I wondered if this was a step backwards," she says. "But now I realise it was an awakening."

Change in a conservative system is slow but, in a political realm of distant men, Ms Jiang is known as a woman who is accessible to ordinary people. She shares her email address with her 1.3m followers on Weibo, China's X. For several years, men and women have been writing to her about widespread discrimination in hiring people over 35. In 2023 she recommended amending the age limit for civil-service recruitment to send a broader signal. Her proposal was not initially adopted. "But later, many other members raised the issue. Now we see that many civil-service-recruitment policies are relaxing the age limit," she says. "You're not fighting alone. Many people are taking up the baton." ■

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High-rise pork pies

China's huge pork industry is a victim of its own success

The country is awash in its favourite meat

3月 26, 2026 04:45 上午 | Beijing



PORK HOLDS a unique place in the Chinese diet. It was once a symbol of the good life; the Chinese character for “home” is a pictogram of a pig under a roof. It is so important that the government has a strategic frozen-pork reserve, and the news media are always full of the ups and downs of the pork industry.

There have been plenty of peaks and troughs in the past decade. In 2018-19, when African swine fever ravaged pig herds, many smaller “backyard” farms were wiped out. Prices went through the roof.

Before long, though, the industry came trotting back. The big worry now is that it is doing too well. More efficient farming methods, producing ever more pork, are colliding with slowing consumption of the meat.

Now all the news is about overcapacity. Shi Ruiqing, who sells cuts of pork at a market in Beijing, says she only got to eat the meat on special occasions as a child. These days, she says, it is so cheap people can have it whenever they fancy. The oversupply pushed live-pig prices to a 15-year low in March. Some farmers are losing over 300 yuan (\$40) per animal.

Part of the problem has been that some pig farmers have aggressively expanded production in an attempt to gain a bigger share of a shrinking market. On top of that, big companies saved their bacon in the downturn by concentrating their pigs into mechanised modern facilities where they could be kept isolated from the swine fever.

Modern farms are a marvel of industrial agriculture (though not of animal welfare). Tens of thousands of pigs are packed into multi-storey concrete buildings. One in Hubei province has 26 floors. Last year China produced a record 59m tonnes of pork, about half the global total and 40% more than in 2020.

That may be more pork than even China can eat. The average Chinese person guzzled 28kg of it in 2024, but that was 2kg less than in 2023. Increasingly, middle-class Chinese see pork as less healthy than chicken or seafood.

To boost prices, officials have slashed subsidies, ordered firms to cull droves and told the pork reserve to buy more meat, to little effect. Some big firms are looking elsewhere. Muyuan Foodstuff, China's biggest pig producer, hopes to export its business model instead. Last year it said it would build the first high-rise in Vietnam, capable

of rearing 1.6m swine a year. Pig farms are going vertical as profits flatline. ■

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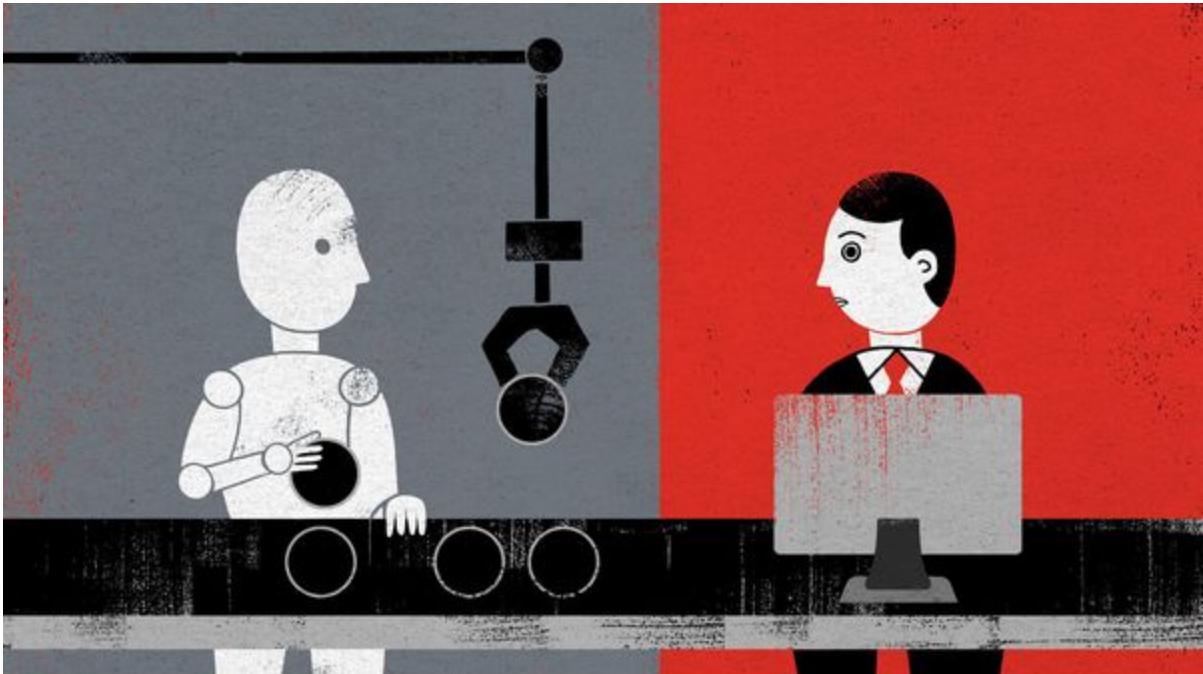
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Chaguan

China's government both drives and constrains the rise of AI

Officials want to lead the world in the new technology, but are still wary of disruption

3月 26, 2026 06:16 上午



IT CAN SEEM as if artificial intelligence is suddenly everywhere in China. From banking to shopping and maps to ride-hailing, almost all major Chinese mobile apps now offer AI chatbots. Universities are creating courses in AI. To shop for a toilet seat is to learn of AI-enhanced options that monitor urine quality. To order yogurt from an

upscale chain involves scanning your face so that its AI model can tailor its fermented product to your needs.

Of course, AI is not actually everywhere. But this being China, a country that loves presenting positive data, the government will tell you exactly how far it has got: by 2025, 42.8% of the country had “adopted” generative AI, double the share a year earlier. At this rate China will hit its target of a 90% AI “penetration rate” by 2030. Never mind the precise meanings of adoption or penetration. The questionable statistic itself is a small emblem of China’s AI story: the state’s hands-on role in pushing the technology.

Ever since China’s “[DeepSeek moment](#)” last year, when an unknown startup shocked the world by exhibiting advanced capabilities at a fraction of the cost of Western competitors, attention has focused on the race to build the best AI models. But the more important question may be which country is better at applying AI, not just developing it. China has several things in its favour: open-source models that are cheap and customisable; a manufacturing base with a head start in weaving AI into physical products; and a deep pool of researchers working on the technology.

Ultimately, though, the factor that most differentiates China from America is its strong state. Much as DeepSeek alerted the world to China’s prowess, China had experienced its own awakening in 2017 when Google DeepMind’s [AlphaGo beat a leading Go master](#) at the board game. A few months later China published its first national AI-development plan. It is now moving from research to application. Last year the government launched an “AI Plus” initiative to promote it in sectors from health care to energy. Of China’s 700bn yuan (\$100bn) of capital spending on AI last year, estimates suggest the government accounted for about 60%.

But the state’s leading role is not an unambiguous advantage. As soon as the government creates targets, there is a showy element. Officials seek to vaunt their achievements. Chaguan recently visited

Yizhuang, a tech hub in Beijing developing “embodied AI”—integrating AI into robots. An industrial park features a restaurant with automated waiters and robot performances. At one point a small robo-triceratops glided along the floor, coyly sidling up to patrons. All very impressive, until Chaguan spotted the man operating the creature with a video-game controller behind his back. Another staff member sheepishly admitted there were no robots in the kitchen. “They still can’t cook well,” he said.

These rough edges are a reality check about China’s deployment of embodied AI. The best-known examples are the humanoid robots that performed kung fu during the lunar-new-year gala on television, wowing hundreds of millions of viewers. But getting robots to perform a set routine, however elaborate, is not the same as getting them to move around unpredictable environments on their own. An executive with a big Chinese tech firm says that, at their core, the robots are finicky devices which are liable to overheat and wear down. China’s infamous “996” working culture—9am to 9pm, six days a week—might overwhelm them.

Though the government has embraced AI, it remains conservative in some areas—reassuringly so for those who fret about the technology. In recent weeks a mini-craze swept China as thousands installed OpenClaw, an AI assistant, on their laptops. Unlike AI software that requires prompts, OpenClaw runs autonomously, handling tasks such as replying to emails. But officials swiftly restricted its use in state-owned firms and government work, fearful that it could expose sensitive information—a conclusion that some large Western firms have also reached.

Chinese officials are worried, too, about jobs. When the government launched its AI Plus initiative it specified that it wanted to steer resources to where labour is scarce and working conditions hazardous. In a meeting with tech executives a senior leader had reacted with alarm to suggestions that AI might lead to mass layoffs,

according to someone briefed on the interaction. His message was to avoid disruption in the labour market.

Visible hand

In another way China's strong state may also impede AI's spread. A fifth of the country's workforce is employed in the public sector and state-owned enterprises, which are notoriously slow to adopt new digital technologies. Again, hitting mandated targets can overwhelm the business aim of seeking profits. Following the release of the DeepSeek model, state firms and government agencies were instructed to harness its power. Jeffrey Ding of George Washington University says that many opted for an easy solution: they installed stand-alone machines, separate from their operations. "People used it for a quick PR win. It wasn't sustainable integration," he says.

Indeed, the bigger contribution of the state may be in less glamorous policies, not in unleashing humanoids on the world. On March 13th the Communist Party announced its latest five-year plan, making AI the centrepiece. The plan calls for building high-quality datasets for sectors such as transport and health care. That is a "big deal", says Kendra Schaefer of Trivium China, a consultancy, because the Chinese state sits on a huge reservoir of data. Granting access to domestic AI firms could give them an edge over foreign competitors. Yet that is a far cry from a country going full-bore on AI in all directions at once. Like most of the world, China believes that its future is bound to AI. But the state's caution may matter as much as its enthusiasm. ■

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From “Little Marco” to loyal lieutenant

Marco Rubio, the chameleon in the war room

On Venezuela, Iran and Cuba, Donald Trump is listening to his secretary of state

3月 26, 2026 04:45 上午 | WASHINGTON, DC



A DECADE AGO Marco Rubio described Donald Trump as “a con artist”. Both men were vying for the Republican presidential nomination. Mr Trump mocked Mr Rubio as “Little Marco”. Mr Rubio predicted that a government led by Mr Trump would be “chaos”.

These days, they are more polite. As Mr Trump’s secretary of state, Mr Rubio is studiously deferential to his boss. Mr Trump says Mr Rubio will “go down as the greatest secretary of state in history”.

Mr Rubio has emerged as one of the president's most valued courtiers. Calm, articulate and competent, he does his best to lend coherence to Mr Trump's foreign policy. He is also the most prominent backer of the hawkish turn it has taken this year. In January, when Mr Trump sent commandos to snatch Venezuela's leader, and in February, when he ordered the bombing of Iran, Mr Rubio was at his side watching live feeds from Mar-a-Lago. The more isolationist vice-president, J.D. Vance, followed events from elsewhere.

If the current flurry of military adventurism ends well, Mr Rubio will be in a strong position to run again for president. In private, Mr Trump often asks donors and supporters who they think should be the Republican nominee in 2028: Mr Rubio or Mr Vance? Much will depend on Mr Trump's endorsement, which will carry immense weight with primary voters. For Machiavellian reasons—to avoid dissipating his own power—he is likely to keep both men guessing for as long as possible.

Betting markets suggest Mr Rubio's star is rising. At the start of the year, Polymarket put Mr Vance 44 percentage points ahead; now the gap is only ten points. However, an *Economist*/YouGov poll finds that Mr Vance still enjoys higher net favourability ratings than Mr Rubio among Republicans, by 68 points to 47.

Mr Rubio has beaten longer odds before. When he first ran for the Senate in 2010, he started 30 points behind his opponent, a sitting governor, but ended up winning easily. His pitch to voters was partly biographical. His Cuban parents had come to America with no English and no money. They worked hard for their children—his father as a bartender, his mother as a cashier. Thus, Mr Rubio, who at 38 was already speaker of the Florida House of Representatives, embodied the immigrant dream. Watching him on the stump, *The Economist* likened him to Barack Obama, another charismatic young campaigner who was "good at seeming to agree with people without actually doing so".

Mr Rubio served for 14 years in the Senate, where he was well respected. His peers confirmed him as secretary of state by a 99-0 vote (though some Democrats now express regret). He is the first person since [Henry Kissinger](#) to serve simultaneously as national security adviser (he also runs USAID). "Rubio is a safe pair of hands," says one person close to Mr Trump.

Yet Mr Rubio is less powerful than many of his predecessors. The institutions he runs are much reduced by Mr Trump's cost-cutting and purges of diplomats deemed insufficiently MAGA. Some of the most sensitive matters—including negotiations with Israel, Arab states, Iran, Russia and Ukraine—have been entrusted mostly to Mr Trump's golf buddy, Steve Witkoff, and his son-in-law, Jared Kushner.

A courtier does not complain about slights. Nor does he expect to make policy, only to enact it. His most important task is to be by his liege, shuttling on Air Force One between Washington and Mar-a-Lago. This can be exhausting. On long trips, to avoid being woken at all hours by his boss, Mr Rubio says he sometimes shrouds himself in a blanket and pretends to be a sleeping staffer.

Mutable Marco

To rise and thrive in Trumpworld, Mr Rubio has had to be both ruthless and chameleon-like. As a senator he was a leading advocate of bipartisan immigration reform (to let some illicit migrants become legal) and of arming Ukraine to defend itself against Russia. Now he serves a master with a penchant for mass deportation and a soft spot for Vladimir Putin. Some doubt his sincerity. "He's a MAGA drag queen," mocks one Republican activist.

His defenders say he restrains Mr Trump's excesses. European governments see him as one of the few administration officials they can deal with. Sometimes at odds with Mr Vance, he has helped to avert a full breakdown in transatlantic relations and the total

abandonment of Ukraine. That Mr Trump has gone quiet about seizing Greenland is, some say, thanks to Mr Rubio's influence.

At the Munich Security Conference last year, Mr Vance horrified European leaders with a culture-warrior speech denouncing their attempts to isolate populist-right parties. This year, at the same event, Mr Rubio delivered essentially the same message, but wrapped in the language of shared sacrifice in two world wars and love for Western civilisation. It got a standing ovation—and Mr Trump's attention. The president later described Mr Vance as "a brilliant guy" who "gets a little bit tough on occasion" and needs restraining. In contrast, "Marco does it with a velvet glove. But it's a kill, right? The result is the same."

Mr Rubio has enjoyed a freer hand in the western hemisphere, fashioning Mr Trump's "America First" instinct into a regional strategy. A fluent Spanish-speaker, he cuts a vice-regal figure in Latin America. His first trip abroad as secretary of state was to Central America and the Caribbean, to help stanch the flow of migrants and set the stage for confrontation with Venezuela. Before that, however, he had to see off another courtier, Richard Grenell, who sought accommodation with Venezuela. Mr Rubio favoured coercion and regime change. Mr Trump chose the second option, ousting Venezuela's defiant dictator, Nicolás Maduro, and promoting the rise of his deputy, Delcy Rodríguez, who he hopes will be more pliant.

[Next in Mr Rubio's sights is Cuba](#): The communist regime there is all but broke, thanks to decades of misrule, an oil embargo and the loss of a generous ally in Venezuela. Desperate for relief, it is talking to the Trump administration. Mr Rubio has said the island needs not just new policies, but new leaders. Excitement among Cuban-Americans is rising. "Rubio is the embodiment of all the hopes and the dreams and the frustrations of the exiled Cuban-American community," says Joe Garcia, a former congressman.

Yet Mr Rubio faces a delicate task. Many of his fellow Cuban-Americans want democracy in Havana and the return of property confiscated by the regime in the 1960s. Mr Trump may opt for something easier: a Venezuelan-style deal that leaves the old detested system in place but with better treatment for American businesses.

In the Middle East, the staunchly pro-Israel Mr Rubio was a stronger backer of war with Iran than Mr Vance was. That puts him at the centre of the action—and more exposed if things go wrong. The Iranian regime has survived three weeks of American and Israeli bombing and has expanded the war to the region, roiling global energy markets. Mr Trump is unlikely to blame himself for failing to predict this. As national security adviser, it was Mr Rubio's job to oversee the "inter-agency" process—ie, the co-ordination between government bodies—to plan the war and prepare for its repercussions. He also made a gaffe by saying that America had to bomb Iran because Israel was about to do so, feeding [accusations that America is fighting Israel's war](#).

Success in Iran would boost Mr Rubio. However, another debacle in the Middle East could be "a career-ender", says a source close to Mr Trump. For his part, Mr Rubio is playing down his ambitions. He says he will support Mr Vance if the vice-president runs in 2028.

This may not be wholly altruistic. Mr Trump is unpopular; voters could pick a Democrat to succeed him. Mr Rubio might think it shrewder to let Mr Vance lose in 2028 and try his own luck in 2032. By that time America's mood may have shifted again. And Mr Rubio, a Catholic-turned-Mormon-turned-Catholic-turned-Baptist-turned-Catholic, will no doubt adapt.■

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AIPAC's new playbook

America's pro-Israel lobby is facing a backlash

As attitudes to Israel shift, AIPAC is shifting its tactics

3月 26, 2026 05:35 上午 | ATLANTA



NEARLY TWO decades ago, John Mearsheimer and Stephen Walt published "The Israel Lobby and US Foreign Policy". They argued that a loose coalition of pro-Israel advocacy groups exerted significant influence over American policy debates, at times steering decision-makers in directions—such as support for the Iraq war—that proved bad for America. The backlash was immediate: critics dismissed the work as shoddy, naive and even antisemitic. Today, however, as America fights alongside Israel against Iran, views of

the US-Israel relationship are shifting—and the book has resurfaced as a bestseller.

The organisation drawing the most attention now, as it did then, is the American Israel Public Affairs Committee (AIPAC), America's largest pro-Israel advocacy group. For around 70 years it has worked to strengthen ties between the two countries. Like other domestic lobby groups, it does not receive money from foreign governments, including Israel's. Instead it relies on donations from Americans, many of them Jewish. It is highly effective, regularly attracting senior Democrats and Republicans to its conferences. But as American attitudes shift, so too does its strategy—in ways that risk harming its cause.

America's support for Israel was long a matter of bipartisan agreement. But as Israel's government moved rightward under Binyamin Netanyahu, Democrats grew more critical—a trend accelerated by the war in Gaza. More recently, Republicans, too, have begun to rethink ties, with some seeing them as out of step with their "America First" principles. The share of Americans who view Israel favourably has fallen in recent years, hitting a near-40-year low in February, according to Gallup.

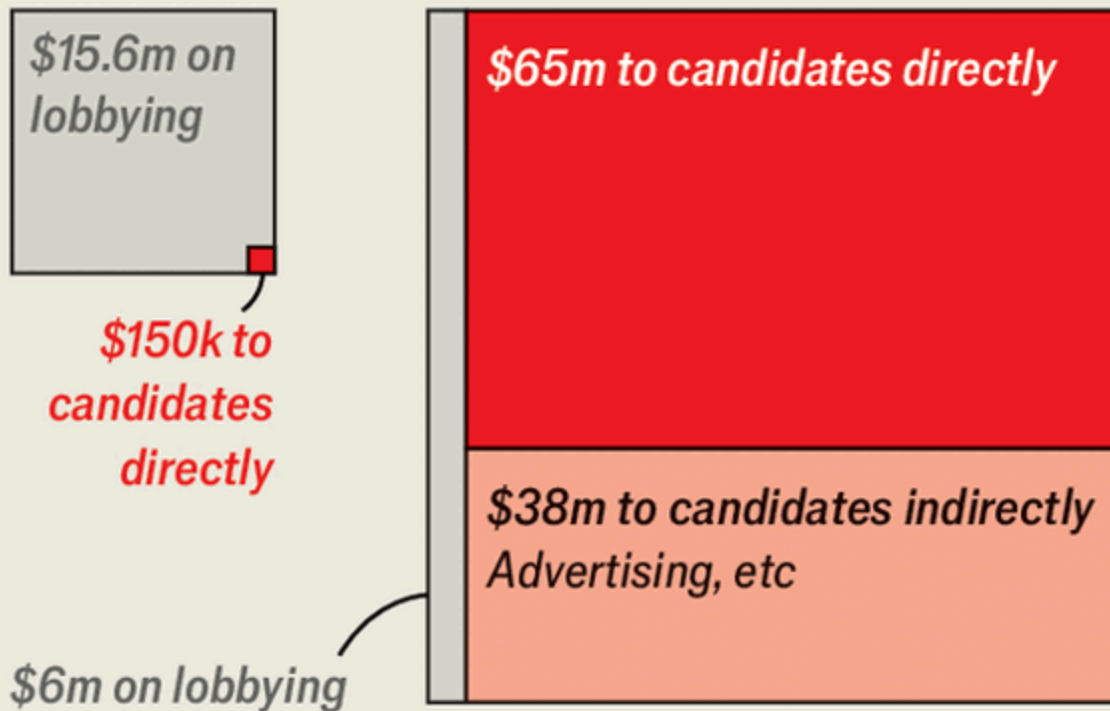
The Iran war isn't helping. Earlier this month Joe Kent resigned as head of the National Counterterrorism Centre, claiming that Donald Trump had been duped into starting the war by "Israel and its powerful American lobby". The public shares at least some of his unease. The latest *Economist/YouGov* poll found that most Americans think Israel will benefit from the war, while America will suffer. One in three said the pro-Israel lobby wields too much influence over the government.

The price of influence

Breakdown of total political spending by AIPAC*

2012-20[†] \$16m

2022-24[†] \$109m



*American Israel Public Affairs Committee

[†]Data from presidential-election and midterm-election years only

Source: OpenSecrets

AIPAC, meanwhile, has changed its approach. Alarmed by the election of several harsh critics of Israel in 2018, it moved aggressively into electoral politics—seeking to shape not just how lawmakers vote, but who gets elected. In 2022 it launched the United Democracy Project, a super PAC allowed to raise unlimited funds. After spending just \$150,000 on races in the previous decade, it deployed \$100m in the 2022 and 2024 election cycles (see chart).

So far this year AIPAC has poured more than \$30m into efforts to take down “detractors” in Democratic primaries, focusing on House races in New Jersey, North Carolina and Illinois. But because support for Israel is so contested, it has set up proxy groups with anodyne names such as “Elect Chicago Women”. Their ads do not mention Israel. In New Jersey, for example, such groups went after Tom Malinowski for voting “with Trump and the Republicans to fund ICE”.

The new tactic has had mixed results. In Illinois just two of AIPAC’s four favoured candidates won. A candidate it backed in North Carolina, Valerie Foushee, disavowed it on the campaign trail. And although Mr Malinowski lost his race in New Jersey, a pro-Palestinian activist won.

Mr Malinowski was seen by many as relatively moderate on Israel. “They are being absolutists and it’s backfiring,” says Matt Bennett of Third Way, a think-tank. Top Democrats are swearing off AIPAC money. None of this appears to faze the group. In a social-media post celebrating its victories in Illinois, it declared that “being pro-Israel is good policy and good politics”. If that were so, says Lara Friedman of the Foundation for Middle East Peace, another think-tank, it would not shy away from making that case to voters.

AIPAC says that “like many groups” it will “continue to use different tools to engage in races this cycle”. But its use of front groups places it alongside industries such as oil, tobacco and crypto, which have deployed similar tactics. The added risk for AIPAC is that this approach may reinforce antisemitic tropes about covert influence over policymaking—at a time when such views are already gaining ground. ■

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Lines of control

Snarled airports and frozen funding test the new DHS secretary

Markwayne Mullin promises a kinder, gentler department

3月 26, 2026 04:45 上午 | LOS ANGELES



"MY GOAL IN six months is that we're not in the lead story every single day." Markwayne Mullin, confirmed as boss of the Department of Homeland Security (DHS) on March 23rd, wants to soften its image. Over the past year it has become the spearhead of Donald Trump's mass-deportation campaign. Its officers have killed two American citizens and, critics say, beaten up many more. Mr Mullin, a former senator, suggests Immigration and Customs Enforcement

(ICE) should act more like a “transport” service than a front-line force. He agrees that agents should obtain judicial warrants before entering private property, and has described the administration’s fight with unco-operative cities as a “misunderstanding”.

His first test, however, is more mundane. For over a month Democrats have refused to fund the DHS unless the bill includes new restrictions on ICE officers. Many of the department’s staff are deemed essential and therefore required to keep working without pay. That has caused hardship and resentment. More than 450 Transportation Security Administration (TSA) officers have quit during the standoff. On March 23rd nearly 11% of TSA officers called in sick, says the department, leading to hours-long queues at airports.

The situation has become so strained that Mr Trump has dispatched ICE agents to help. The union representing TSA officers says this is unsafe and unhelpful: ICE agents are not trained to screen passengers. For now they appear to be guarding exits and checking IDs. “None of this makes sense,” says a former ICE official, who wonders why the administration did not instead tap customs officers, many of whom already work at airports.

Throngs of angry travellers may focus minds in Congress. (So, perhaps, may Delta Air Lines’ announcement that members of Congress will no longer be allowed to jump the queues.) One option under consideration is a deal to fund most of the DHS, but not ICE’s removal operations. Republicans would then try to pass a separate ICE funding bill using a procedure requiring only a simple majority. That measure would also contain elements of the SAVE America Act, an obsession of Mr Trump’s, which would require Americans to provide proof of citizenship to register to vote and a photo ID when casting a ballot.

Democrats, however, say any funding bill must include reforms to ICE, such as requiring agents to wear body cameras and remove their masks—something they have done at airports, but which Mr

Trump insists they should not do when making arrests. Some Republicans also appear uneasy about carving out ICE funding. And the president himself has been non-committal. “I don’t want to comment until I see the deal,” Mr Trump said after Mr Mullin was sworn in. “But I think any deal they make, I’m pretty much not happy with.” ■

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Uneasy spooks

America's spies have a lot to complain about

They are grappling with politicisation, purges and a president who may not want to hear them

3月 26, 2026 04:44 上午



Don't worry Ms Gabbard, he's not listening

"I DON'T KNOW if this is the best year that the CIA's ever had, but it's the best year I can ever remember," remarked a 32-year veteran of the agency earlier this year. That, at least, is how John Ratcliffe, the agency's director, recounted it to Congress during hearings on March 18th. Morale in the CIA was high, he insisted. Human sources, the agency's bread and butter, were up by 25%, as was foreign-

intelligence collection overall. Collection on China had doubled, he said. "It's a workforce that knows it's doing a great job."

That is not how others see it. *The Economist* spoke with a wide range of current and former intelligence officers. They described an intelligence community—the collective term for America's 18 intelligence agencies and bodies—as roiled by revenge-driven purges, chaotic leadership and politicisation. "Morale is in the toilet," says one source.

There are several reasons for the sour mood. The most straightforward is that spies are supposed to speak the truth to their bosses. Under Mr Trump, that is not always welcome. One example came on March 18th, when Tulsi Gabbard, the director of national intelligence, delivered her office's annual survey of threats facing America to Congress. Her written remarks noted that America's attack on Iran last year had "obliterated" its nuclear-enrichment programme and that Iran had made "no efforts" to rebuild it. Those claims undercut Mr Trump's justification for his war on Iran—that the country was two weeks away from a bomb. Ms Gabbard omitted the lines from her spoken testimony.

A day earlier Joe Kent, a MAGA loyalist who headed the National Counterterrorism Centre, part of Ms Gabbard's office, had resigned in protest at the war, saying there was no intelligence to support the view that Iran was, as Mr Trump had claimed, an "imminent nuclear threat". When pressed on that point, Ms Gabbard—herself a long-standing opponent of war with Iran—denied any responsibility for such matters. "The only person who can determine what is and is not an imminent threat", she replied, "is the president." That would have come as a surprise to thousands of American intelligence officials. The CIA was established in 1947 with the express purpose of avoiding strategic surprise, such as Japan's attack on Pearl Harbor six years earlier.

A second issue is Mr Trump's revenge agenda. The administration has sacked large numbers of intelligence officers for little reason other than their past involvement in probes related to Mr Trump, such as inquiries into Russian meddling. Last year it fired one of the CIA's most senior Russia officials, as well as the chief data scientist at the National Security Agency (NSA), which handles signals intelligence. Within the CIA many senior officials have retired earlier than expected, and those below them have left at an unusually high rate. *The Economist* understands that two officials in the agency's Americas mission centre—an assistant director and a deputy assistant director—recently departed, not long after Mr Trump's strikes on alleged drug boats in the Caribbean and the Pacific. The CIA was involved in that campaign, which was widely believed to be illegal. "Any insinuation that these officers retired over a disagreement with administration policy is completely false," said an official.

The third problem is that intelligence is simply less important than it was. When asked whether Mr Trump received a daily intelligence briefing, as most presidents have done, Mr Ratcliffe dodged the question, saying instead that he briefed Mr Trump on intelligence matters 10 to 15 times a week on average. But many analysts in the CIA are frustrated not only by the risk that their work will be distorted, but also by the lack of demand for it, according to one person familiar with the issue. Mr Ratcliffe's public emphasis on intelligence collection as the CIA's core business, rather than objective analysis of what is collected—a supposedly co-equal task—is also seen by some analysts as a snub.

That does not mean operations officers—the spies in the field who recruit agents and carry out other tasks—are happy. Many may be delighted to be unleashed on Caracas and Tehran. "This year the CIA is on track to hire and deploy more officers than at any point in the last quarter-century," said Mr Ratcliffe. But officers remain resentful of reforms launched by John Brennan, who led the CIA from 2013 to 2017 under Barack Obama. He reorganised the agency by creating

11 new “mission centres”, in which operations officers were mixed with analysts. Many senior officers were pushed out. The changes dramatically reduced the power of the directorate of operations, which long held top-dog status within the agency. They also created a more top-down service—one that has proved more pliable for Mr Trump. Several CIA directors pledged to reverse the moves; all failed. “What you hear over and over again”, says one veteran, “is that this is not the place I signed up for.” ■

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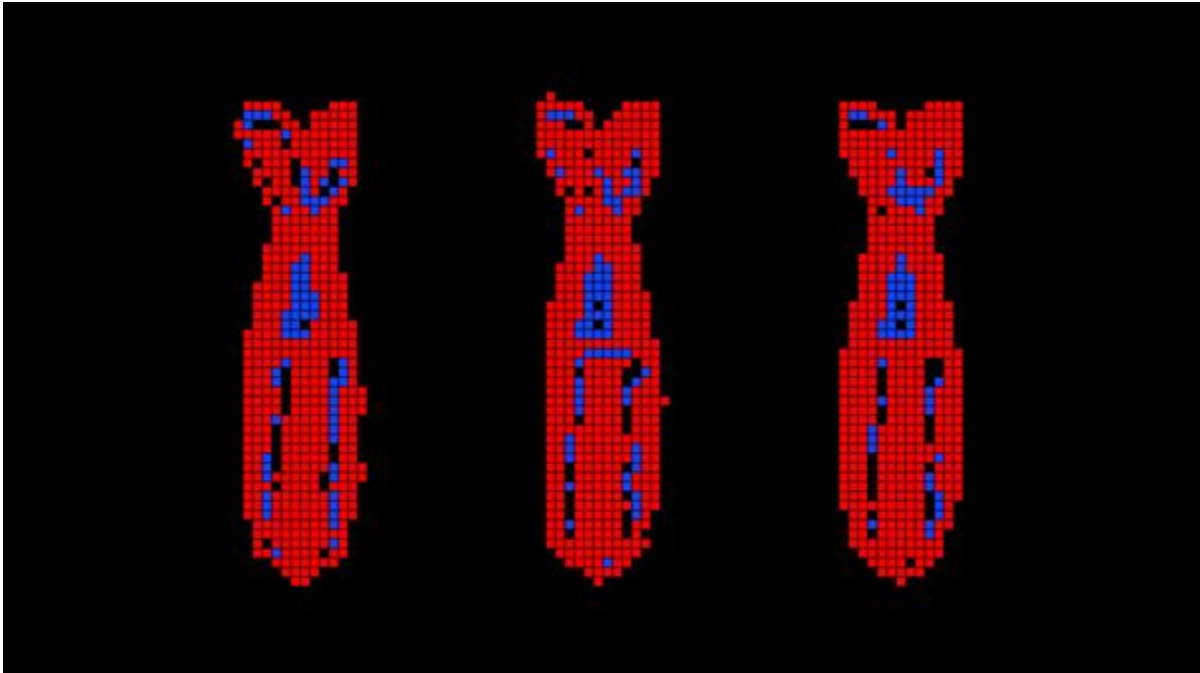
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Into the breach

America goes on cyber-offence

Its aggressive new strategy comes as Iranian hackers threaten cyber-warfare

3月 26, 2026 04:45 上午



“THIS IS ONLY the beginning of a new era of cyber-warfare,” warned Handala, an Iranian hacker group, after breaching Stryker, an American medical company, earlier this month. The attack, according to the group, wiped data on more than 200,000 servers and devices. Much of the firm’s operations were disrupted. Iran has a long track record of launching cyber-attacks on American interests in response to real-life skirmishes in the Middle East. Such operations offer a way to bring the war in the Gulf to America.

Into this environment comes America's new cyber-strategy, published on March 6th. The document is short—seven pages (including the front and back cover). And it is light on detail. But its pugilistic tone and emphasis on offence feel very much of the moment. The strategy marks a significant departure from how America has approached cyberspace, pivoting firmly from defence to a more aggressive posture.

The strategy rehashes familiar points: America depends on the internet; rogue states and criminal groups use it to spy on, defraud and threaten Americans; and the country must strengthen its defences, including through better co-ordination between the federal government and the private sector, which owns most of the networks in question.

Now the government will also go on the attack. "We will act swiftly, deliberately and proactively to disable cyber-threats to America." It promises to disrupt threats "before they breach our networks", implying that America will strike their source pre-emptively. That is not entirely new—the Pentagon's Cyber Command has long embraced a "defend forward" doctrine—but it is being pursued with greater zeal.

The administration is also keen to encourage private firms to do more to disrupt foreign threats. Officials insist that this does not mean "hacking back", a form of cyber-vigilante justice that is currently illegal. But they have "dipped their toes" into the idea, says Gareth Mott of the Royal United Services Institute, a think-tank in London, who notes that some companies are interested in playing a larger role. Google, for example, set up a "disruption unit" last summer.

The strategy is gung-ho about America's offensive cyber-capabilities. It cites an operation in Venezuela in which cyber-tools supposedly left government forces "blind and uncomprehending" during a raid to capture the country's leader, Nicolás Maduro, in January. This is

probably an allusion to a reported cyber-attack that may have cut power to parts of Caracas. The war in Iran has also highlighted the role of cyber-espionage: Israel is reported to have hacked into traffic cameras in Tehran, allowing it to track the movements of Ayatollah Ali Khamenei prior to his assassination on February 28th. "The reality is that we've now pulled cyber-operators to the forefront," said Brigadier General Ryan Messer at a Senate hearing in January.

Curiously, the new cyber-strategy is silent on America's adversaries. It alludes to China in a reference to "digital technologies that carry embedded censorship, surveillance and ideological bias". But there is no mention of China's vast efforts to hack American phones or to pre-position malware capable of sabotaging infrastructure. Nor is there any explicit reference to Russia's increasingly aggressive cyber-sabotage in Europe or North Korea's industrial-scale cyber-crime.

Matthew Ferren of the Council on Foreign Relations, another think-tank, questions whether American cyber-forces have the wherewithal to do everything asked of them. The National Security Agency and the Pentagon's Cyber Command (both led by the same person) went without a Senate-confirmed leader for almost a year after Laura Loomer, a far-right influencer, reportedly urged President Donald Trump to fire the incumbent. The new commander has no direct experience in cyber-operations. The command's military tasks, including the war in Iran, "may limit its capacity to perform counter-cyber missions in defence of domestic critical infrastructure", notes Mr Ferren.

Meanwhile, the Cyber-security and Infrastructure Security Agency, part of the Department of Homeland Security, is in disarray. Mr Trump has targeted the agency over its role in election security (he claims, without evidence, that Joe Biden stole the 2020 election). Madhu Gottumukkala, until recently its acting director, was reassigned on February 26th after a tenure marked by scandal.

The larger question is whether offensive strength can compensate for defensive weakness. “It’s not a question of playing offence and defence at the same time,” argues Ciaran Martin, a former head of Britain’s National Cyber Security Centre who worked closely with America. “It’s two quite different sports.” Turning out the lights in Caracas has little, if anything, in common with protecting pipelines in America from cyber-sabotage. ■

Correction: This article originally stated that the Trump administration was keen to encourage private firms to take matters into their own hands by “hacking back”. While the administration hopes private firms will do more to disrupt foreign threats, officials have stopped short of encouraging companies to hack back. Sorry.

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Love me, legal tender

Why Donald Trump is putting his face on a coin

Money and power belong together

3月 26, 2026 05:38 上午 | Los Angeles



"YOU'VE GOT to put your name on stuff or no one remembers you." This, according to *Politico*, was President Donald Trump's verdict when touring George Washington's Mount Vernon estate. The Founding Father failed to name his property after himself and is now entirely forgotten.

In addition to putting his name on stuff, Mr Trump is energetically putting his picture on stuff, too. Gigantic banners bearing what a cabinet member called his "big, beautiful face" hang outside

government buildings all over the District of Columbia, as America's capital city is universally known. On the Trump Gold Card, which for \$1m allows the bearer to live in America, the president's image is larger than that of the Statue of Liberty. And now Mr Trump is putting his face on American money.

On March 19th the US Commission of Fine Arts (its members picked by the president) approved a golden coin with Mr Trump's likeness to commemorate America's 250th birthday. It shows Mr Trump leaning over a desk projecting toughness: fists clenched, brow furrowed, cheekbones chiselled. The word "liberty" is inscribed above him. An eagle will grace the back of the coin.

This represents a break with tradition. Serving political leaders of democracies are not usually depicted on currencies. Symbolic heads of state sometimes are, such as the monarchs of Britain and Sweden. Dictators often are, too: Mobutu Sese Seko, the late tyrant of Zaire, had himself portrayed on banknotes wearing a leopard-skin hat. America, in contrast, has generally restricted itself to putting the faces of dead presidents or other notable figures on its notes and coins.

Indeed, federal law bars the depiction of living presidents on currency. The Trump administration is using a loophole that allows the US Mint to issue commemorative gold coins without explicit congressional approval, according to the Treasury. The last time a living American president was put on a coin was in 1926, when Calvin Coolidge appeared on one celebrating America's 150th birthday.

The practice of putting rulers' faces on money to remind everyone who's in charge dates back centuries. Julius Caesar was the first living Roman to do it, with coins that declared him dictator for life and heralded the end of the Roman republic. Commodus, a later emperor, had himself depicted on coins as Hercules, a demigod famous for his strength.

But in modern democracies, such displays of pomp are unfashionable. Britain recently decided that even dead famous people may be too controversial to put on notes, and will now honour wildlife instead (as well as King Charles).■

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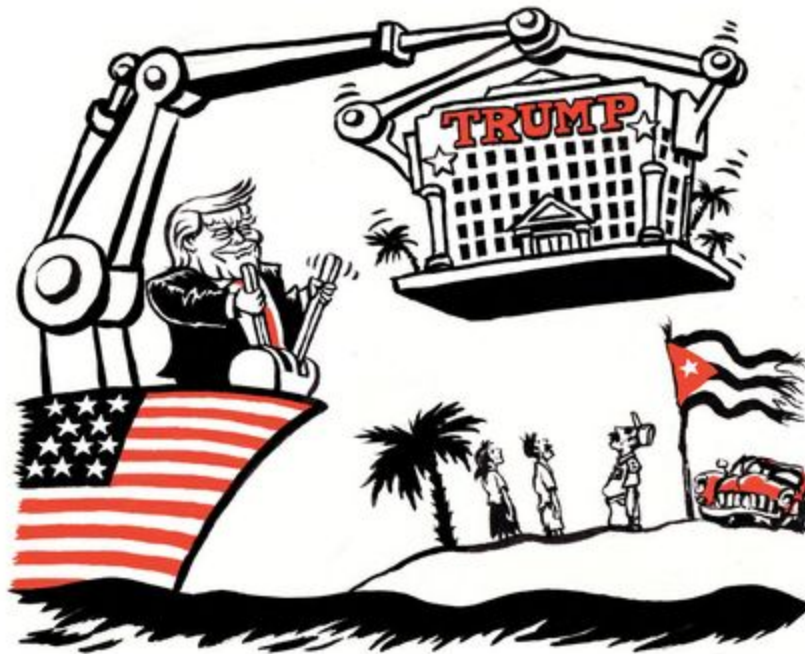
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Lexington

For Donald Trump, Cuba is everything Iran is not

A breakthrough is in his grasp. But his idea of progress may be a throwback to another era

3月 26, 2026 08:20 上午



WHAT SOLACE it must be for Donald Trump to contemplate Cuba. Superficially, his dealings with the island nation may appear uncomfortably reminiscent of the mess he has got America into in Iran. As Mr Trump did with Iran, he broke a deal with Cuba in his first term that was reached by his predecessor, Barack Obama, then failed to achieve a better one despite severe sanctions. The communists in Havana, corrupt and cynical though they may be, seem as fanatical as the theocrats in Tehran about their antediluvian

ideology. Like the mullahs, the Marxists just don't appreciate the value of good beach-front property. And, as in Iran, the end-game in Cuba is vague. Who knows what deal might ultimately feel, in the Trump bones, enough like victory?

But Cuba is a nation of maybe 9m people, not 93m. Thanks to momentous dealmaking by a previous American president, it poses no nuclear threat. It is not going to start flinging ballistic missiles around the Caribbean. The biggest difference in the two contests of national will affirms a conviction Mr Trump has held since the 1970s, yet somehow failed to appreciate in the case of Iran: whoever controls the oil holds the cards.

Mr Trump has complained that Iran is acting as "the bully of the world" by using oil as a lever, closing the Strait of Hormuz to deter America and Israel. In the western hemisphere he can be the bully. He cut off Cuba's source of cheap oil when he replaced Venezuela's nefarious strongman, Nicolás Maduro, with a more compliant strongwoman, Delcy Rodríguez. American tariff threats have stopped the supply of oil to the Cuban government from anywhere else since the end of January. Cuba produces barely enough fuel to cover 40% of the power it needs.

Small wonder, given his nature, that as Iran defies and embarrasses him Mr Trump has taken such satisfaction in dominating Cuba. "I think I can do anything I want with it," he gloated in mid-March. He does not even need the help of an occasionally aggravating ally like Israel, much less a perpetually aggravating one like all of Europe. Displaying a competence that has not characterised the Iran policy, Marco Rubio, the secretary of state and son of Cuban immigrants, has methodically blocked the government's sources of foreign currency. Cuba's aged electricity grid has collapsed three times this month, blacking out the nation and silencing its telecommunications. Interlocking crises of health care, food, communications and transport are becoming dire.

It is so easy to imagine a different Cuba. Indeed, it's been done. In one of Mr Trump's favourite movies, "The Godfather Part II", the mafia boss Michael Corleone pays a visit to Havana at the end of 1958. The capital is a glamorous, smouldering entrepot where poor but cheerful people throng the streets and American businessmen, politicians and mobsters attend spectacular shows and strike lucrative deals in gilded hotels and casinos. An executive from an American telephone company gives the president, Fulgencio Batista, a solid-gold telephone, a present almost as crass and tacky as the gold Rolex clock and gold bar Swiss executives gave Mr Trump when they were seeking lower tariffs last autumn. "This kind of government knows how to help business, to encourage it," declares Michael's mafia associate, Hyman Roth. "We have now what we have always needed: real partnership with a government." Michael flees as the revolution arrives. It would bring new ties to the Soviet Union, the expropriation of lands and refineries held by American companies, and, beginning in 1960, the American trade embargo that endures to this day.

Mr Trump has long hoped for a Cuban government he could do business with. As far back as 1998 one of his companies, Trump Hotels & Casino Resorts, explored an investment in Cuba, in apparent violation of the embargo. (While rhapsodising over the Havana of the 1950s, Hyman Roth notes, "The hotels here are bigger and swankier than any of the rug joints we've put in Vegas.") Ten years later Mr Trump registered his trademark in Cuba, a step that complied with American law but seemed to break a promise he had made not to do business in Cuba until it was "free".

Guantanamerica

Yet just what Mr Trump might consider "free" is not certain. His statements about Cuba have added to the incoherence of his foreign policy. Even back before he began changing regimes, his goals in Cuba made a hash of his putative emphasis on respecting

sovereignty and not dictating other countries' internal affairs. His national-security memorandum last June that laid out his ambitions in Cuba began with "the need for more freedom and democracy" and "respect for human rights". That was good politics. Those are still the goals of America's Cuban exiles. Indeed, Congresswoman María Elvira Salazar of south Florida, another child of exiles, has called for "Nuremberg trials" for the regime, along with a rapid transition to democracy.

Maybe, as the president negotiates with the Cuban government, he will pursue his old stated goals, particularly given Mr Rubio's personal and political stake in a free Cuba. But the regime is entrenched, and an endless blockade could create another refugee crisis. Besides, Mr Trump has amply demonstrated that his piety about human rights is as instrumental as the piety about sovereignty with which it conflicts. To him, it does not really matter if Cuba is a democracy or a monarchy; he wants a partner that will import American products and services, says John Kavulich, president of the US-Cuba Trade and Economic Council. "If you can do that, he really doesn't care what name is on your government," adds Mr Kavulich. "And that is what the Cubans have to come to terms with." After so many decades of struggle, such an outcome may disappoint the Cuban people. But at least the phones will work, and for some they may even be golden. ■

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America at 250

Industrial liberalism and its critics

3月 26, 2026 04:46 上午



1870s–1890s Richest men, poorest men

After the civil war, industrialisation transformed America. Oil extraction, steelmaking and electrification expanded at astonishing speed. Railroads stitched the continent together. By the 1890s the United States had overtaken Britain as the world's leading industrial power. (Britain retained the lead in empire, understatement and good taste.) This capital-intensive growth was financed by Wall Street, which emerged as a centre of wealth and influence.

But the resulting prosperity was highly concentrated. The most successful entrepreneurs, like John Rockefeller and Andrew Carnegie, became vilified as “robber barons” for crushing competitors, distributors, suppliers and workers with underhand and ruthless tactics. They built anti-competitive empires, accumulated staggering fortunes and erected gaudy mansions alongside tenement squalor in cities such as New York. The Gilded Age forced America to confront whether liberty was a value enjoyed equally by all—or whether the ultra-rich enjoyed so much liberty that it was more akin to impunity.

1886

Workers of the nation, unite! (And get shot)

American workers rejected the idea that free markets alone could sustain liberty. They toiled long hours for low pay in unsafe conditions. Economic shocks led to mass layoffs. With little bargaining power, workers began to organise. Railroad men led the first nationwide strike in 1877. In several states governors sent in armed militia to put it down; they killed dozens of strikers.

A turning point came in 1886. On May 1st hundreds of thousands of workers struck for an eight-hour workday. Two days later police fired on strikers outside Chicago’s McCormick works, killing several. At a protest rally in Haymarket Square the next evening, an unknown assailant threw a bomb at police, who opened fire. Seven officers and at least four civilians died. In the short term the affair set off anti-labour and anti-immigrant hysteria. Several anarchists were convicted in a controversial trial; four were executed. But eventually Haymarket became a symbol of labour’s struggle. May Day acquired global meaning, and the eight-hour movement gathered momentum.

Reporters, the real heroes

The journalist Ida Tarbell watched with suspicion as Rockefeller's Standard Oil dominated the petroleum business and her father, an independent oil producer and refiner, fell into financial ruin. In 1902 she began publishing a 19-part series exposing Rockefeller's perfidies, including a scheme that helped ruin her father: colluding with railroads, which carried Standard's oil at big discounts and paid Rockefeller a fee for every barrel of competitors' oil they transported. (Her findings were also compiled into a book, which in 1905 we reviewed as "worthy of perusal".) By 1911 the Supreme Court ordered the Standard Oil trust to be broken up.

Not everyone was enamoured of this new journalism of accountability. President Theodore Roosevelt (who, as we shall see later, wanted all the credit for busting trusts) cautioned journalists against becoming "the Man with the Muck-rake". Apparently he worried that reporters would dig dirt just to sell magazines. (Outrageous, we say!) Muckraking journalists wore the label with pride and more bombshells followed.

Maybe that's enough huddled masses

During the civil war Congress opened America's doors wide to immigrants. The Homestead Act granted land on the frontier to citizens and immigrants alike, and the creatively named Act to Encourage Immigration allowed employers to recruit workers from abroad. Millions came; by 1910 nearly one in seven Americans was born abroad. Irish and Germans were joined by eastern and southern Europeans, especially Italians, Poles and Russians, as well as East Asians.

But every economic shock inspired backlashes against immigrants for taking American jobs. Nativists accused Irish and German Catholics of being culturally inferior to Anglo-Saxon Protestants, prone to criminality and unsuited to the "American way of life". (Catholics were also accused of being more loyal to the pope than to American democracy.) In 1882 Congress closed the doors first to

Chinese workers, passing the Chinese Exclusion Act (the Statue of Liberty, associated with welcoming all comers, was dedicated four years later). In 1891 the Office of the Superintendent of Immigration was formed to police migration. By 1924 Congress had virtually barred migrants from outside the Americas.

1896

Separate and unequal

On June 7th 1892 Homer Plessy, a shoemaker from New Orleans, sat down in a train car reserved for white passengers. The conductor told him to “retire to the coloured car”; Plessy refused, and was arrested. He appealed his case all the way up to the Supreme Court, arguing that Louisiana’s law requiring separate trains for black and white passengers violated the constitution’s new Reconstruction-era amendments. Segregation, his lawyer told the court, precluded equal protection under the law.

The Supreme Court disagreed, ruling in 1896, by a 7-1 vote, that Plessy was mistaken in believing that “the enforced separation of the two races stamps the coloured race with the badge of inferiority.” This decision entrenched the “Jim Crow” regime of segregation that white Southerners had begun to impose after Reconstruction. The lone dissenter in *Plessy v Ferguson*, Justice John Marshall Harlan, wrote that “our constitution is colour-blind, and neither knows nor tolerates classes among its citizens.” It would take nearly 60 years for the court to decide that Harlan was right after all.

1898

Does anyone really remember the Maine? Be honest, now

By the 1890s America’s armies had run out of parts of the continent to conquer. Its factories were also churning out more than domestic

markets could consume. The country looked abroad for an elegant—one might say British—solution.

Cuba, then ruled by Spain, provided an excuse for adventurism abroad. In the small island's fight against its colonial master Americans saw their earlier selves (if they squinted). Lurid reports of Spanish atrocities in American newspapers helped stir interventionist spirits. An explosion—probably accidental—sank the *USS Maine* while it was in Havana harbour, providing a *casus belli*. American forces attacked in 1898, driving Spain out of Cuba and Puerto Rico within months. On the other side of the world, the American navy also destroyed the Spanish fleet in Manila, swiping the Philippines and Guam from Spain.

The Spanish-American War made heroes of the young Theodore Roosevelt and his Rough Riders—a cavalry unit made up of cattle ranchers, coppers and polo players. And it gave America staging posts from which to sell goods to South America and Asia. It also made America a colonial power with 10m subjects. Taxation without representation, anyone?

1901

A modest case for not letting presidents get assassinated

In 1901 an unemployed anarchist, Leon Czolgosz, shot President William McKinley at the Pan-American Exposition in Buffalo. One bullet ricocheted off a button on the president's vest; but a second bullet pierced his abdomen. McKinley died eight days later. His murder was part of a global wave of assassinations by anarchists. In America suspicion of immigrants and radicals intensified; Czolgosz was executed. The Secret Service's role in presidential protection expanded (they had been more focused on another scourge that we also abhor, counterfeit money). And Roosevelt, who was McKinley's vice-president, would begin a historic presidency that would

establish America's conception of itself as a force for liberalism in the world.

1901–1909

Oh, so empire is good when you do it?

As the writer H. L. Mencken quipped, Roosevelt “didn’t believe in democracy; he believed simply in government.” An enthusiastic pugilist, he would box all comers. When he clashed with Big Business, he would bully it with regulators and antitrust law.

History will remember better how he flexed his muscles abroad. Motivated in part by a belief in the natural superiority of the Anglo-Saxon man, Roosevelt sent American troops overseas to expand America’s influence. His reasoning became known as the “Roosevelt Corollary” to the Monroe Doctrine: that America may be forced, “however reluctantly” (raised eyebrow emoji), to exercise “an international police power”. He quadrupled spending on the navy, turning it into a modern force that would support an empire. He fomented a rebellion in Panama against Colombian rule to take control of the nascent canal project. These moves represented the “big stick” in Roosevelt’s famous expression, “Speak softly and carry a big stick”. His flair for diplomacy fulfilled the first part of that expression, winning him a Nobel peace prize for his role in mediating an end to the Russo-Japanese war of 1905. Rarely in all this did he bother to ask Congress for permission.

1890s–1910s

Trust the science

For years progressives had argued that the state—guided by science and expertise (don’t tell RFK Jr)—should be used to improve social conditions, promote equality and curb the worst excesses of the Gilded Age. In Roosevelt, they found a champion. New regulatory

bodies took shape; reforms such as child-labour restrictions and workplace-safety measures gained ground. The civil service expanded and became more professional. The press called him a “trust-buster” and he proudly wore the moniker, promoting himself as a heroic smasher of corporate monopolies.

The Progressive Era had its blind spots. Many reformers were also elitists who believed in their own (genetic) superiority and moral purity, supporting literacy tests for voters, immigration restrictions and a proposed constitutional amendment banning alcohol. Segregation became more deeply entrenched, including in the civil service under one of Roosevelt’s successors, Woodrow Wilson. The state became more muscular—for better and for worse.

1907

Rich bankers to the rescue

By the 20th century America was the world’s largest industrial economy but had an outdated financial system. Between 1836 and 1913 it had no central bank. Bankers like J.P. Morgan set interest rates. Market shocks were frequent, partly because the country lacked a formal lender of last resort when banks ran short of cash.

One crisis came in 1907, when a run on a trust company prompted a wider panic. The heroes that “came to the rescue”, wrote our correspondent, were financiers from New York City led by Morgan. He locked his peers in his library until they agreed to provide emergency liquidity. But, impressed as we were then, Americans did not need *The Economist* to tell them that relying on a few rich men to save a country’s financial system is foolish. The episode also dealt a blow to the populist reputation of Roosevelt. He not only fell silent about the “malefactors of great wealth” he had attacked weeks earlier; he also let Morgan’s US Steel swallow a financially distressed rival. In 1913 a congressional committee warned of the “growing concentration of money and credit in the hands of comparatively few

men". That same year Congress passed the Federal Reserve Act. A new central bank would set interest rates, sometimes lowering them and sometimes, to the great annoyance of future presidents, raising them.■

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America at 250

If 19th-century plutocrats are dinosaurs, we're now in Jurassic Park

The worst traits of America's Gilded Age are back, writes Richard White

3月 26, 2026 05:07 上午



DURING THE American Gilded Age of the late 19th century, economic booms and busts followed each other so regularly that they seemed the natural pattern of capitalism. The extravagance of plutocrats provided the gilding that defined the period; the busts revealed the rot of poverty, disease and inequity beneath the shining surface.

Americans had expected something different from the eradication of slavery and the triumph of free labour after [the Civil War](#). They anticipated a world where all men (they did not count the labour of women) who were willing to work—farmers, craftsmen and small-business owners—could attain a competency. That word, now nearly vanished, denoted a sum sufficient to support a family and launch children into the world with enough remaining for a comfortable old age.

Embedded in the ideology of free labour and competency was a conviction that the central purpose of the American economy was to sustain the republic. It should produce economically independent citizens who could not be dictated to or corrupted by the rich and powerful. Instead, the era produced a nation of wage labourers dependent on those who employed them. An economic precarity took hold among the working poor that they often compared to slavery.

Those who profited from the Gilded Age offered a different measure of economic success: the maximum production of wealth. Individualism, once identified with economic independence, became synonymous with the ability to acquire riches. Wealth became the measure of merit and ability. How it was distributed was not the concern of the republic.

Economic growth soared during the Gilded Age, driven by the seizure of a continent rich in resources and the ample labour provided by mass immigration. The turn to coal and later oil fuelled new technologies dependent on iron and steel. The government subsidised new industries through land grants, loans, bond guarantees and tariffs. Political lobbies arose to secure such policies and the tax system protected the uneven accumulation of wealth that resulted. New financial markets, which depended on webs of information that connected industry, finance and politics, allocated the capital needed for growth and became sources of wealth themselves. Corruption, both of markets and politics, was rampant.

Railways both drove and symbolised this economy. Their expansion spurred the booms and produced the busts. There were too many railroads, spanning too many miles, with too little traffic. Overbuilding was madness, but those driving it did not want to be left behind. The busts came when railroads, built on borrowed capital, missed their bond payments, could not pay interest on their loans, and fell into receivership. The economic ground that seemed so solid one day proved to be quicksand the next.

The railway industry was the first to be dominated by corporations, and they were monopolies in the 19th-century sense of the word. Their routes, rates and conditions determined the outcomes of individual citizens, workers, farmers and small businesses, who usually had no other means of travelling or shipping goods. They used that power ruthlessly, and they were hated.

Gilded Age politics became a battle between anti-monopolists and their opponents. Anti-monopoly's early vision of a nation of independent producers failed: that world was gone for ever. Its later iteration, which accepted some monopolies as inevitable, demanded regulation by the government. This became the consensus of the Progressive Era that followed the Gilded Age, and then of Franklin Roosevelt's New Deal.

Any historical period labelled an "Age" is supposedly transitory. For much of the 20th century the Gilded Age seemed unique, traumatic and regrettable. The regulatory state proved successful. The plutocrats had gone the way of the dinosaurs. But now here we are in Jurassic Park. In a well-known photograph of President Donald Trump's second inauguration, the dinosaurs—Jeff Bezos, Mark Zuckerberg, Elon Musk and more— crowd the stage. Plutocrats, whose power threatens to corrupt the republic, are back. Wealth and political power once more seem inseparable. Self-dealing is commonplace.

The regulatory state that brought the extinction of the old plutocrats and their ways failed to adjust to a new world and a global economy. It has been hollowed out from within. The digital economy serves as an equivalent of the railways in their day, with its tendency to overbuild and in its booms and busts. The “magnificent seven” rule financial markets. Government tax policies allow wealth to flow to the top.

America has not replicated the original Gilded Age. It has, however, created yet another version of hot-house capitalism that allows the worst traits of the Gilded Age to reappear. And it has added new ones: the 19th-century plutocracy never produced the strongman that the Founding Fathers feared would endanger the republic. The missing piece in the comparison of the two periods is that there is no modern equivalent of 19th-century anti-monopoly politics. Once present in all the parties, it advocated strongly for an even playing field and a broad conception of public welfare. It demanded a competency—what would perhaps today be called affordability. Meanwhile, the belief that the economy should produce independent republican citizens has been flipped on its head; the success of the republic is now measured by low prices and a high GDP. In the late 19th century concerns over the effect of inequality and the extreme fluctuations of the economy brought the Gilded Age to an end. The economy did not produce the change. Politics did. ■

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The Economist reads

Six books to understand the Gilded Age

Stories about the ultra-rich—and the ultra-poor

3月 26, 2026 05:11 上午



IN THE HALF-CENTURY or so between the civil war and the first world war, America was transformed. Millions of immigrants arrived from abroad, flocking to growing cities where new factories made the country an industrial power. The “robber barons” amassed vast fortunes on the backs of hard-pressed workers. Many politicians looked the other way. Reform-minded journalists stepped into the breach, appealing to Americans’ professed ideals. These six books chronicle a deeply unequal, often cynical old order slowly giving way to something new.

The Age of Innocence. By Edith Wharton. *Barnes & Noble; 336 pages; \$8.95. Penguin Books Ltd; 336 pages; £8.99.*

Before she began publishing novels, the author wrote about design, particularly interiors. In this book, published in 1920, she expertly describes the stuffy rooms and dinner parties of elite 1870s New York. This is the Gilded Age, the closing decades of the 19th century. High society's self-involvement and tired customs act like gold leaf on a rotting frame, covering up social problems wrought by immigration, industrialisation and urbanisation. The author shows how the 1% managed even to smother themselves. One contemporary reviewer warned readers that the "uncanny" novel would catapult them back 50 years to the era's claustrophobia and stagnation—"the total loss of life in upholstered experience".

Death in the Haymarket. By James Green. *Knopf Doubleday; 400 pages; \$17.95. Random House; 400 pages; £15.99.*

Historians segment centuries into eras. Such divisions helpfully corral related events, but can obscure the basic fact that the people who participated in them had no idea what "age" they were living in. In May 1886 a group of socialists and anarchists were finishing up a meeting at Haymarket Square in Chicago when someone threw a bomb, and police opened fire. Today we can observe that the activists were responding to the excesses of the Gilded Age. But the author's lively narrative reminds readers that the Americans devouring the news were thinking about a different historical chapter: the civil war. The Haymarket affair captivated the country in part because it rekindled the fear, as a Chicago theologian observed, that it was merely "the first explosion".

The Republic for Which It Stands. By Richard White. *Oxford University Press; 941 pages; \$28.99, £21.99.*

This book about the second half of the 19th century also uses the civil war as a reference point. It begins with the funeral of Abraham

Lincoln. The following 900 pages recount how the president's ideals—freedom, integrity, equality—were seemingly buried along with him. The author blames the breakdown of Reconstruction squarely (and harshly, some reviewers insist) on Lincoln's Republican Party, which went on to oversee decades of corruption and scandal. Fat cats got rich even while the country was plunged into a series of economic panics and depressions. For the common man, living standards fell. The author marshals statistics to show how Gilded Age Americans were shorter and had shorter lifespans than their 18th-century counterparts. Lincoln's promise of "a new birth of freedom" would not be realised quickly.

Titan: The life of John D. Rockefeller Sr. By Ron Chernow.

Random House; 774 pages; \$30

John Rockefeller was the quintessential American success story. The son of a con artist, Rockefeller built a monopolistic empire through ruthlessness, guile and underhanded tactics. He became the richest man in the world, and arguably the most reviled. His immense charitable giving did not wash away the stain of his crimes during his lifetime, as he had hoped, but did burnish his family name after his death. Until Mr Chernow came along. His monumental biography offers an unparalleled glimpse into the hardened soul of one of the most private, inscrutable figures in the modern history of business and finance. It is an ideal lens for understanding the rise of American titans and of outsize corporate power—and the emergence of liberal forces who challenged them.

How the Other Half Lives. By Jacob Riis. *Barnes & Noble; 304 pages; \$9.95. Penguin; 256 pages; £8.99*

The Jungle. By Upton Sinclair. *Barnes & Noble; 400 pages; \$9.95. Penguin; 448 Pages; £12.99*

Muckraking journalists aimed to expose corporate greed and highlight social injustices. Few did it better than the authors of these books. Jacob Riis's work, published in 1890, features bleak (and

sometimes staged) photographs of life in New York City's crowded tenements. It led to reforms that increased fire safety and required flats to have such luxuries as windows.

Upton Sinclair's novel is about Chicago's meatpacking plants and the immigrant workers who toiled in them. It drew on the seven weeks he spent reporting in the community. The story is wildly melodramatic and, like Riis's photographs, heavy-handed. It was also effective, prompting the passage of food-safety laws—though not labour laws. "I aimed at the public's heart," Sinclair conceded, "and by accident I hit it in the stomach." ■

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Becalmed

Mexico's broken economy

Claudia Sheinbaum's government is tinkering, not reforming

3月 26, 2026 05:35 上午 | Mexico City



MEXICO'S PRESIDENT, Claudia Sheinbaum, says the economy is ticking along. In private she and her government are more concerned. Mexico's economy grew by 0.8% in 2025, Ms Sheinbaum's first full year in power. It was Mexico's worst growth rate since the pandemic, and the slowest growth of any large economy in Latin America. Mexico's monthly labour-market survey shows that formal employment contracted. Investment fell too.

Weak growth is not new for Mexico. In the past three decades the economy has expanded by about 2% a year, well below peers like Brazil and Turkey. Investment has never grown strongly. The

government says a turnaround is under way, that Mexico's woeful 2025 is just a blip. Vidal Llerenas, an official at the economy ministry, says the first year in power is always tricky. New policies are being designed. The outgoing government tends to spend in the election year leaving the new government short of cash for public investment.

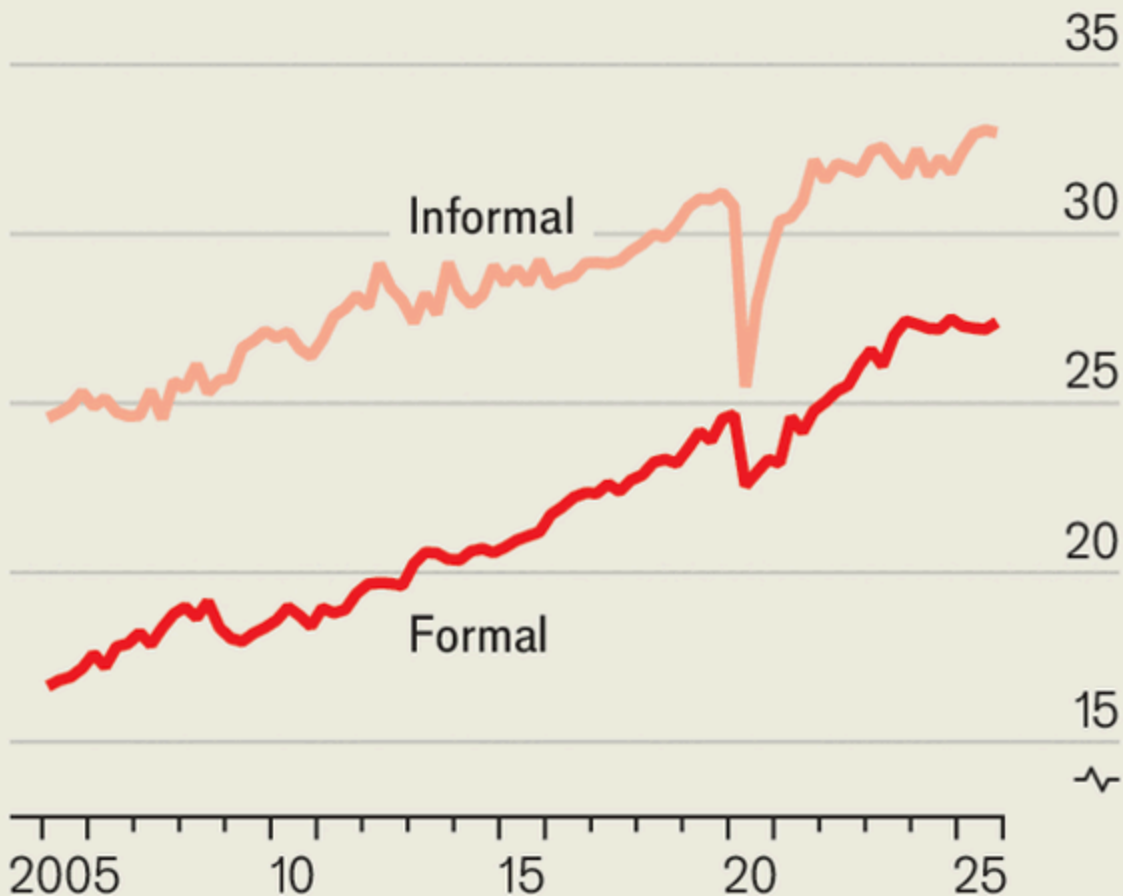
The conditions for a turnaround are bad. Low investment is holding growth back. It fell by 6.6% in 2025, compared with the year before. Public investment alone plunged by 28%, the steepest drop in over three decades, as the government slashed construction spending. Private purchases of machinery and equipment also fell, as firms held back. Most analysts think the economy will grow by between 1.4% and 1.8% in 2026. The projected growth would be barely enough to keep pace with the expansion of the population, says Gabriela Siller of Banco Base, a local bank. And it is too low to meet a core promise of Ms Sheinbaum's party, Morena, to raise living standards. Mexico's GDP per person has slipped back to what it was in 2017.

Donald Trump's trade policy has hurt. Tariffs on cars, steel and aluminium have hit Mexico's largest export sector. Vehicle-export volumes fell by 2.7% in 2025. The United States-Mexico-Canada Agreement (USMCA) is now under formal review. By July 1st the parties must decide whether to extend the agreement for 16 years or trigger the process which ends the deal. Investors dislike this uncertainty.

But while external risks generate headlines, they are not the main cause of Mexico's economic slump. Overall exports grew by 7.6% in 2025, producing Mexico's first trade surplus since 2020. This stopped the economy slipping into recession. Although overall investment fell, foreign direct investment rose by 10.8% in 2025. Local firms are more wary than foreign ones. Mexico's weakness is domestic.

Two markets, one Mexico

Mexico, jobs, m



Source: INEGI

Perhaps the biggest problem is informality, which has long defined Mexico's labour market (see chart). Many business owners try to stay out of sight of the tax authorities, eschewing investment and credit. This allows them to avoid registering their employees and the costs that come with that: mandated minimum wages, social-security contributions and tax-compliance costs. As a result, about 55% of workers in Mexico are informal, engaged in low-tech, unproductive jobs. Due, in part, to this, the productivity of Mexican workers is roughly one-third of those in the United States.

Buoyed by free trade with the United States, Mexico's formal economy has done well since Morena took control in 2018. But the informal sector lags. Morena has not helped. The minimum wage was 37% of the median wage in 2014. Morena has increased it to over 75%. This eased poverty; wages for informal workers have gone up too, as the new minimum makes very low pay less socially acceptable. But it is a brake on formalisation and growth. Rather than pursue tax reform—essential, given Mexico's tax revenue as a share of GDP is the lowest in the OECD—Ms Sheinbaum's government has chased large firms for unpaid tax bills, calculated retroactively in a way some firms say is arbitrary.

Successive Morena governments have also generated worrying uncertainty for Mexico's formal employers with a flurry of constitutional reforms, a complete reshaping of the justice system and greater state control over the supply of energy and water. "In a short period of time they changed the rules of the game," says Pedro Casas, head of the American Chamber of Commerce in Mexico City. This creates vast incentives for the owners of smaller firms to remain off the books.

The unreliable supply of electricity is also constraining growth, says Antonio Ortiz-Mena of Georgetown University. The constitution requires the government to control the energy supply. The expansion plans of CFE, the state utility, call for \$29bn to be spent cumulatively on electricity generation and transmission by 2030. But Ms Sheinbaum's government cannot foot the bill. The fiscal deficit was 5.7% of GDP in 2024, the year before she took office, the highest in 36 years. This year pensions, social programmes, debt service and mandatory transfers will consume the bulk of the 10.2trn peso (\$570bn) budget, leaving little for anything else. As a result Ms Sheinbaum is trying to court private money to meet CFE's goal. A new framework for "mixed contracts", published in January, gives private firms a way to invest in energy projects alongside CFE.

Plan México, Ms Sheinbaum's six-year economic strategy, talks of pushing Mexico up the rankings to become one of the ten largest economies by 2030. It aims for investment to reach 28% of GDP, and to create 1.5m manufacturing jobs. All this appears out of reach. The economy would need to outgrow its peers by 4% annually to break into the top ten. Mexico lost 130,000 formal manufacturing jobs in 2025.

Ms Sheinbaum is willing to make sweeping constitutional changes when her party wants them. But when it comes to reviving Mexico's flatlining economy, she has so far confined herself to tinkering. ■

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Liquid courage

Brazil has a secret weapon against oil shocks

Biofuels will help the country fend off the effects of conflict in the Middle East

3月 26, 2026 05:39 上午 | São Paulo



FEW COUNTRIES were ready for the oil shock caused by Israel and America's war with Iran. Brazil was. During the past half-century, the agriculture giant has built the world's most sophisticated biofuels industry. It is the second-largest producer of ethanol, an alcohol that can be used to power cars, and the third-largest of biodiesel, which fuels heavy vehicles. They are mixed into petrol and diesel, with government-mandated blends of 30% and 15% respectively, among the highest globally. Three-quarters of Brazil's light vehicles contain

technology enabling them to burn anything from pure petrol to the 100% ethanol delivered by ubiquitous *álcool* pumps.

This cuts Brazil's reliance on foreign fossil fuels and guards against inflated markets. The at-the-pump price of Brazilian petrol has risen by 10% since the start of the war, and that of diesel by 20%, according to data released on March 20th by the energy regulator. That is painful, but far short of the staggering 30-40% jumps in the United States. Brazil's fuel duties are relatively low, closer to those in the United States than the high European rates. This means that big increases in the price of oil should lead to big increases in consumers' costs. One reason they have not is the caution of Petrobras, the state-owned oil company, which refines most of Brazil's fuel and has tried to swallow additional costs. But the competitiveness of Brazil's bioenergy is also helping, says Lucas Boacnin of Argus Media, a price-reporting agency.

Argus's data show that the average cost of biodiesel has dropped below that of imported diesel for the first time since 2023. Retail ethanol prices have only nudged up by 2%. The government is reportedly considering increasing the share of ethanol in petrol to 32% and giving biodiesel a tax exemption. It has also launched a three-year study to assess the technical feasibility of permanently raising blend ratios, to 35% for ethanol and 25% for biodiesel. The city of Passo Fundo in the agricultural south is running trials for a novel biofuel to replace diesel in its municipal vehicles.

This is not the first time biofuel has shielded Brazil, says Evandro Gussi of Unica, a sugar-cane-ethanol trade group. The original idea was to protect energy independence. The military dictatorship created the first programme, *Proálcool*, after the 1973 oil crisis. Brazil was then importing 80% of its fuel; the Arab embargo was crippling the economy. Processing excess sugar-cane juice into ethanol was a no-brainer. A decade on, 96% of new cars sold ran on ethanol. As the first "Flex-fuel" cars went on sale in 2003, the

government set up a parallel plan to promote biodiesel derived from seeds, mostly soyabeans.

Both programmes have benefited from solid presidential support. But few have hugged biofuels as tightly as Luiz Inácio Lula da Silva, Brazil's current president. Lula, as he is known, sees biofuels as the solution to two problems. First, they bolster the sovereignty of a country which, despite being one of the world's largest exporters of crude oil, still imports 10% of its petrol and 25% of its diesel. Second, biofuels let Brazil curb its greenhouse-gas emissions without alienating its farmers, who grow biofuel feedstocks.

Biofuels cannot wipe away the costs imposed by surging oil prices. If ethanol becomes cheaper than petrol, and Brazilians start pumping more of it, the price of ethanol may rise. High natural-gas prices lead to high fertiliser prices, which may also crimp biofuels. But biofuel producers stand to do well out of the chaos in the Middle East, says Mário Campos of Bioenergia Brasil, a trade association. The seasonality inherent to the business is in their favour. Soyabean harvests begin in January, while the sugar-cane and corn harvests start in April and May. This means the supply of biodiesel and ethanol will soon expand dramatically, lowering prices. The harvests are expected to yield record output, putting further pressure on prices.

Other countries have noticed. India and Japan are both working to bless their people's fuel tanks with Brazilian expertise. ■

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Integration game

Why the number of Islamic schools in Canada is soaring

Some Muslim parents worry about their children losing touch with their faith

3月 26, 2026 05:39 上午 | Edmonton



A little of this world, a little of that

“WE ALL WOULD fight and die for Canada,” declares Abraham Abougouche as snow pelts his office window. The “we” Mr Abougouche pledges are the staff and pupils of Edmonton Islamic Academy (EIA), the largest of its kind in the Americas. He is the principal. His office bears symbols of a dual identity: boxing gloves emblazoned with the Palestinian flag hang opposite a cabinet of ice-hockey memorabilia. That balance is tricky. “Assimilation”, he says,

can be “dangerous if done blindly...You’re going to lose your own personal identity, your own connection with your ancestry.”

Many Muslim parents across Canada share his anxiety. They worry that the country’s state-school system—which mostly separates religion from education, allowing religious schools to operate privately—may distance their children from Islamic values or expose them to Islamophobia. Most Muslim pupils attend the state system, but data from the Islamic Schools Association of Canada show rising enrolment for private Islamic schools. There are long waiting lists for existing schools and new ones are opening fast.

EIA is the inspiration for many of the new schools. Founded in 1987, it now has 1,400 students. Its grand central hall was designed to also function as a mosque. It is building a C\$80m (\$60m) extension to accommodate its waiting list, which exceeds 1,500. It will face some competition, as the Omar Ibn Al Khattab Centre, a mosque in the south of the city, is also building a 40-acre Islamic school.

Concerns about [Islamophobia](#) are a factor in this expansion. Reported hate crimes against Muslims have risen in Canada in recent years. Mohamed Abdallah, who chairs the board of N.L. Islamic School, a home-schooling network in St Johns, the capital of the province of Newfoundland & Labrador, reports that a local state-school teacher told Muslim children “to go back to their country”. He plans to start a physical school in the area soon, and hopes that this will help to persuade Muslim parents to stay in the province.

Losing the audience

State-school systems are responding to the criticism. School boards in Ontario, Manitoba and British Columbia have adopted anti-Islamophobia policies. Some go further. The Waterloo Region District School Board in Ontario has reportedly promoted an “Islamic Apparel Store”, selling merchandise emblazoned with slogans such as “One

Ummah, One Love” (*Ummah* means “nation” or “community” in Arabic).

Canada’s private schools must follow the curriculum set by their province. This is meant to uphold standards in maths, science and social studies. Mr Abougouche says Islamic schools have to get “a little creative” in order to integrate Islamic lessons. At Tarbiyah Elementary School near Toronto study of the water cycle in science lessons is interspersed with discussion about water being a blessing from Allah. Maths lessons at most Islamic schools will highlight the influence of Muslim mathematicians. At Albushra School in Ottawa social-studies classes promise to “highlight the rich tapestry of Islamic civilisation” through “literature, poetry and storytelling”. Mr Abougouche says social-studies classes seek to compare the plight of indigenous Canadians with the experience of modern-day Muslims.

Many Islamic schools extend the school day so pupils can learn to recite the Koran. Often such sessions are not optional. At Ecole Ibn Batouta, also in Ottawa, students must aim to memorise at least one chapter of the Koran per year, and are encouraged to learn more.

Ahmed (not his real name), a 17-year-old Ghanaian attending ICE Islamia School in Toronto, proudly sports a flowing Moroccan *thobe*. “I like to be seen as a Muslim,” he says. Going to Islamia lets him keep a closed circle of friends; he has found that non-Muslim teenagers are often taken aback by his faith and make him feel left out. His schoolfriends challenge each other to read the whole Koran over Ramadan. Public educators and sociologists worry that accommodation of this preference for Muslim-only friendship groups may harm social cohesion.

Not all pupils are like Ahmed, notes Ali Khan, his principal. He deals with children who are “forced to be” at the school by their parents. “We try to make the best of it,” he says. Some he persuades of the benefits of Islamic education; others drift back to the state system.

Parents don't get everything they want. In Edmonton Mr Abougouche notes that he resisted demand for classes segregated by sex. Some schools allow parents to decide whether their daughters wear hijabs. Others have policies requiring them. One school in Winnipeg demands that girls must wear hijabs after they turn ten. Education about sex and gender is another point of friction. Some state curriculums now require schools to teach pupils about gay, lesbian and transgender people. Many Muslim schools ignore the directive.

Segregation is not absolute. Mr Abougouche says links with non-Muslim schools ensure that pupils mix with children who are different from them. "We create a bubble that is there to protect them," he says. "But we also recognise if you don't allow them to step out of that bubble, it's equally as dangerous." Lunch is *poutine*, a classic Canadian dish. Pupils file into the mosque to pray, boys separate from girls. Mr Abougouche wants them to have it all—prayer and *poutine*. ■

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Bargain or bluff?

Donald Trump says he is close to a deal with Iran

Almost no one believes that talks are getting anywhere

3月 26, 2026 04:46 上午 | RIYADH



WARS HAVE long followed a rhythm dictated by the calendar, as when early Roman generals sought to finish campaigns before the harvest. For Donald Trump, the pace is a bit more frenetic. His window for announcing military operations begins at 4pm on Friday and lasts until the opening bell on Monday.

On March 21st (a Saturday) Mr Trump gave Iran an ultimatum. If it did not re-open the Strait of Hormuz within 48 hours, America would start bombing its power plants. Iran threatened to retaliate in kind

against power and water-desalination facilities in the Gulf. The war that began on February 28th (also a Saturday) seemed set for a major escalation.

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

Two days later, and two hours before America's markets opened, Mr Trump reversed himself. He announced that there had been "very good and productive conversations" over the weekend about a possible diplomatic agreement with Iran. Talks would continue, and the attack on Iran's electric grid would be postponed for five days (until Saturday, naturally). It was not the first time Mr Trump had made conciliatory yet vague statements on a Monday morning. Markets were soothed nonetheless. Oil prices fell below \$100 a barrel for the first time in nearly two weeks.

But diplomats in the region say Mr Trump is exaggerating when he claims to be close to a deal. America and Iran have indeed exchanged messages through intermediaries, but they have not spoken directly. The Trump administration sent Iran a set of demands and suggested face-to-face talks. As *The Economist* went to press on March 26th Abbas Araghchi, Iran's foreign minister, seemed dismissive of the overture, saying that Iran had "no intention of negotiating for now". That leaves three questions: Will the talks even take place? If so, will they succeed? And if not, what will America and Iran do next?

This would be the third round of negotiations between America and Iran over the past year. The previous two were led by Steve Witkoff, the president's diplomatic envoy, and Mr Araghchi. If the two sides meet again, it will be at a higher level. Mr Trump says he has swapped messages with a "top person" in Iran. Though he has not named his interlocutor, it is understood to be [Muhammad Bagher Qalibaf](#), the speaker of parliament and one of the most powerful men in Iran.

Iran has told intermediaries it no longer wants to deal with Mr Witkoff. Having been attacked twice while negotiating with him, it views him as untrustworthy. Instead it hopes to speak to J.D. Vance, the vice-president. Not only does he outrank Mr Witkoff, he is also close to the isolationist wing of MAGA world; Iran hopes that makes him more amenable to a deal.

The venue will change, too. Oman mediated the previous talks, but many of its allies are furious at its sympathetic stance towards Iran throughout the war. Neither America nor other Gulf states see it as a credible mediator. Qatar could do the job, but its officials say they do not want to; they are a party to the conflict, having been attacked hundreds of times by Iranian missiles and drones. Another option is Pakistan, which has close ties with both sides. Its embassy in Washington represents Iranian interests in America. Asim Munir, the powerful army chief, visited the White House last year. It is also a friend of the Gulf states, particularly Saudi Arabia.

America has outlined a number of tough demands. Iran could keep its nuclear reactor at Bushehr, but it would have to junk much of the rest of its nuclear programme, swear off uranium enrichment and hand over its stockpile of more than 400kg of uranium refined to 60% purity (which is close to weapons-grade). It would also have to accept limits on the range and quantity of its ballistic missiles, and end its support for regional proxies such as Hizbullah in Lebanon.

If that list sounds familiar, it should. Mr Trump presented similar demands in the past, only for Iran to reject them. It is hard to know exactly what is being said in the bunkers where Iran's surviving leaders are hiding. But they seem to think they have the upper hand, that they have inflicted enough pain on the global economy to make Mr Trump desperate for a deal. This would be an unlikely moment for them to give away their missiles, or the fissile material that their hawks now hope to fashion into a nuclear deterrent.

Iran has its own requirements for a deal. It wants the closure of American military bases in the region, reparations for the war and control over the Strait of Hormuz, all non-starters for America and its allies. Optimists—few and far between in the Middle East these days—hope these are just opening gambits. But the gulf between the parties is enormous.

Even if America and Iran could agree on the broad terms of a deal, the details will be complicated: how will America verify that Iran is complying with its obligations, and what will happen if it cheats? One fear in both Israel and the Gulf is that Mr Trump will settle for the sort of half-finished ceasefire he pushed through last year to end the war in Gaza—a rough outline, with the details left for future negotiations. “A ceasefire that leaves Iran with its uranium is not a ceasefire,” says a diplomat from a Gulf country.

If the talks fail, Mr Trump has two options. Some of his advisers are nudging him to declare victory. He could announce, yet again, that Iran’s military capabilities had been smashed: its navy sunk, its missile factories in ruins. This would be the Trumpiest option, selling an inconclusive campaign as a decisive win. But it would leave Iran with its stash of highly enriched uranium and de facto control of the Strait of Hormuz. Gulf states would be furious.

More likely, America will keep fighting. It could press ahead with several more weeks of air strikes, an option preferred by many officials in Israel. Or it could take escalatory steps. Mr Trump has hinted at several possibilities, from a raid to seize Kharg Island, the site of Iran’s main oil-export terminal, to his threat to attack power plants.

The Pentagon continues to amass additional forces in the Middle East. A contingent of 5,000 marines should reach the region around March 27th. Another group of amphibious-warfare ships is on its way from California, though it will not arrive for another two weeks.

America is also deploying thousands of troops from the 82nd airborne division, a paratrooper unit.

Again, this might evoke a sense of déjà vu. Just over a month ago, America was simultaneously talking to Iran and preparing for war. It chose war. The Iranians, understandably, fear that this latest diplomatic effort is a ruse, that Mr Trump simply wants to calm oil markets and buy time to move troops to the region. The answer should become clear soon—although perhaps not until after the closing bell. ■

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Command and control

The Revolutionary Guards are taking over Iran

They now appear to run both the state and the war

3月 26, 2026 04:45 上午



Commanding presence

LISTEN TO DONALD TRUMP, and you might think little had changed in Iran's leadership since the war began. The [Strait of Hormuz](#) could be controlled by "me and the ayatollah", America's president suggested to reporters on March 23rd. But as Iran contemplates renewed talks, the question is who has the authority to strike and deliver a deal with America.

The supposed supreme leader, [Mojtaba Khamenei](#), has not been seen or heard since his predecessor and father was [killed](#) at the outset of the war on February 28th. Senior advisers and commanders, including Ali Larijani, the secretary of the National Security Council, have also been killed. Their place has been taken by an opaque, decentralised web of institutions designed to insulate the regime from decapitation strikes. At its core is the Islamic Revolutionary Guard Corps (IRGC), the Islamic Republic's 190,000-strong paramilitary force that now appears to run both the state and the war. "This war for the IRGC is a blessing," says an Iranian in exile with high-level regime contacts. "It has sealed their place at the helm."

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

People close to the regime describe a system that has shifted from theocracy to something resembling a military junta, akin to Algeria, Egypt or Pakistan. "We've gone from divine power to hard power," says one. Under the constitution, Iran's supreme leader should be a senior cleric. But Mr Khamenei's elevation owed less to religious credentials than to the IRGC's desire for continuity. Clerics were strong-armed to endorse him. Yet the new supreme leader remains conspicuously absent—officially for his safety. Rumours abound that he is in a coma, in a Moscow hospital or dead. "It's not clear he's capable of significant decisions," says Raz Zimmt, an Israeli analyst. If he resurfaces, it will probably be as a figurehead. "It's now the military that pulls the strings," says Mohamed Amersi, a British businessman with regime contacts.

In practice, authority has passed to the IRGC. The National Security Council, dominated by military figures, sets overall strategy. On March 24th it replaced Larijani, a former philosophy professor, with Muhammad Zulghadr, an IRGC apparatchik. Other members include Muhammad Bagher Qalibaf, the powerful parliamentary speaker who rose through the ranks of the Guards, and a slew of IRGC generals. A revived defence council functions as a war room, selecting targets

and directing strikes. Its members are largely anonymous, but are thought to be former or serving IRGC generals hiding in bunkers. Operational control rests with Khatam al-Anbiya, the IRGC's battlefield headquarters. Iran-watchers believe the corps retains firm control over Iran's most advanced and longest-range missiles.

For would-be American negotiators, this presents a problem. For all its command-and-control, the IRGC is not monolithic. Some leaders, such as Hossein Alaei, a retired general who once likened the late Khamenei's despotism to that of the shah, are openly reformist. Mr Qalibaf heads a group of pragmatists, swinging between radicalism and moderation as the moment demands. Both these camps might be open to talks. Yet there are plenty of hardliners who are deeply hostile to compromise. Their leader is Saeed Jalili, another former Guardsman who won 13.5m votes at the last presidential election. It is uncertain whether all factions would obey an order to end hostilities with America, or stick to an agreement to halt nuclear development.

Iran-watchers also question the extent of the central command's authority across the country. One reason for the IRGC's resilience, despite heavy bombardment, appears to have been decentralisation. To guard against a repeat of the mass assassinations in last summer's war, former IRGC members say the corps was divided into 31 sub-districts. Each received its own weapons stockpile (including missiles and drones) and target banks, along with the autonomy to use them, should communications or central command fail.

The Basij, the IRGC's internal security affiliate, has likewise been broken into tens of thousands of small, mobile cells. After Israel began pummeling their bases, they fanned out across mosques, schools or encampments under bridges. That is bad news for America and Israel, because decentralised IRGC cells could go rogue and form the nucleus of a guerrilla force that could keep fighting and continue to block the Strait of Hormuz indefinitely.

By contrast, external threats to the IRGC seem less immediate than a few weeks ago. Early in the war, Kurdish opposition groups in Iraq threatened to march across the border and spark ethnic uprisings in Iranian Kurdistan and other provinces with ethnic minorities, including Arabs, Azeris and Baluchis. But IRGC reinforcements and a wave of drone and missile attacks have forced them to reconsider for the time being.

Anticipation of a popular uprising has faded, too. Some Iranians cheered the death of Khamenei and celebrated on their balconies as Israel whacked regime bases. But the bombing of infrastructure and death of civilians has dulled their enthusiasm, as has the IRGC's perceived success at resistance. The IRGC now brands critics enemy collaborators and threatens to confiscate their property. "We used to talk about the end of the regime when the war stopped," says a teacher in Mashhad, a city in north-eastern Iran. "Now we fear what to do with a regime that is stronger and more powerful than ever." ■

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The threat of thirst

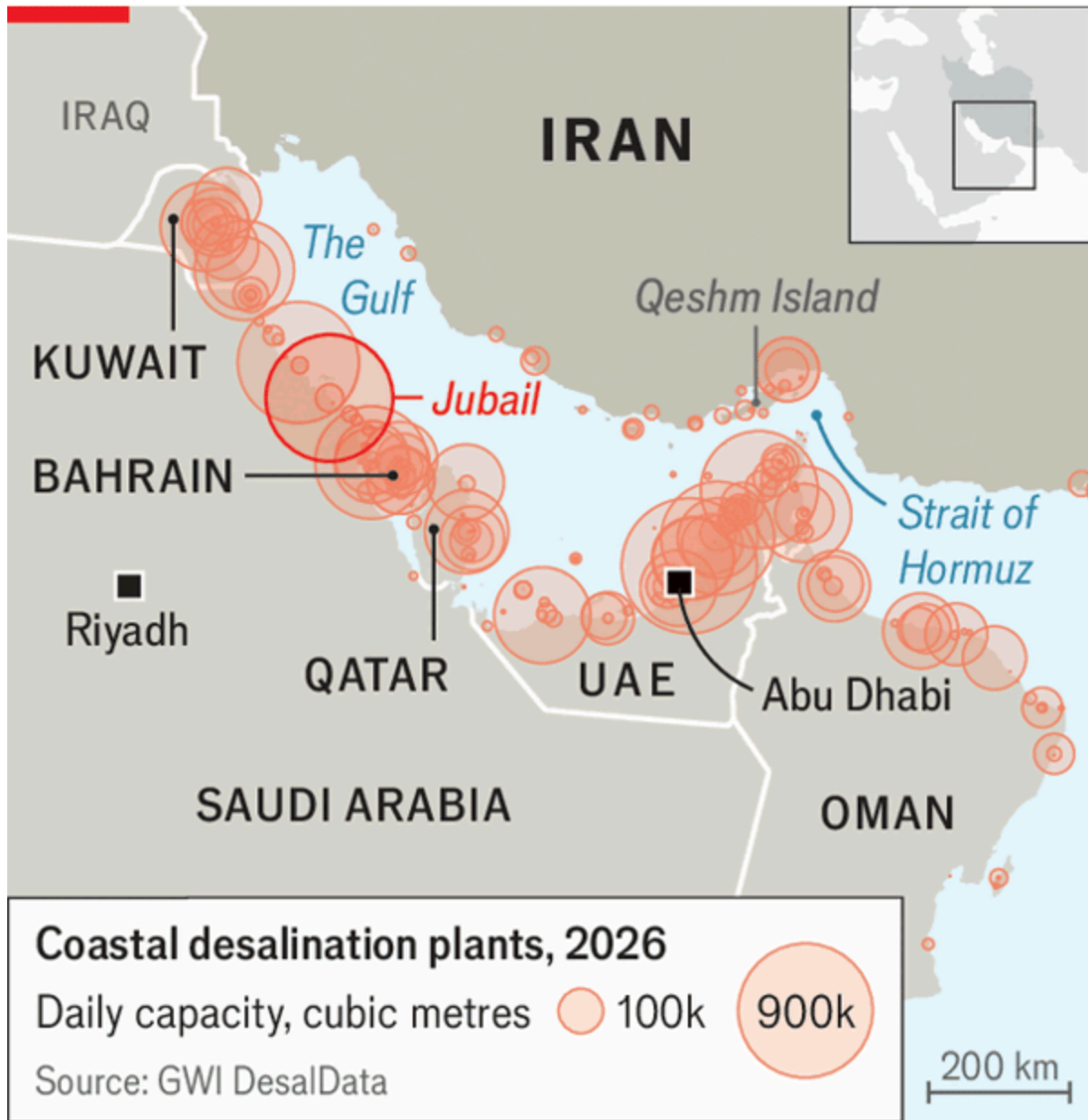
In the current Gulf war, water may prove as decisive as oil

The Arab states are plainly vulnerable, but so is Iran

3月 26, 2026 05:38 上午



SHOULD THE war over Iran grind on, water may become as crucial a commodity as oil. The arid Arab countries of the Gulf increasingly rely on desalination, which provides 90% or more of the drinking-water supply for Bahrain, Kuwait and Qatar, and almost as much for Oman. For Saudi Arabia it is 70%, and roughly 40% in the United Arab Emirates (UAE).



This has created a “dangerous new bunch of vulnerabilities” for Gulf countries, says Peter Schwartzstein of the Stimson Centre, an American think-tank. Their rapidly expanding populations and thirsty industries now rely on the smooth running of “a handful of bits of water infrastructure”, he explains. These Arab countries depend on thousands of plants; the most productive of which line the coast (see map). That puts them within easy reach of Iranian missiles and drones.

The risks during war are obvious. An American diplomatic cable written in 2008 and published by WikiLeaks noted that the Jubail Desalination Plant alone then supplied Riyadh, the kingdom's capital, with over 90% of its drinking water. If its pipelines or the power infrastructure around it were hammered, the city would have to be evacuated within a week. If that were to happen, the memo concluded, "the current structure of the Saudi government could not exist".

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Since 2006 the Gulf states have spent around \$53bn to offset this risk. Saudi Arabia now gets roughly 40% of its desalinated water from smaller facilities that are more spread out. Abu Dhabi and Qatar are building up strategic reserves. Thanks to these investments, most Gulf countries have a modicum of protection. Even if Iran did hit the plants, in most countries some drinking water would continue to flow.

But huge gaps remain. Most of the Gulf's desalinated water comes from a small number of plants. Storage is patchy: the UAE aims to have reserves equivalent to just two days of normal consumption by 2036, which could be stretched to around a month by strict rationing. Smaller states like Bahrain are even more exposed.



Attacking civilian water infrastructure is generally considered a war crime. It may already have been perpetrated by both sides in this conflict. American forces reportedly struck a plant on Iran's Qeshm Island; Iran then hit one in Bahrain. Shortly before Donald Trump abruptly changed tack on his threat to clobber Iranian power plants, Iran's Islamic Revolutionary Guard Corps said it would target Gulf countries' water facilities in response.

Though Iran relies much less on desalination, it is desperately short of water. Decades of building dams and recklessly extracting water have depleted supplies. Almost a third of Iranians face shortages. And the war will do little to help Iran's already modest co-operation on water with nearby countries. As the conflict goes on, Iran may turn off the taps for its Gulf neighbours. But it is increasingly likely to run out of water itself. ■

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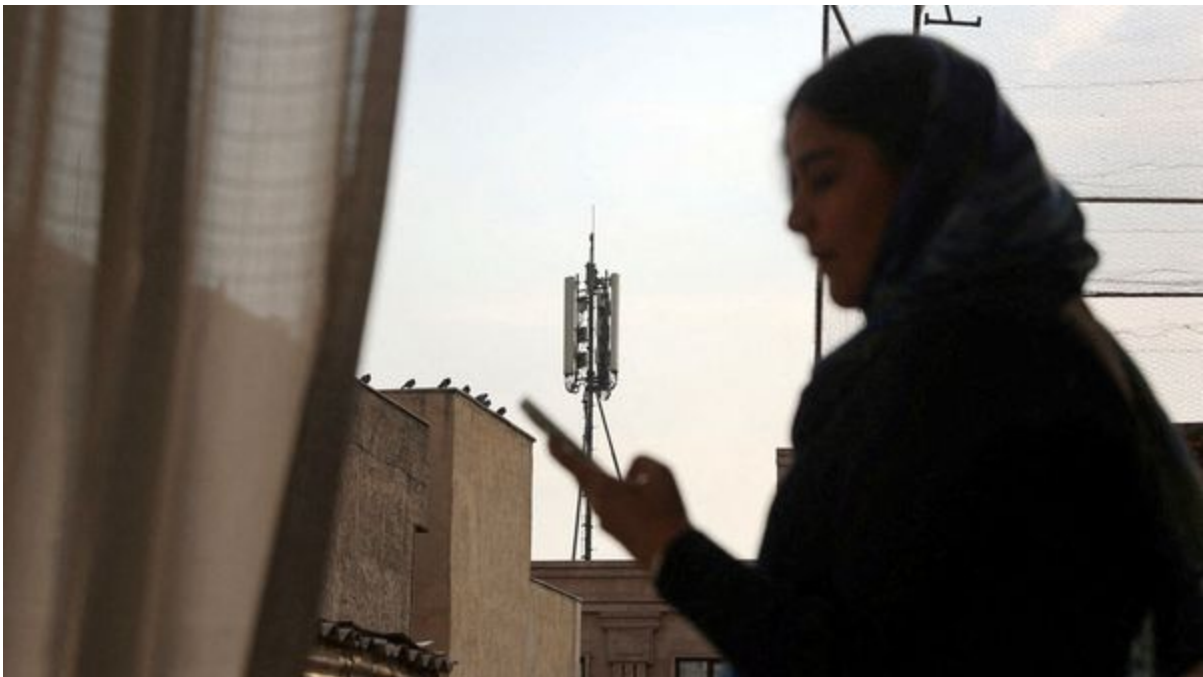
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No connection

Iran's regime walls off the internet

The latest shutdown looks designed to be permanent

3月 26, 2026 04:45 上午



NAMDAR BAGHAEI-YAZDI has rarely spoken to his relatives in Tehran this year. Last week a missile hit their street; for days he didn't know if they were still alive.

Mr Baghaei-Yazdi's situation is typical. Iranians abroad, like him, have had little contact with family inside the country since mass protests in January. The regime has cut the connection to the global internet twice since then. The second shutdown began on February

28th after American and Israeli strikes on Iran. It is the longest and most draconian in Iran's history. What is more, it may be permanent.

For nearly two decades, the Islamic Republic has frequently cut the internet in response to domestic dissent and foreign missiles. During uprisings in 2019 and to some extent in 2022, it did this by disabling Border Gateway Protocol (BGP) routes. With the line disconnected, no internet traffic could move in or out of Iran.

This time is different. Instead of shutting down routes, the regime has set up a closed domestic internet similar to networks in China, North Korea and Russia. The National Information Network (NIN) is designed to avoid the economic disruption of internet shutdowns while allowing complete government control. It provides no access to foreign media or platforms such as Facebook or WhatsApp. Bots trawl approved apps for anti-regime sentiment.

Though the wider internet is off-limits to the public, the regime still has access. With all BGP routes up, the Iranian government can grant internet access to approved individuals and entities, while denying it to everyone else. In this way access to the global internet for most Iranians could be "shut down indefinitely, or for a very long time", says Doug Madory of Kentik, a network intelligence firm.

Missing connection

Internet traffic to Iran, January 1st 2026=100



Source: Kentik

The system is not airtight. Tech-savvy Iranians have long been playing a cat-and-mouse game with the regime to exploit weaknesses in its firewalls, often with help from abroad. One kind of software uses the IP addresses of foreign volunteers to mask prohibited traffic as innocuous video calls. Psiphon, a VPN, recorded over 18.4m Iranian users in January, before the shutdown and when the internet was partially restored (see chart). Even traffic from the regime-friendly elite, less than 1% of the total before the shutdown,

is not immune to interference. On March 15th it fell, suggesting a clampdown on whitelist access.

The NIN also has no impact on connections that bypass the local internet, such as through the tens of thousands of Starlink satellite terminals that have been smuggled into the country. Most of the footage to come out of Iran this year has probably travelled this way, reckons Mr Madory.

Yet these methods are technically complex, highly risky (being caught in possession of a Starlink terminal can mean death) and hard to reach for all but a few hundred thousand of Iran's 93m people. The regime's hope is that the NIN will allow it to keep the country running while leaving Iranians in the dark. ■

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Seizing the moment

Israeli settlers are growing more violent in the West Bank

Since the war with Iran began, attacks against Palestinians have become more systematic

3月 26, 2026 04:51 上午 | Sa-Nur



After the attack

THE ISRAELI ARMY had spent weeks smoothing out a broad new road to the top of a hill in the occupied West Bank. On March 17th a festive convoy of flat-bed lorries arrived, transporting new temporary homes. The rapturous crowd that welcomed it included Jewish families who had been there more than 20 years ago, when Israel's government cleared the tiny settlement of Sa-Nur (see map).



Four days later, different scenes played out in two Palestinian villages to the south. Israeli settlers torched buildings and cars after an Israeli teenager was run over by a car and died. (Police are investigating after pressure from pro-settler politicians.)

Both events are part of an increasingly violent bid to expand settlements and control of the land around them. Scores of Palestinians have been killed by settlers or Israeli soldiers in a broad effort that enjoys the tacit and sometimes active support of the

government of Binyamin Netanyahu, the prime minister. Many more have been violently displaced. Since the war with Iran began on February 28th, the violence has escalated and become more systematic.

Violence in the West Bank was worsening even before the war with Iran. Following the Hamas attack from Gaza in October 2023, settlers embarked on a campaign of violent intimidation aimed at evicting Palestinians in remote rural communities from their grazing lands. More than a thousand Palestinians have been killed in the West Bank by Israeli settlers and IDF soldiers since October 2023, says the UN. Some 60 Israelis have been killed, too.

But observers say the violence has recently taken on a new quality. "They used to single out the smallest villages, and the attacks were more sporadic," says Adam Rabia, a Palestinian researcher. "What we've been seeing more recently is more organised, repeated attacks on larger communities. They see the authorities not doing anything and get the message." An Israeli official criticises his colleagues for turning a blind eye. "The settlers have taken advantage of the focus being elsewhere and stepped up their attacks," he says.

For Israeli settlers, these are days of redemption. Sa-Nur, built around an old British police fort, was one of the last hamlets to be evicted by the Israel Defence Forces (IDF) in 2005, when Israel cleared all Jewish settlements in the Gaza Strip and a handful of isolated communities in the northern West Bank. Now settlers are returning with the help of another Israeli government and the same IDF. To build the new road to Sa-Nur, the army seized over 120 acres of farmland from surrounding Palestinian towns and villages. Yossi Dagan, the head of the local Samaria settlers council, calls their return "historic repair".

To others, "repair" is not an appropriate description of recent events. At least 12 Palestinian civilians have been killed since the end of

February. Witnesses describe attackers using patrol vehicles and weapons supplied by the Israeli government. Some were wearing uniforms and are suspected of being IDF soldiers.

On March 14th two little boys and their parents returning from a Ramadan shopping trip were shot in the head and face in their family car by undercover Israeli paramilitary police in the Palestinian village of Tammun. The shooters said they had felt threatened by the moving vehicle; Israeli investigators accepted their account without questioning them.

The Israeli government has belatedly issued statements condemning the violence. On March 18th the IDF's chief of staff, Lieutenant General Eyal Zamir, visited the West Bank, describing the attacks as "nationalist crime incidents" and calling them "morally and ethically unacceptable". The IDF even moved a battalion from operations on the border with Lebanon, ostensibly to stop settler attacks.

But such gestures mean little, given that the attackers have backing from the same army and government. With most regular IDF units deployed in Gaza and Lebanon, security in the West Bank is the responsibility of the police and the IDF's regional defence battalions, whose soldiers are largely settlers themselves. The two most senior commanders of the IDF in the West Bank were educated in settler institutions. The police are under the command of Itamar Ben-Gvir, leader of the far-right Jewish Power party, who has repeatedly praised violent officers.

Bezalel Smotrich, the finance minister, is a settler who is also in charge of civil affairs in the West Bank. As finance minister Mr Smotrich has not only funnelled billions of shekels to established settlements, but has sponsored more than a hundred new farms that challenge Palestinian farmers' access to land they cultivate or graze. In a plan he wrote in 2017 he called for Palestinians in the West Bank to be divided across separate regions to "dismantle the Palestinian national collective" and thwart independence.

Messrs Smotrich and Ben-Gvir and other cabinet members have repeatedly called upon Mr Netanyahu to formally annex the West Bank. Under pressure from Arab countries, Donald Trump has publicly ruled out such a step, a rare rebuke of his ally. But on the ground, a form of annexation is already under way. ■

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The latest quagmire

How long will Israel stay in Lebanon?

The threat of another occupation is tearing at the fabric of Lebanese society

3月 26, 2026 04:45 上午 | Beirut and Shlomi



AS SIRENS BLARE in the Israeli town of Shlomi, a mile south of the border with Lebanon, a distant buzz is heard, followed by a dull explosion. It is yet another drone launched from across the border by Hizbullah, the Shia militia that is still fighting on behalf of Iran and for its own shrinking constituency in Lebanon. It is unclear whether the drone detonated itself or was intercepted and destroyed by the Israel Defence Forces (IDF).

Hizbullah resumed lobbing missiles and drones at Israel almost a month ago, just after Israel and America began strikes against Iran. In response, the IDF launched air strikes on what it says are Hizbullah-related targets all over Lebanon. It has also sent troops into the south, though it has stopped short of a full-scale invasion. The combination of air and ground attacks has killed more than 1,000 people. It has also displaced around 1m Lebanese civilians, most of them Shias from the south and the suburbs of Beirut, the capital.

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

There are echoes of the previous round of warfare, which began in October 2023 after Hizbullah joined in Hamas's attack on Israel. Yet there is a difference. Then, Israel evacuated tens of thousands of its civilians from near the border for more than a year. This time, it is determined not to evacuate anyone. "We won't allow our communities to be in a death zone constantly threatened by drones, like on the front lines in Ukraine," says an IDF officer.

Instead, Israel now seems resolved to expel, perhaps indefinitely, civilians from south Lebanon, where Hizbullah continues to operate. Israeli ministers have been talking up the prospect of occupying a wide swathe of Lebanese territory for the long term. On March 24th Israel Katz, the defence minister, said Israeli forces would "control the remaining bridges and the security zone up to the Litani", a river that flows around 20 miles north of the Israeli border. That would mean seizing nearly a tenth of the country.

The IDF insists it has not been given any such orders, yet. But Israeli officials say that whether or not they occupy more territory, civilians will not be allowed back to their homes in the south until the Lebanese army acts forcefully against Hizbullah and ensures it can no longer attack Israel. Israel has in effect severed the south of Lebanon from the rest of the country by striking eight bridges over

the Litani river. That suggests it may indeed be preparing for a prolonged occupation.

In Lebanon the threat of a new occupation and the prospect of a long displacement crisis are beginning to pull the country apart along sectarian lines. Following air strikes on non-Shia parts of Beirut, Christian neighbourhoods are increasingly turning away the displaced, fearing, with good reason, that by welcoming them they would invite more Israeli attacks.

The government is divided over how far it can act against Hizbullah. Earlier this month it showed some resolve by declaring Hizbullah's military activities illegal. This week the foreign minister expelled the Iranian ambassador for meddling in Lebanon's internal affairs. In response, Iran launched one of its long-range missiles towards Beirut.

Among some Lebanese, frustration is mounting over dithering by Joseph Aoun, the president, and his army commander. The army has done little to act on the government's three-week-old verdict on Hizbullah's arms, insisting that the state cannot move further without a ceasefire.

Israel's campaign is not helping. One reason Hizbullah managed to play such a dominant role in Lebanon for so long is that it styles itself as a force of resistance. It is currently unpopular for dragging Lebanon into war after war with Israel. But the more civilians are killed in the latest bombing, and the more serious the threat of occupation appears, the more likely it becomes that Lebanese, especially Shia, will rally to its cause. That will make it harder for the government to follow through on its promises to smash the group.

For all their differences, civilians on both sides of the border share one concern: that, whatever happens to the war in Iran, the conflict it has reignited in Lebanon will continue for a long time yet. ■

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From Anglo to Botswanan

Botswana prepares to take an even bigger gamble on diamonds

The African country wants to own more of De Beers, the firm that helped it to escape poverty

3月 26, 2026 05:35 上午 | CAPE TOWN



THE DIAMOND pendant worn by Bogolo Kenewendo (pictured, below), Botswana's minerals minister, in February at a mining conference in Cape Town, was statement jewellery. The diamonds mined by De Beers, the firm long synonymous with the gem, helped turn the southern African country into one of the richest states on

the continent. And today Botswana wants to double down on the gems, by adding to the 15% stake it has in the storied firm.

The looming sale of [De Beers](#) by its parent company, Anglo American, comes as the price of natural diamonds has plummeted because of cheap [lab-grown alternatives](#) and, to a lesser extent, fewer marriages (and thus sales of engagement rings) in America and China, two large markets. The estimated value of De Beers has fallen to \$2.3bn from \$12.75bn in 2011. For some potential investors this represents a bargain. But for Botswana, historically Africa's largest producer of diamonds by value, raising its stake even at that valuation would be a gamble—and could prove a parable of how, in trying to extract more value from natural resources, African countries become more dependent on them.

The history of Botswana is linked to De Beers like diamonds in a gold necklace. The firm, which takes its name from two South African brothers on whose land diamonds were discovered in the 19th century, was jointly founded (with another magnate) by Cecil Rhodes, a Victorian imperialist. In 1967, a year after Botswana's independence from Britain, geologists discovered the first of several big deposits. Two years later the country set up Debswana, a joint mining venture with De Beers. Over the years Botswana has negotiated better and better terms, including in 2004 the acquisition of the minority stake in De Beers.



From 1970 to 2000 Botswana's economy grew by an average of 10.6% per year, a slightly higher rate than China's 9% average for the period. It prudently managed the windfall, investing in infrastructure, schools and clinics. Governments put budget surpluses into rainy-day funds like the Government Investment Account.

But Botswana does not sparkle as much these days. The slump in diamonds, which account for about 25% of GDP and 80% of exports, has in effect halted growth since 2023. And as revenue from diamonds has fallen, Botswana has emptied the rainy-day fund. The ratio of debt to GDP has almost doubled since 2023; last year two credit-rating agencies downgraded Botswana's sovereign bonds. The budget deficit for the fiscal year beginning in April is forecast to be almost 9% of GDP.

All potential buyers of De Beers, whether private consortia or diamond-producing countries (Angola and Namibia are pondering bids, too) believe that the slump in natural diamonds can be reversed. The industry has always been a mix of mining, manufacturing and marketing. The slogan "A diamond is forever",

coined in 1947 for De Beers, helped revive interest in the gems in the wake of the Great Depression. Gareth Penny, a former De Beers boss and part of one consortium, says that turning the firm around requires reviving demand for natural diamonds, a luxury product. "In over 30 years in this business I have never met a consumer that bought a diamond simply because it was shiny," he says.

But Botswana, which accounts for 72% of De Beers's production, has other reasons to bid. It is seeking a stake of at least 25%, since that would give it a "blocking minority" to veto major decisions. The government would like more say in the running of the country's most important firm.

Reports last year that Angola was eyeing a majority stake caused panic in Botswana. Angola has recently ramped up diamond production. In 2024 it displaced Botswana as the largest producer by value in Africa for the first time in 20 years. From Botswana's perspective, Angola's acquisition of De Beers would feel a bit like Qatar or the United Arab Emirates buying Saudi Aramco, Saudi Arabia's huge oil firm.

Botswana believes that, if it owns more of De Beers, it can make money beyond mining. "There's a whole ecosystem in the business that we are interested in. We believe that will help catapult other industries in Botswana," says Ms Kenewendo. Duma Boko, the president, has said: "We are not just custodians of the earth's wealth, we must become architects of its value."

Yet sceptics question Botswana's thinking, for three reasons. The first is a shortage of money. In December the IMF warned against the country increasing its stake, citing its "fiscal situation". If Botswana raises money by pledging a portion of future diamond sales, that only delays the problem.

The second is concern that Botswana is unlikely to extract more benefit from the diamond value chain. It has struggled to rival India

in the cutting and polishing of stones—a low-margin business, like the trading of the gems that De Beers has partly located in Botswana. Efforts by De Beers to develop a retail line have been unsuccessful. Keith Jefferis of Econsult Botswana, a consultancy, argues that the most profitable part of De Beers remains mining. He questions why the government would want to increase its exposure to relatively poor-performing parts of the firm. “There is no evidence that there is money being made down the De Beers value chain [and] that, if we increased our stake, we would get more revenue.”

The third criticism of the bid is that Botswana should be trying to diversify away from diamonds. While the gems have undoubtedly been a boon for the country, Botswana is also a “classic case of Dutch disease”, argues Mr Jefferis, making other potential export industries less competitive. He suggests using scarce resources to help local export-oriented manufacturing.

Despite Mr Boko’s remarks in November that Botswana wants a majority stake, the most likely scenario is that De Beers is bought by a broad consortium involving private investors and African governments, with the former in majority control. “It probably doesn’t make sense to go all out,” concedes an executive at Debswana. Angola, too, has rethought the wisdom of bidding for a majority stake. In Cape Town the country’s mining minister, Diamantino (really) Pedro Azevedo, talked about the importance of “all market players working together”.

As for Botswana, it is unclear whether it should be bidding at all. The country’s elite is inevitably influenced by the role diamonds have played in the country’s history. The danger is that Botswana ends up looking like an irrational romantic trying to raise money for a diamond ring it will struggle to afford—for an engagement that may not be the right match.■

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Spring offensive

Russia wants to limit contact with the outside world

A recent internet blackout reflects the Kremlin's nervousness

3月 26, 2026 05:35 上午



BY MOST ACCOUNTS, Russia gains from the war on Iran. Soaring oil and gas prices relieve its previously strained budget. The Middle East conflict may reduce the flow of American arms to Ukraine. And a growing rift between America and its European allies may soften support for Ukraine's president. Yet Moscow is gripped by a new anxiety.

This nervousness stems not from Ukraine or the West but from the security services. Over the past few weeks they have begun blocking

mobile internet services in Moscow and St Petersburg, plunging Russia's two largest cities into a digital black hole. In doing so the spooks have disrupted everyday life, triggered popular resentment and created divisions within the elite.

[Read more of our recent coverage of the Ukraine war](#)

The blocking in Moscow began on March 6th—apparently on the orders of the FSB security service—and lasted for almost three weeks before being partly reversed. Russian officials cited security reasons. Most Muscovites assumed that a new firewall system was being tested to disconnect Russia from the global internet and allow access only to approved sites. Such blackouts have been common in the provinces, but not in Moscow or St Petersburg.

The capital has long been a place where an absence of civic freedom is compensated for by online services used daily by almost every single resident. But suddenly parents could no longer message their children, or drivers pay for parking, or couriers deliver their orders. Even taxis had to be ordered by phone or hailed on the street, as in olden times.

Each day of no service cost Russian businesses as much as 1bn roubles (\$12m), according to *Kommersant*, a newspaper. Sales of two-way radios, pagers and paper maps have soared. An old-style red payphone has been installed by Patriarch's Ponds, a part of Moscow famous as the setting for Mikhail Bulgakov's "The Master and Margarita". Encased in a lining that resembles a coffin, the payphone looks like a piece of conceptual art. "Guess what they're burying," quipped a resident.

One answer is the appearance of normality the Kremlin has sustained since the start of the war. Air-raid sirens may be common in cities like Belgorod, and funerals more usual than weddings in places supplying soldiers, but in Moscow millions were spent on

winter-long Christmas decorations and summer-long festivals to distract people from the war.

Now the security services have brought the war home. As one psychologist puts it, "Something has changed in the Moscow air, as if the sense of emergency has burst into people's lives." This has been done in the name of "security", Vladimir Putin's fixation. But in the process of fending off perceived threats, the security services have undermined a key to the "special military operation": the balance between war and business as usual. For the first time since 2022, there is talk of protests.

The perception of threat stems from a sense that the war is at a dead end. The war seems unwinnable, but nobody can see a way out. The economy has been strained, at least until the oil-price rise. In a recent poll by Levada, a pollster, and *Novaya Gazeta*, a newspaper, three-quarters chose "tiredness of war" to describe the mood.

A second source of nerves stems from Russia's affinity with Iran, once a model of a besieged fortress controlled by securocrats. The Kremlin has long seen openness as a threat and wanted to disconnect Russia from the global internet, says Gregory Asmolov of King's College London. The war in Ukraine "served as a catalyst that intensified its project of transforming Russia from an open, globally integrated system into a closed and controllable one," he adds. The exploitation of mobile networks and traffic cameras by Israel and America that let them wipe out many Iranian leaders has increased the desire to block anything outside security-service control.

The Kremlin has now turned on Telegram, the most popular messenger platform in Russia, with a monthly reach of 94m people. Telegram was the creation of Pavel Durov, a Russian tech entrepreneur based in Dubai who long refused to grant access for the Russian security services. A month ago Russia's state newspapers reported that Mr Durov was being investigated for

“terrorist activity”. Mr Putin, who famously does not use the internet, sanctioned the blocking of Telegram, which he sees as a hostile communication tool. It was due to begin on April 1st, but started ahead of schedule. Also under attack are virtual private networks widely used to circumvent official barriers.

All this is meant to push Russian internet users towards Max, a national messenger app with an inbuilt surveillance function, says Mr Durov. The coercion has made many Russians resentful of their government. “Eight years ago Iran tried the same strategy and failed. It banned Telegram on made-up pretexts, trying to force people onto a state-run alternative. Despite the ban, most Iranians still use Telegram,” Mr Durov claims.

One big difficulty for the Kremlin is that Telegram is deeply embedded in Russian daily life, even among its rulers, who use the platform widely. Even Dmitry Peskov, Mr Putin’s press secretary, complained that its blocking makes it harder to do his job. “We are fast losing the instruments of our propaganda work abroad, particularly in our near abroad. How are we supposed to convey the meanings?” he wondered at a recent conference.

Other officials have protested by invoking the safety of ordinary people. “Ukrainian armed forces are a threat. The absence of information is an even bigger threat,” said Vyacheslav Gladkov, governor of Belgorod province. For many Russian officials, having access to Telegram is also a matter of personal safety. Few are willing to subject themselves to Max’s security-service surveillance.

Perhaps the most enraged by the blocking of Telegram were the pro-war military bloggers who owe their prominence and income to the channel. Military commanders share information with such bloggers, helping to increase their audience and to secure donations. They can make as much as 1.5m roubles a month, mostly from ads.

After the attack on Telegram, these blogs have become almost indistinguishable from anti-war outlets. A striking example came in a post by Ilya Remeslo, a pro-Kremlin blogger once deployed to denounce Alexei Navalny, the slain opposition leader. On March 17th a post of his on Telegram accused Mr Putin of usurping power, ruining the economy and imposing censorship. “Vladimir Putin must resign and be put on trial as a war criminal and a thief,” he concluded. Two days later Mr Remeslo was checked into a psychiatric hospital, spookily evoking the spirit of “The Master and Margarita”.■

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German politics

Germany's Social Democrats gaze into the abyss

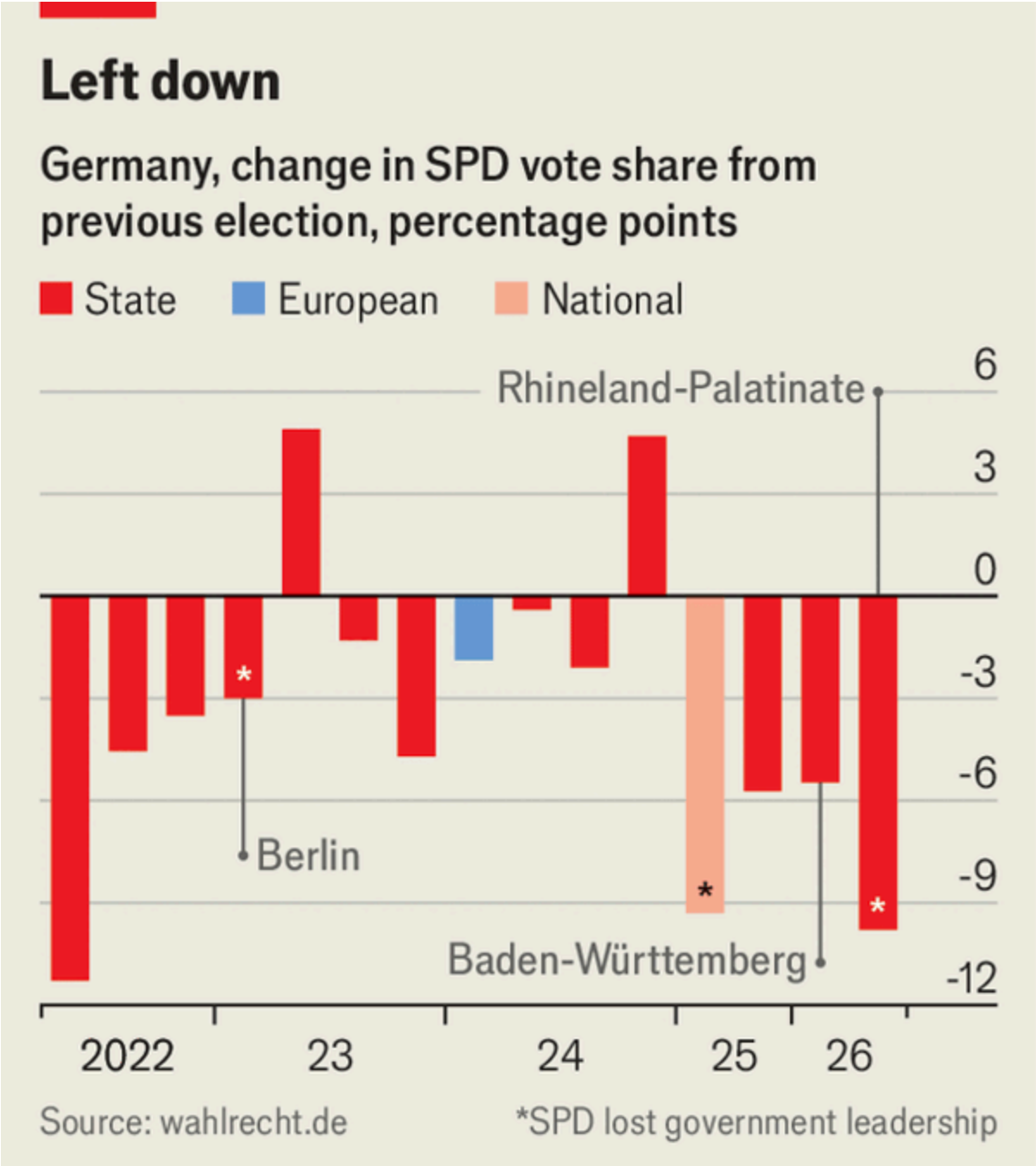
But an electoral drubbing could open a window for national reforms

3月 26, 2026 04:45 上午 | BERLIN



THE SOCIAL DEMOCRATS (SPD) have helped rule Germany for all but four of the past 28 years. Yet rarely has the party known such gloom. On March 22nd it was soundly defeated by the centre-right Christian Democrats (CDU) in an election in Rhineland-Palatinate, long an SPD stronghold. This followed a drubbing in Baden-Württemberg, where the SPD barely crossed the 5% threshold to enter parliament. In recent years the SPD, junior partner to Friedrich Merz's CDU in Germany's coalition government, has lost ground in almost every state and national election (see chart). Many in the SPD

openly admit they no longer know what their centre-left party stands for.



Yet Mr Merz's troops did not crow over their victory, because an embittered SPD may hinder their plan to revive the economy. After his much-heralded "autumn of reforms" flopped last year, the chancellor wants to push a series of changes to tax, health insurance

and pensions before the Bundestag adjourns for summer. Whether he gets his way depends largely on whether his coalition partner can swallow tricky compromises.

The party's centrists have long sought to recapture the energy of the 2000s, when an SPD-led government pushed through far-reaching labour and welfare reforms. Some think the SPD has since lost its way. "For too long we gave the impression of caring more about those who don't work than those who do," says Dirk Wiese, an SPD MP, adding that this perception is false. But some younger MPs want to focus on redistribution and preserving the welfare state. And the coalition's slim majority creates opportunities for spoilers.

The crucial figure is Lars Klingbeil, the vice-chancellor and SPD co-leader. On March 25th he gave an important speech aimed mainly at his own party, urging reforms to labour, tax and pension rules to increase working hours, and calling for restraint on spending.

It will have landed well with Mr Merz. The question is whether Mr Klingbeil, who is mistrusted by his left-wing comrades, can bring his own party with him. Ursula Münch at the Tutzing Academy for Political Education says the SPD's position is so dire that Mr Klingbeil may feel he has nothing to lose by taking on his internal foes. If so, the SPD's biggest fights may lie ahead. ■

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French mayors

France offers some hope for defeating populists

The mainstream parties get the biggest prizes

3月 26, 2026 04:51 上午 | PARIS



THE FRENCH love their mayors. So much so that they have 35,000 of them. Indeed, opinion polls suggest that trust in their mayor (66%) crushes that in the president (25%). This makes it hazardous to generalise from the mayoral elections that took place on March 15th and 22nd to the presidential election that is due next spring. The results nevertheless offer a few useful pointers.

First, despite growing pressure from both populist extremes, the broad centre—locally—can hold. Of the ten biggest cities, the

Socialists won six (Lille, Marseille, Montpellier, Nantes, Paris and Strasbourg); the Greens (Lyon), centre-right (Toulouse) and centrists (Bordeaux), one each. The only city that was won by Marine Le Pen's populist-right National Rally (RN) was Nice; and even there, her party backed an ally, Eric Ciotti, who has strong local roots and had defected from the centre-right. Jean-Luc Mélenchon's populist-left Unsubmissive France (LFI) took no big cities (although it secured Roubaix and Saint-Denis, two big towns).

Second, clarity pays. Ahead of legislative elections in 2024, left-leaning moderates were dismayed when the Socialists hooked up with Mr Mélenchon. That alliance has since fallen apart—even if some Socialist candidates forged tactical local links with LFI. In the two biggest cities a refusal by the Socialists to make such a deal led to victory: in Paris, for Emmanuel Grégoire, over the centre-right's Rachida Dati, and in Marseille for Benoît Payan, over the RN's Franck Allisio.

Third, a decade after upending French party politics, Emmanuel Macron's centrists have failed to put down strong countrywide roots, yet they still secured a handful of key victories. The president's party, now called Renaissance, fielded fewer candidates than the RN. François Bayrou, a former prime minister, lost in Pau, where he had been mayor for 12 years. But Renaissance captured Bordeaux as well as Annecy; its allies won Angers, Mulhouse and several smaller towns.



Arguably the centre's most notable victory was Edouard Philippe's (pictured above) in Le Havre. He held on to the town hall in a tough three-way fight against both the left and the hard right. A former prime minister whose party is allied to Renaissance, Mr Philippe had plans to run for the presidency in 2027—unless he failed in Le Havre. His victory, against a pre-poll prediction, will boost his national campaign. An opinion poll found 46% of respondents thinking he would make a "good candidate" for the presidency, putting him in a near dead heat with Jordan Bardella, the RN's leader, on 45%, but ahead of Ms Le Pen on 42%.

That said, the RN—whether its candidate is Mr Bardella or Ms Le Pen—remains the polling favourite to win the presidential election. At the mayoral vote the party claims to have won 70 town halls, up from 13. Local-election results are no firm guide to a later presidential poll. But these results offer some hope to the mainstream parties: they can still win tough campaigns, even against the extremes. ■

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Humbled

Giorgia Meloni's big setback in Italy

Her failed referendum gamble hints at growing dissatisfaction with her government

3月 26, 2026 04:45 上午 | Rome



Win some, lose some

THE RISK of riding high is you have further to fall. Italy's prime minister, Giorgia Meloni, had acquired an aura of invincibility since winning the 2022 election. Her right-wing government is the third-longest-serving since 1945. Her Brothers of Italy party still leads in the polls.

But on March 23rd Italy's voters dimmed the glow in a referendum ostensibly about [changes to the judicial system](#) but which the opposition turned into a vote of confidence. The two-day vote went against her by 54% to 46%. The leader of the opposition Democratic Party, Elly Schlein, called it "a clear political message to Giorgia Meloni and this government".

Had the turnout been low, it would have mattered less. But at 59%, it was just five points shy of the level in 2022.

One reason for the stability of Ms Meloni's government has been its reluctance to confront vested interests by proposing radical change. So a plan for minor adjustments to the administration of justice became the flagship of the legislative programme. It did not help that the government rammed it through parliament without consulting the opposition.

The judicial-reform bill would have completed the split in a career structure that includes both judges and prosecutors, and introduced random selection for members of the bodies governing each profession. But that meant changing the constitution, which is why it had to be put to a referendum.

Erik Jones, director of the Robert Schuman Centre at the European University Institute in Florence, noted a difference between the result—an emphatic "no"—and the expectation of most polls for a closer outcome. "Something happened...Italians have an almost religious devotion to their 1948 constitution. And perhaps opposition parties broke through with their argument that this was no way to amend it," he says.

There are other possibilities. One is Donald Trump's war on Iran. Ms Meloni is close to an unpopular American president. The campaign also saw a scandal involving a junior justice minister with alleged financial links to organised crime; he resigned after the results. But seeking others to blame, Ms Meloni wrested a resignation from

Daniela Santanchè, her tourism minister. Ms Santanchè faces trial for false accounting (she denies wrongdoing), but had little to do with the referendum defeat.

The relatively high turnout hinted at deeper dissatisfaction with the government. The rejected bill did nothing to tackle the real problems of Italy's courts. They are, by some measures, the slowest in the EU. And it was a distraction from more important issues, notably an economy that is [barely growing](#) despite having been showered with cash from the EU's post-pandemic recovery funds.

What next? Ms Meloni had hoped to capitalise on a referendum victory by changing the electoral law to give future winning coalitions more weight in parliament. The next election must be held in 2027. After this week's setback the government faces the risk that changing the rules could end up handing more power to its opponents instead.

The outcome also raises a big question over another proposed constitutional amendment that would enhance the authority of the prime minister while curbing that of Italy's president. That, too, would need to be put to voters. Ms Meloni may want to get the next election over first. ■

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Ecosystem warrior

Ukraine's top drone commander wants to bleed Russia's army dry

"Madyar" Brovdi has pioneered unmanned warfare methods NATO is yet to learn

3月 26, 2026 04:45 上午



THE ROAD to the command point is rough, though the minivan's blacked-out windows hide the details. On arrival its doors slide open to reveal the entrance to a world buried deep underground. Inside, one corridor is lined with two decks of Japanese-style sleeping pods. Behind a second corridor lies a gym. Wall after wall of screens relay live data feeds: kill chains, missions, enemy losses. A gallery of

famous Ukrainian paintings hangs among missiles and explosives. A snuff video of Russian soldiers in their last moments of life runs on a loop next to an expressionist stone sculpture of a man's face.

The darkly eccentric atmosphere is in keeping with the character of the man in charge. Before the invasion Robert "Madyar" Brovdi (pictured) was a wheeler-dealer grain broker. Now the 50-year-old commander of Ukraine's unmanned forces is a weathered warrior and the lead architect of a strategy to target drone power at individual Russian soldiers. Four years into the war, Ukraine's central challenge has become not so much holding territory as removing Russians faster than the Kremlin can recruit them. For the first time, thanks in large part to Mr Brovdi's efforts, this might now be happening.

[*Read more of our recent coverage of the Ukraine war*](#)

Mr Brovdi analyses the figures in a windowless three-metre-square cubby-hole, chain-smoking cigarettes and sipping Fortnum & Mason tea, a nod to his prior life fraternising with the rich in London auction-houses. Russian losses have increased substantially since he took over last summer, aided by a revamped, gamified system that now prioritises enemy infantry. December marked a turning point, the first month when verified Russian losses to Ukrainian drones exceeded recruitment. Since the start of the winter, Ukrainian drones have killed or incapacitated at least 8,776 more soldiers than Russia has replaced. Russia continues to gain little ground in return for its losses. Even on its most successful axis, near the town of Kostiantynivka in the Donbas, it has taken just 23% of the territory called for in its winter campaign plan.

Mr Brovdi's drone brigade, codenamed "Madyar's birds", claims it has been responsible for a sixth of the Russian losses. The wider unmanned-forces grouping he now controls accounts for more than a third. Those forces make up just 2% of the Ukrainian army's headcount. At the December peak, enemy losses reached 388 a day,

equivalent to the assault component of an entire battalion. "If a battalion has no infantry left, the Russians don't disband it but throw desk officers to the front," Mr Brovdi says. "They are the easiest targets, because they can't fight." His soldiers are ordered to target personnel, rather than armour or other equipment, at least 30% of the time. Russia can only train and equip so many recruits; Mr Brovdi likens it to a cow, and his units to farmers. "We need to keep milking this cow, the Russian army, for everything it's worth, exhausting it beyond its maximum capacity."



An ethnic Hungarian from Ukraine's western borderlands, Mr Brovdi joined the war as a civilian volunteer. His rise was improbable but no accident. Applying business instincts to battlefield problems, he helped to develop Ukraine's earliest drone capabilities. The first breakthrough came in the summer of 2022, when he was fighting on the Kherson front. The Ukrainians were outgunned and, worse, had no idea where the Russians were firing from. Mr Brovdi, still an inexperienced soldier, remembered a drone he had bought his son on a business trip in Asia, and had some brought to the trenches. They were crude, but good enough to spot hidden Russian tanks. The future commander began passing coordinates to a nearby

artillery brigade over Discord, a social-media app. He had created Ukraine's first drone kill chain.

A year later Mr Brovdi and his disciples had been transferred to Bakhmut, then the war's main killing ground. One colleague, a former taekwondo champion known as Klym, had a friend who had competed in races of first-person-view drones. He suggested the fast, agile machines could carry small munitions. The team began hanging water-filled condoms from trees and trying to hit them with drones. Soon they were taping American MK-19 grenades to the frames. This became the cornerstone of a "line of drones" reconnaissance-and-strike kill-zone concept, which Mr Brovdi later championed to offset Ukraine's infantry shortage.



The bunker's hundred-odd screens show how far operations have progressed. Every mission, whether drone strike or electronic-warfare session, is logged and verified by video, then fed into business-intelligence software that Mr Brovdi repurposed from his days as a grain trader. "The principles are the same," he says. "I asked my guys to swap grain type, tonnage and truck numbers for weapons, shifts and ammunition." The killing is managed closer to

the front. Teams operate 3-5km behind the line, overseen only by battle captains back at headquarters. Mr Brovdi says the unit has an ecosystem of 15 interlocking functions, from jamming to surveillance, mine-laying and explosive production. It is a concept NATO generals have yet to grasp, he says. "When the Americans come—and they come to us like bees to honey—they ask, 'Which drone is best?' I tell them the best drone is an ecosystem. For one pilot to make a kill, a whole machine must work behind him."

Mr Brovdi's critics say his success hinges on the unconditional support and funds he has received since taking over as drone chief. Ukraine's armed forces usually operate under constant shortages. His predecessor, who was less close to Oleksandr Syrsky, the commander-in-chief, never enjoyed the same resources. Mr Brovdi counters that Ukrainian soldiers should not be waiting for drones, but that the drones should be ready and waiting for them. He insists on having a backup for each piece of equipment, a lesson learned in several near-death experiences, and says his strict safety protocols keep his unit's cumulative casualty rate at just 1%. The unmanned-systems forces now extract 400 Russian lives for just one Ukrainian, he claims, and each kill costs \$878 in materiel. "We should be swapping plastic and metal for dead Russians," he says. "It's the best exchange rate."

Mr Brovdi's battlefield kill videos, posted on social media with slapstick chase music, have made him a controversial figure. Some allege that such videos violate the laws of war. He dismisses the criticism. "I don't experience any moral reservations at all. None," he says. "A man with a rifle in his hand on my land is coming to kill me. I kill him or he kills me. Millions of Ukrainians, my mother included, draw strength from what we do."

That single-minded focus is giving Ukraine hope. Whether it will be enough to force Vladimir Putin to stop his war is another question. December was the first time Mr Brovdi's figures turned in Ukraine's favour. In the year before that, Russian forces had grown by over

100,000 men. Russia's president seems to have no exit strategy. "Let's first see if we can keep the pace up this coming year," says Mr Brovdi. "I have no rose-tinted fantasies that this war is about to end." ■

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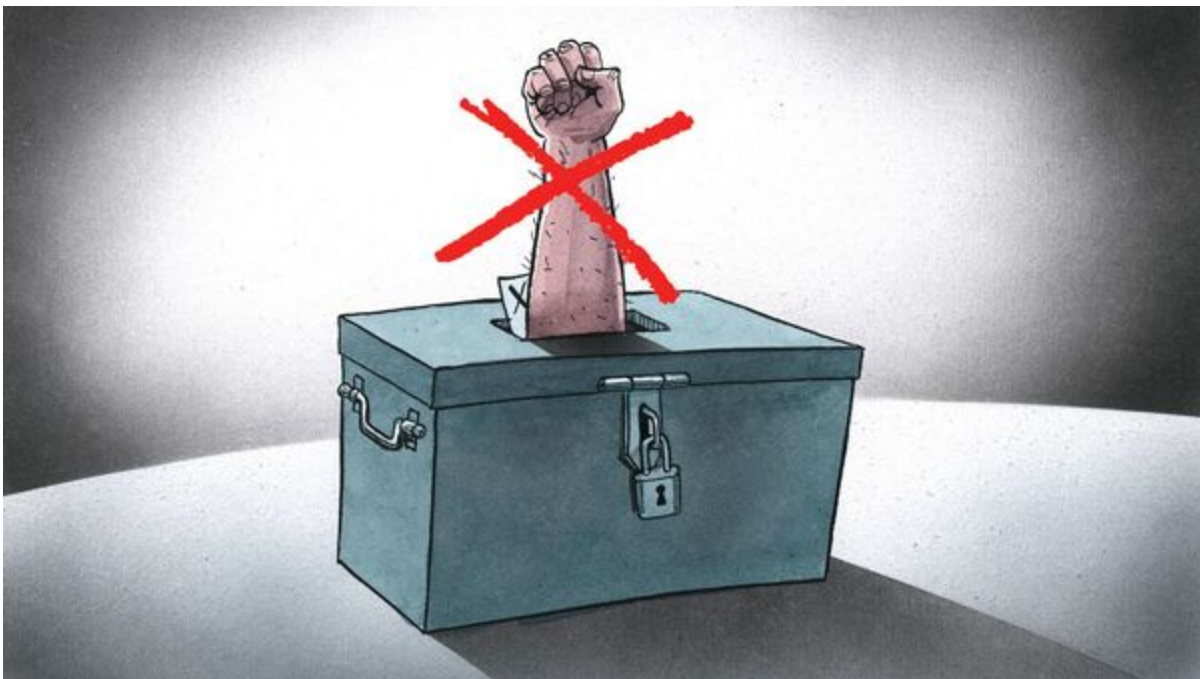
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Charlemagne

Europe's populist right should be outvoted rather than ostracised

Imagining there's no fascists is a bad strategy

3月 26, 2026 04:45 上午



IMAGINE THERE'S no fascists. It's easy if you try. Even those harbouring merely populist right-wing opinions can be magicked out of mind, at least in Belgium. Since the 1980s its Francophone half has enacted a policy of shutting out any politicians with views beyond the centrist consensus. Under this *cordon sanitaire*, or political firewall, voters are meant to be protected from the wrong ideas—perhaps a politico's argument that immigration should be

curbed, or an intemperate diatribe against the European Union. Broadcasters stifle such demagogic views by refusing to interview politicians who spout them. Anyone with unpalatable leanings who is nonetheless elected can expect to be excluded from fellow parliamentarians' coalitions. Even foreigners can fall foul of this ideological purity test. In 2025 J.D. Vance delivered a rabble-rousing speech at the Munich Security Conference, among other things denouncing the existence of such firewalls. Because of the American vice-president's supposed extremism, a Belgian media outlet was reprimanded merely for transcribing his words.

To admirers this is basic political hygiene: why should democracies provide a platform to those whose ideology might, given the opportunity, do away with democracy altogether? Have people learnt nothing from the 1930s? To critics the *cordon* is a velvet gag circumscribing [free speech](#). Either way, a policy that once prevailed in much of Europe is fraying by the day. The xenophobic [Alternative for Germany](#) (AfD), illiberal [National Rally](#) (RN) in France, reactionary [Brothers of Italy](#) and their fellow travellers on the populist right remain beyond the pale for many voters—justifiably so. But their formal exclusion from the polity is no longer an article of political faith. Good. Though there is little to cheer about the march of populism, it is far better to take on Europe's nastiest ideologies than to pretend they can be wished away.

Once a continent-wide phenomenon, the *cordon* is these days a variable affair. In France it is still considered *de rigueur* for voters to plump for any run-off candidate standing against the RN—one factor behind the party's relatively poor showing in mayoral elections on March 22nd. Centrist Germans, mindful of history, still apply a firewall against the AfD, refusing to forge coalitions with it whether nationally or at state level. (Plum jobs such as parliamentary-committee chairmanships are often denied, too.) In some Nordic countries the populists have been brought into government coalitions and came out somewhat moderated. By contrast Austrian

and Dutch populist parties have taken part in governments, but with no indication they have since mellowed.

Hence one argument against the *cordon sanitaire*: it simply has not worked. Both in France and Germany, parliamentary votes in recent months have passed only with the support of populist parties—a form of co-operation that would once have been unthinkable. But the most conspicuous breach of the *cordon* has taken place in Brussels, the home of the very institutions decried by so many populists. A slew of votes in the European Parliament have been carried through an alliance of the centre-right with populist parties that were once deemed on the wrong side of the firewall. In theory, mainstream parties working together have a majority to pass any legislation put forward by the European Commission. In practice, corralling all MEPs from centrist parties can be fiddly, so the centre-right has at times courted the votes of populists instead. Legislation relating to migration or business regulation has been passed only thanks to additional votes from politicians affiliated with the RN and the AfD. This has upset Friedrich Merz, the German chancellor, who has angrily denied that his centre-right group has co-ordinated votes with allies of the AfD.

Worse still, in both Germany and France populist parties have if anything benefited from their status as pariahs. How better to show off your chops as political truth-telling outsiders taking on a rotten political cartel than to have centrist incumbents treat you with disdain? The AfD is neck and neck with the centrist Christian Democrats at the top of German polls; there is every chance the RN's candidate will lead the first round of the French presidential election next year. The firewall thus looks less like a firm bulwark against extremism than an effective incubator for it. Centrists determined to counter populists, for example by forging unwieldy coalitions to keep them out, have turned the nasties into the only plausible political alternative. *Ach je!*

Part of the issue of firewalls is that nobody agrees where they should be erected. Giorgia Meloni, Italy's prime minister, was once dismissed as a barely reconstructed fascist; these days she is treated as an honorary centrist. Ursula von der Leyen, boss of the European Commission, has taken a pragmatic view over dealing with those from the political fringes. As long as they adhere to the rule of law, support Ukraine and don't endlessly bash the EU, they can be included in potential coalitions. That provides an incentive to the likes of Ms Meloni to sand down rough edges. Other politicians wonder why the populist left, often as extreme as their right-fringe rivals, should not be subject to its own firewall.

Hear no populism, see no populism

The *cordon sanitaire* has a more fundamental problem. To treat populists as pariahs is to belittle their supporters. Discomfiting as it may be, institutions should reflect all voters, not just those whose views incumbents agree with. The import of a vote cannot be conditional on people having plumped for the "right" ideas.

It is defensible for centrist parties to avoid coalitions with rivals whose views they deem wholly at odds with their own. To disagree is the essence of politics. But that requires acknowledging the other side exists, and may even have a point. Yes, that might "normalise" the AfD and RN, to the horror of *bien-pensants*. But look at the polls: they are the norm now. ■

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A new agricultural landscape

English farming is changing quickly, for the better

A lesson to other countries

3月 26, 2026 04:45 上午 | NETHERBURY



ONE OF THE fields in James Bowditch's farm is a nuisance. It is oddly shaped, resembling a lower-case "r", and is on a slope. Mr Bowditch, who farms about 2,700 acres (1,100 hectares) in Dorset, in southern England, used to grow wheat on the whole thing. These days he grows wild flowers on the most awkward quarter of the field, for which he receives a government grant. If an ambitious environmental project is approved, he will soon start planting trees.

More than two-thirds of England is farmland. That huge slice of the country is changing quickly. Between 2021 and 2025 the amount of arable land that is fallow or used for something other than growing crops more than doubled, from 231,000 hectares to 545,000 (a tenth of the total). The number of breeding beef cattle in England is falling, as is the number of sheep. Last year trees were planted on more land than at any time for 20 years.

This is a deliberate, managed change. Since leaving the European Union and its common agricultural policy in 2020, England has slashed traditional farm subsidies and redirected money to environmental activities. Despite setting some bold targets for cutting agricultural carbon emissions and aiding pollinating insects, the EU still pays farmers simply for farming.

If the transition comes off, England could become a model for other countries, starting with Scotland and Wales, which have been reluctant to abandon the old subsidies. It would be a rare example of Brexit leading to progress. Despite some snafus, the switch is going well so far. Farmers are adjusting to the new payments system and the land market is changing in benign ways. But a nasty crunch is coming.

The thinking behind England's agricultural transformation was outlined in 2018 by Michael Gove, a Conservative minister. Per-hectare subsidies did not work, Mr Gove argued. They pushed up land values and impeded innovation. The state should instead pay farmers for providing public goods, especially environmental ones. Despite objections from groups such as the National Farmers' Union, which has tried to argue that food production is a public good, Mr Gove's vision has prevailed.

Subsidies have been cut relentlessly since 2021. They will disappear entirely next year. Farmers can pick from a new menu of environmental actions with distinct payment rates. The grant for leaving crop stubble over the winter, which enables skylarks and

yellowhammers to build nests, is £58 (\$78) per hectare. The grant for sowing wild flowers is £739 per hectare.

It has been a bumpy transition. Some environmental options have had few takers, while others have been too popular. Arable farmers put a startling 75,000 hectares of land into a scheme that paid for growing plants that feed birds in winter. More than 200 of England's roughly 100,000 farms took at least four-fifths of their land out of production, spurring the government to clamp down. It is a bad result if Britain grows no food on good land and ends up importing more grain from countries with lower environmental standards, says Lydia Collas of the Green Alliance, a think-tank.

Helen Radmore, a livestock farmer in Dartmoor, complains that the national menu ignores differences in climate, soil and ecology. Upland farmers like her can apply for grants to graze cattle and sheep at low densities, which in theory improves moorland. But Dartmoor is afflicted by purple moor grass, a nuisance species. Low-density grazing seems to encourage it. "You cannot have the same stocking rates from Cumbria to Cornwall," she argues.

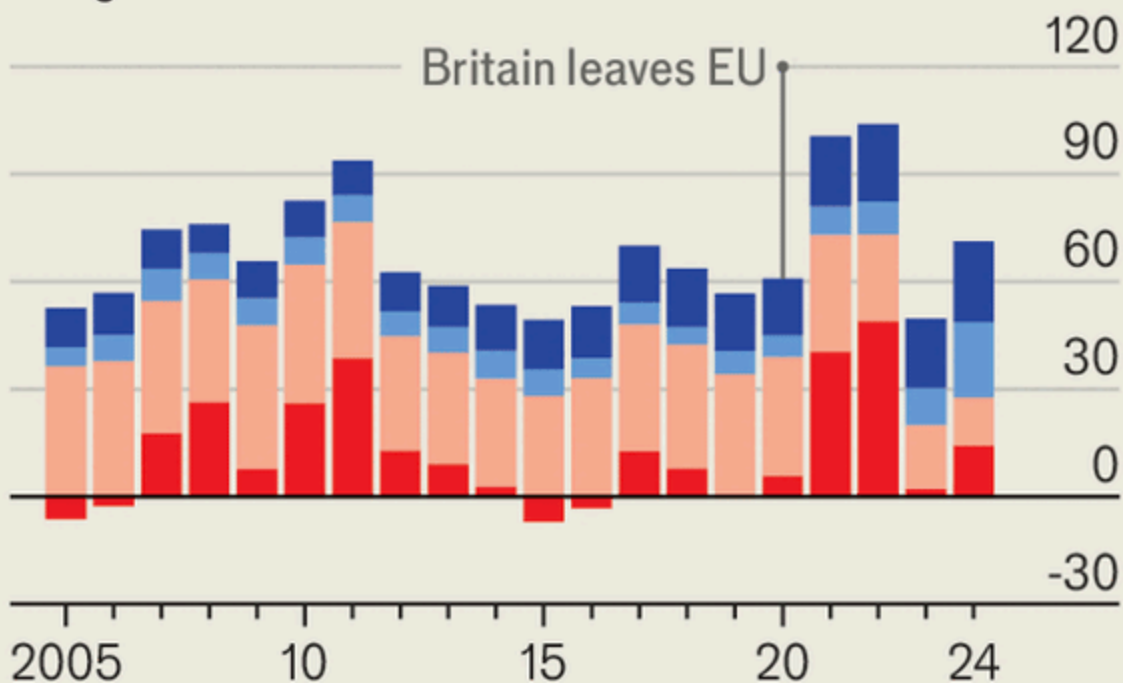
And the new system has been rolled out clumsily. In March 2025 the agriculture department announced that the budget for environmental schemes had been exhausted and that no new applications would be considered. The system will reopen only in June. Earlier this year the government suddenly announced it will cap payments per farm. Farmers are used to dealing with wild fluctuations in the weather and in commodities markets. It would have been nice if green payments had been the exception.

A varied crop

1

England, income per farm, £'000
2025 prices

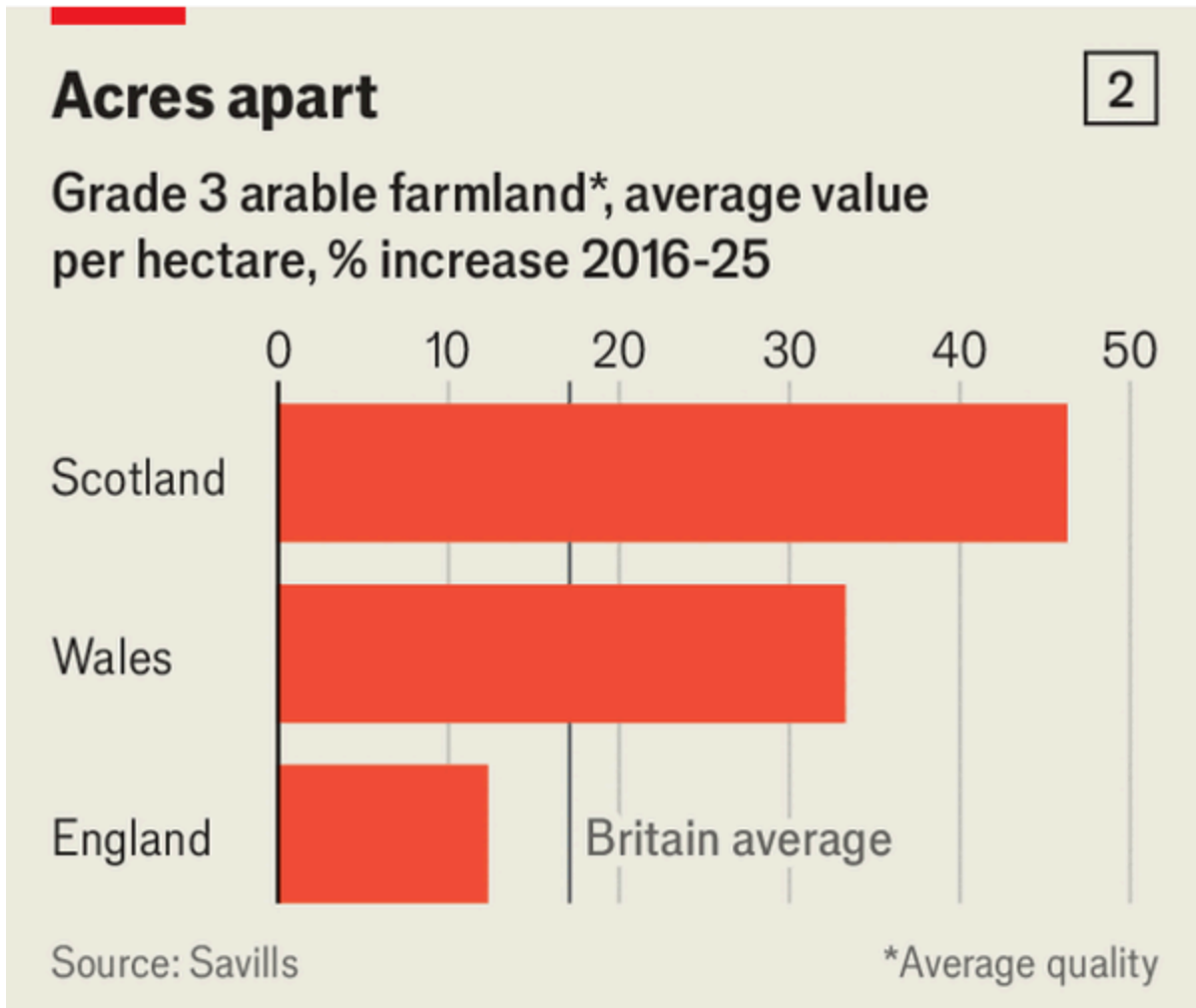
■ Agricultural ■ Direct payment
■ Agri-environment ■ Diversified



Source: Farm Business Survey

Still, farmers have adapted. The average farm generated income of £71,000 in the 2024-25 fiscal year (see chart 1), about the same in real terms as when Mr Gove made his speech. What farmers have lost in subsidies they have gained in environmental payments and in income from non-agricultural activities. Almost three-quarters have diversified into things like solar power and what Mr Bowditch calls “farming people”—renting cottages to tourists. A survey in April 2025 showed that just 6% planned to stop farming in the next five years and do something else instead.

The subsidy cuts mostly seem to have persuaded farmers to stop doing things that were neither good for nature nor produced much food. Mark Peters, a tenant farmer near Brighton, used to grow wheat on marginal fields, reckoning that subsidies would pay much of the rent even if the crop failed. The cuts have made that too risky, so he has switched to farming livestock on all but the very best land. "The safety-net has gone," he says.



The proof of Mr Gove's contention that subsidies are simply capitalised into land values would be a slump in values. That has not happened, possibly because farmland is desired by people other than farmers, including rewilders and privacy-seekers. But Savills, an estate agent, estimates that the price of average-quality grade-three arable land in England has risen by only 12% over the past decade.

Prices in Scotland and Wales, which still dish out large subsidies, have risen much more (see chart 2). Farmland rents are falling gently.

As yet there is little sign that nature is recovering—the ostensible purpose of the new system. With some happy exceptions, such as corn buntings and skylarks, farmland birds continue to decline in number, albeit not as quickly as half a century ago. Butterflies are faring no better. But wildlife faces many threats, including climate change. Ms Collas thinks it is too early to expect to see signs of improvement.

More ambitious schemes are hatching. Mr Bowditch's farm is in the Brit Valley, where more than 50 farmers have clubbed together to pitch a "landscape recovery" project to the agriculture department. If approved, the entire river catchment will change, with more traditional meadows and trees planted on steep slopes to slow runoff and prevent flooding. Though hard to concoct, such schemes should be better tailored than the one-size-fits-all menu.

Two big problems remain, like persistent bogs in a wheatfield. The first is that one-third of English farmland is cultivated by tenant farmers, who hold leases that can be as short as one year. Environmental schemes do not suit them well because the government generally pays for interventions lasting three years. Landscape-recovery projects can last for 20 years.

The second problem is the fluctuating economics of food. Soon after the government started cutting subsidies in England, Russia sent tanks into Ukraine, one of the world's great grain producers. Cereal prices shot up, delivering giant profits to English arable farmers in 2022 and 2023. In 2024 dairy prices jumped. But cereal markets have returned to normal and the [milk price has crashed](#). Beef and lamb prices remain high, though they appear to be falling. The war in the Middle East is already pushing up the price of fertiliser. Calls for a return to subsidies may grow louder.■

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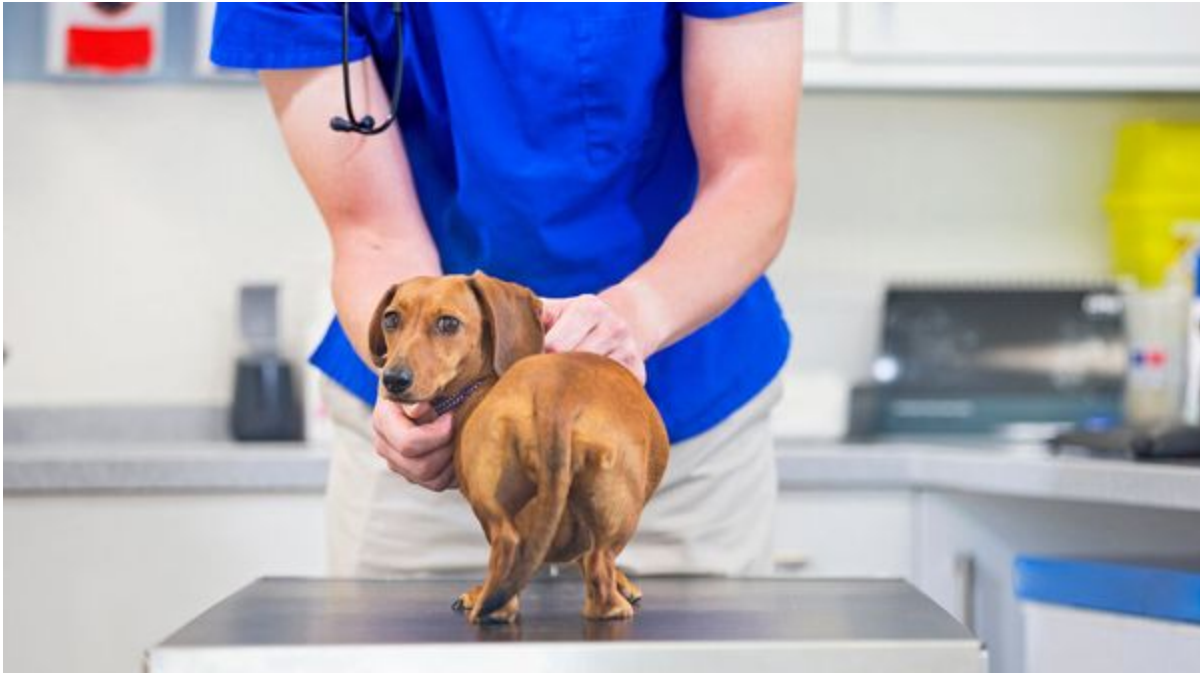
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Peak dog

A golden decade for British vets is coming to an end

An inquiry has chilled investment in a sector already facing declining demand

3月 26, 2026 04:46 上午



Wild rover

THE LONDON VET SHOW, Europe's biggest vet conference, offers a window into Britain's [pet mania](#). Stalls advertise probiotic powders and memorial jewellery made from a deceased pup's fur. A vendor demonstrating a pet-activity monitor insists that "steps matter for dogs, too."

Britons are not known for their displays of affection, but have long made an exception for their pets. On veterinary services alone—which includes vet visits, grooming and training—they spend about £6.7bn (\$8.9bn) a year. According to the Office for National Statistics (ONS), household spending on such services rose by 2.7% a quarter on average between 2019 and 2023, after adjusting for inflation, as pet ownership boomed during the pandemic. It was a firm favourite for investors, particularly private-equity (PE) firms keen to consolidate the sector.

But that giddy momentum has stalled. Between 2024 and the third quarter of 2025, household spending fell by around 0.2% per quarter on average. Investors have taken note: shares in CVS Group, one of the country's largest vet groups, have dipped by more than 33% since the start of 2024, while Pets at Home, a rival, is down by 43%. A golden decade for [Britain's vet industry](#) might be coming to an end.

Three forces are to blame. The first is regulatory scrutiny. A two-year investigation by the Competition and Markets Authority (CMA), a watchdog, prompted by thousands of complaints about high prices and opaque billing, concluded on March 24th. It follows a decade of rapid consolidation in which PE funds rolled hundreds of small clinics into large chains, drawn by the industry's fragmentation, (supposed) resilience in downturns and Britain's high pet ownership. Big groups such as IVC Evidensia and CVS now own roughly 60% of Britain's vet practices, up from about a tenth in 2013; three of the six largest operators are PE-backed. Such concentration could dull competition, worries the CMA.

The regulator's proposals—clearer ownership labels, mandatory price lists and a cap on prescription fees—are hardly radical. But the review has cast a shadow. According to Pitchbook, PE deals across Britain's vet industry averaged £810m a year between 2020 and 2023; by late November the figure for 2025 was just £28m, even as dealmaking accelerated in Europe.



The idea that corporate vet groups are merely profiteering machines is misleading, argues Charles Hall, an investment banker. Their operating margins, around 20%, are healthy but not exceptional. Large groups are able to buy equipment such as CT and MRI scanners. And as owners increasingly demand that their pets receive treatments similar in standard of care to humans, arguably such investments make this possible.

The second reason is fewer new pets. The return to the office and the cost-of-living squeeze are making people think twice about adding a pooch to their household. Vet bills have risen nearly twice as fast as inflation since 2020, according to the ONS. The Kennel Club, Britain's main registry for pedigree dogs, reports that puppy registrations surged by nearly 40% in 2021 to a record 349,000, before falling by 21% in 2022, and then by a further 18% in 2023.

This thinning pipeline of new puppies and kittens is the main reason behind falling profits in clinics. After a pet's first birthday, demand for care tends to dwindle to a trickle, rising again only in old age.

The third force is thriftier owners. Squeezed finances mean owners are being choosier: when an animal is ill or injured, people will find the cash. But the sales of fancy leads, personalised collars and toys—all of which beef up vet finances—have slumped, says Guy Killick, of Palace Vets, a family-run veterinary practice.

Britain's fondness for its pets has not dimmed, and demand for treatment will revive as the animals bought during covid-19 snuggle into their silver years. Regulatory clarity may tempt investors back. But for companies hoping for a return to the treats-filled days of high margins and revenue, it's probably time to accept that Britain has left its Greyhound phase and entered its Basset Hound years. ■

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Pints to spare

Britain's dairy farmers are pouring milk away

Blame supercows

3月 26, 2026 05:38 上午



KELLY SEATON'S dairy farm in Cheshire is leaking money. In February her revenue was £20,000 (\$27,000) less than in September: she now gets less for a litre of milk than the cost of producing it. "You start to wonder if it's worth the stress." The problem, she explains, is that Britain is producing too much milk: some 13bn litres in the year to the end of March, 5% more than in 2024-25. This glut has led to average prices dropping by 17% since September.

Charles Goadby, a dairy farmer in Warwickshire, suggests farmers are partly to blame. Last summer prices were healthy. But when a drought forced farmers to replace grass with the nutrient-rich feed usually reserved for winter, these better-fed cows produced more milk. Changing human diets are also a factor. Dairy consumption is dipping, as more Britons choose plant-based alternatives. Sugary cereals, a vehicle for milk, have become less common too.

This copious milk comes from a herd that is smaller than it has been for decades. With the help of robotic milkers, advanced breeding and wearable tech and AI, a cow today produces twice as much milk as one from the 1970s. That puts Britain among the countries, like the Netherlands and New Zealand, with small herds and high output.

Whereas others can convert the excess into butter or cheese, Britain lacks the spare capacity to do so. An alternative is to turn raw milk into powder, but Britain has too few production facilities.

Some dairy farmers are responding by killing Daisy: beef prices are high and farmers need to make money. But fewer cows could, eventually, mean less milk. A smaller herd leaves a farm vulnerable. "If a few cows get foot-and-mouth disease, or bluetongue, you're in trouble," says Mrs Seaton.

The dairy market is volatile by nature. Surpluses abroad don't help. Since the autumn milk prices have dropped by 17% in Europe and 14% in America. Brexit trade barriers also make it costlier and slower for Britain to ship its extra milk.

Lyndon Edwards, who farms in Gloucestershire, expects the milk price to fall further this spring. He understands why his job is unattractive to newcomers. Margins are thin. Supermarkets like to keep staples such as milk cheap. Competition squeezes profits. Since 2019 the number of British dairy farmers has fallen by 20% to about 7,000.

The good news for the industry is that British dairy has fans abroad. Last year, despite the Brexit barriers, it exported a record £2.2bn, mostly to Europe, 17% more than the year before. With more capacity to turn its milk into higher-value butter, cheese and yogurt, Britain could take even more to market. The world will pay for its supercows. ■

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RPC RIP?

What Sir Keir Starmer gets wrong about deregulation

A tilt at a little-known auditor reflects a strategy without a theory

3月 26, 2026 04:44 上午



WHEN IT COMES to deregulation, Sir Keir Starmer, Britain's prime minister, at least has the phrasebook. He promises to "hack back the thicket of red tape", and to shut down the "checkers and blockers". Occasionally he even acts on it: the government intends to reform planning codes for nuclear power stations, for example. Yet his agenda is struggling, because it is a cause in need of a theory. To see why, consider the predicament of the Regulatory Policy Committee.

The RPC has a low profile, a small budget and an unsexy task. It studies the impact assessments that accompany draft new laws or regulations, and judges whether they are sufficiently thorough. Those which show a clear rationale for the policy, a consideration of alternatives, a proper cost-benefit analysis and a calculation of the effect on businesses are given a green rating. Those that fall short are marked red. The findings are public. The government is now considering scrapping it. The focus, the logic runs, should be on improving policies themselves, rather than on the accompanying analysis.

That would be a mistake. If Sir Keir were serious about deregulation, he would consider the RPC a vital ally in changing Whitehall's ways. It does not judge policies' merits: Herod's slaughter of the first-born would get a green rating if he properly assessed the impact on Judea's small businesses. But it is one of the few restraints ministers face against sloppy or rushed rulemaking.

"A government which didn't have public scrutiny of regulatory cost-benefit analysis would find it impossible to control the quality of the regulation it created," notes Joe Hill of Re:State, a reformist think-tank. The quality of analyses has fallen since 2022, according to the RPC's data. The Employment Rights Act, a measure to increase trade-union powers, was among those marked red.

This state of affairs reflects two confusions at the heart of Sir Keir's drive for deregulation. The first is whether the beneficiary of lighter regulation is the private sector, or government ministers. Sir Keir uses them interchangeably; yet often their interests are in conflict. If ministers are freed to "get things done", as he insists, what will often get done is more poorly drafted regulation.

The second confusion is what deregulation is for. Sir Keir characterises it as a basic administrative task: a question of streamlining decisions and processes. But this misses the point. Regulation and regulators are ultimately instruments to achieve

economic or social ends, which are for politicians to define and for which Sir Keir's government lacks a coherent theory.

The pursuit of "growth" is not, by itself, a meaningful instruction for regulators, notes Stuart Hudson, a regulatory-policy expert, in a recent submission to Parliament. It could justify almost any regulatory stance: allowing bills to rise to increase investment, or forcing them lower to benefit consumers; softening merger control to facilitate dynamism, or tightening it to encourage competition. Working out which economic ends regulators pursue matters more than how onerously they do it.

On this score, the government is still working out what it believes. In March 2025 it declared that regulators were "too risk-averse". Yet, ten months later, a report by the National Audit Office (another blocker, no doubt) found that government departments had failed to "articulate their risk appetite" to the regulators they sponsor. Nor was there a "high-level, structured analytical framework" for the relationship between regulation, growth and risk, which the audit office drily concluded makes it tricky to have "informed conversations about risk aversion".

It is easy to blame the regulators. The real problem lay with a vacuum at the top of government. Moving against the RPC would look less like a government with a grand design for a dynamic economy than a fitful one swiping at a soft target. ■

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Agents of influence

The Bank of England's eyes and ears

Even in the age of AI, human intelligence matters for monetary policy

3月 26, 2026 04:45 上午 | Birmingham and Edinburgh



IN A NONDESCRIPT office in Birmingham, Graeme Chaplin nods as a manufacturer complains about increases to the minimum wage. These have not just made lower-skilled workers “unaffordable to employ”, the industrialist says, but prompted senior staff to demand big pay rises. Seasoned employees’ pride requires them to maintain a wage premium over the “young lad who sweeps the floor”.

A month later, in Edinburgh, a property businessman tells a similar tale. The minimum-wage increase has left old-timers paid little more than new-starters. "That just doesn't feel right," he says. Will Dowson, one of Mr Chaplin's colleagues, listens without passing judgment.

Messrs Chaplin and Dowson are not besuited therapists for disgruntled capitalists. They are agents of the Bank of England, serving as the bank's representatives in, respectively, the West Midlands and Scotland. Their job is to tell Threadneedle Street what is happening in the real economy. Each year the bank's agents conduct 6,000 interviews with businesses, from independent restaurants to large conglomerates. The conversations are mostly face-to-face and can be very candid. Mr Dowson says that contacts sometimes tell him sensitive news before almost anybody else. During the financial crisis, he recalls, one executive told him about plans for large layoffs before informing his own board.

Why does the bank bother with such an old-fashioned operation? Reams of near-real-time economic information are produced daily, from credit-card data to Google trends to satellite images of car parks. AI stands ready to synthesise it all at a speed and scale that no network of agents could match. At first glance, the agents seem an anachronism.

Mr Chaplin disagrees. "Agents' intelligence is as important as it has ever been," he says. Andrew Bailey, the bank's governor, has called agents "our eyes and ears". He visits each of the 12 regions at least once a year to hear from businesses directly. Nor is Britain unusual in using such methods. The Federal Reserve publishes its Beige Book, a summary of anecdotal reports gathered by its 12 regional banks, eight times a year.

Agents offer two advantages over other data, says Mr Chaplin. The first is timeliness. Official numbers often arrive slowly and are then heavily revised. Agents' reports can fill the gap. High-frequency

indicators have narrowed this advantage, but not eliminated it. There are still areas, such as business investment, where the latest data are not always publicly available. Take April 2nd last year, when Donald Trump announced large tariff increases. The markets panicked, and calls mounted for emergency action. But businesses were surprisingly sanguine in their feedback to agents, which helped steady rate-setters' nerves.

The second advantage of agents' intel, according to Mr Chaplin, is that it provides the "flesh on the bone": why firms do what they do and what they plan to do next. In Birmingham one manufacturer relates how higher employment costs mean that next year he will focus on investing in AI and automation, not people. A restaurateur talks of the need to cut staff. When that message is repeated thousands of times across the country, it provides further evidence of a weakening labour market.

Anecdotal intelligence has limits. Businesses may not be straight with agents, whether out of embarrassment or a British desire to grumble. Those willing to talk may not be representative; a firm on the verge of insolvency is unlikely to have time to chat with their friendly local central banker. But as Mr Chaplin points out, agents' intel is there to complement more quantitative data, not replace it.

The network has its 200th anniversary this year. Charles Cripps, the first agent, was sent to Gloucester in 1826 with a sub-agent, four clerks and two porters on a mission to increase the circulation of bank notes. The role has since changed almost beyond recognition. It is likely to change again. The bank is already exploring whether large language models can help summarise agents' reports and counteract some human biases. But even as it does so, it may find that some of the best intelligence still begins with a conversation. ■

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Losing grandeur

Britain's diplomatic footprint is diminishing

The country's overseas estate is crumbling and shrinking

3月 26, 2026 04:46 上午



"HARD POWER", Sir Keir Starmer told the Munich Security Conference in February, "is the currency of the age." Such thinking helps explain his Labour government's plans to downsize Britain's Foreign, Commonwealth and Development Office. Spending is expected to fall by an average of 6.1% a year in real terms between now and 2028-29, estimates the Institute for Fiscal Studies, a think-tank: the largest cut to any department, compared with a 1.5% increase across government. The prime minister wants to boost spending on defence; diplomacy will be squeezed.

Foreign aid will be [hit hardest](#). But the Public and Commercial Services Union, which represents some foreign-office staff, expects cuts to all roles, including diplomatic and consular positions. Under current plans, between 15% and 25% of the workforce could lose their jobs. In some sections, the cuts will reportedly be even more severe. There are plans to chop 35% of roles in the analysis directorate, which is made up of subject-matter experts. Entire research areas will stop. On March 16th the union began balloting its members about taking industrial action.

In addition to staff cuts, the foreign office plans to sell off more of its overseas estate, continuing a decades-long process. This has happened under Conservative and Labour governments alike.

Under the Conservatives in 2018, for example, when Boris Johnson was foreign secretary, the British embassy in Bangkok was sold for £420m (\$580m). The grand old building was demolished to make way for offices and shops. Edward Lister, a former aide to Mr Johnson, says he argued against the decision, as embassies are “a little bit of England, with the Union Jack flying”, and laments the loss to the country’s stature. The staff decamped to a nondescript corporate tower nearby.

A valuable chunk of Britain’s compound in Tokyo was sold to Mitsubishi Estate Group, a developer, in a deal completed in 2022. A regular visitor to the embassy calls the sale “distasteful”. The site has a prestigious position opposite the Imperial Palace. “It is now”, one former government adviser says ruefully, “a building site.”

More recently, the former British consulate-general’s office in Paris (pictured) was sold for £6.2m. Britain has also offloaded properties in Bilbao, Bogota, Lusaka and Montserrat. The bean-counters are eyeing a £12m apartment that was bought for a diplomat in New York.

However, large embassy sales of the Bangkok sort are no longer in fashion. Sir Oliver Robbins, the foreign office's top civil servant, told a committee of MPs in December that flogging historic properties could be "more hassle than it is worth". Besides, there aren't all that many left to choose from. According to the National Audit Office, today the foreign office owns only 27% of its properties. Fifteen years ago the foreign office's figure was 46%. Some of those remaining have been gifted by host countries, with conditions stipulating that they cannot be sold.

As for the 73% of its premises that Britain occupies but does not own, the government has often disposed of buildings to raise money, only to have to rent elsewhere or indeed in the exact same place. The consulate-general's office in Munich was sold under a previous Labour government and then leased straight back.

Some of the buildings that comprise the remaining £2.5bn portfolio are in a poor, sometimes even unsafe, condition—15% have been rated as such by the foreign office. Over the past 15 years, according to the response to a freedom-of-information request from *The Economist*, £1.46bn has been raised from auctioning off 215 assets overseas, largely to help fund repairs and upgrades elsewhere.

A long, laborious process of minor sales now looks likely: an office here, a garden there. It promises to be an undignified, if discreet, syphoning off of assets. "We shape our buildings," Winston Churchill said of the reconstruction of the House of Commons after the second world war, "and afterwards our buildings shape us." Britain's crumbling diplomatic footprint will do much the same.■

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Good or bad ODA?

Britain's foreign aid morphs from open-handed to hard-headed

Overseas assistance has to become smaller and smarter

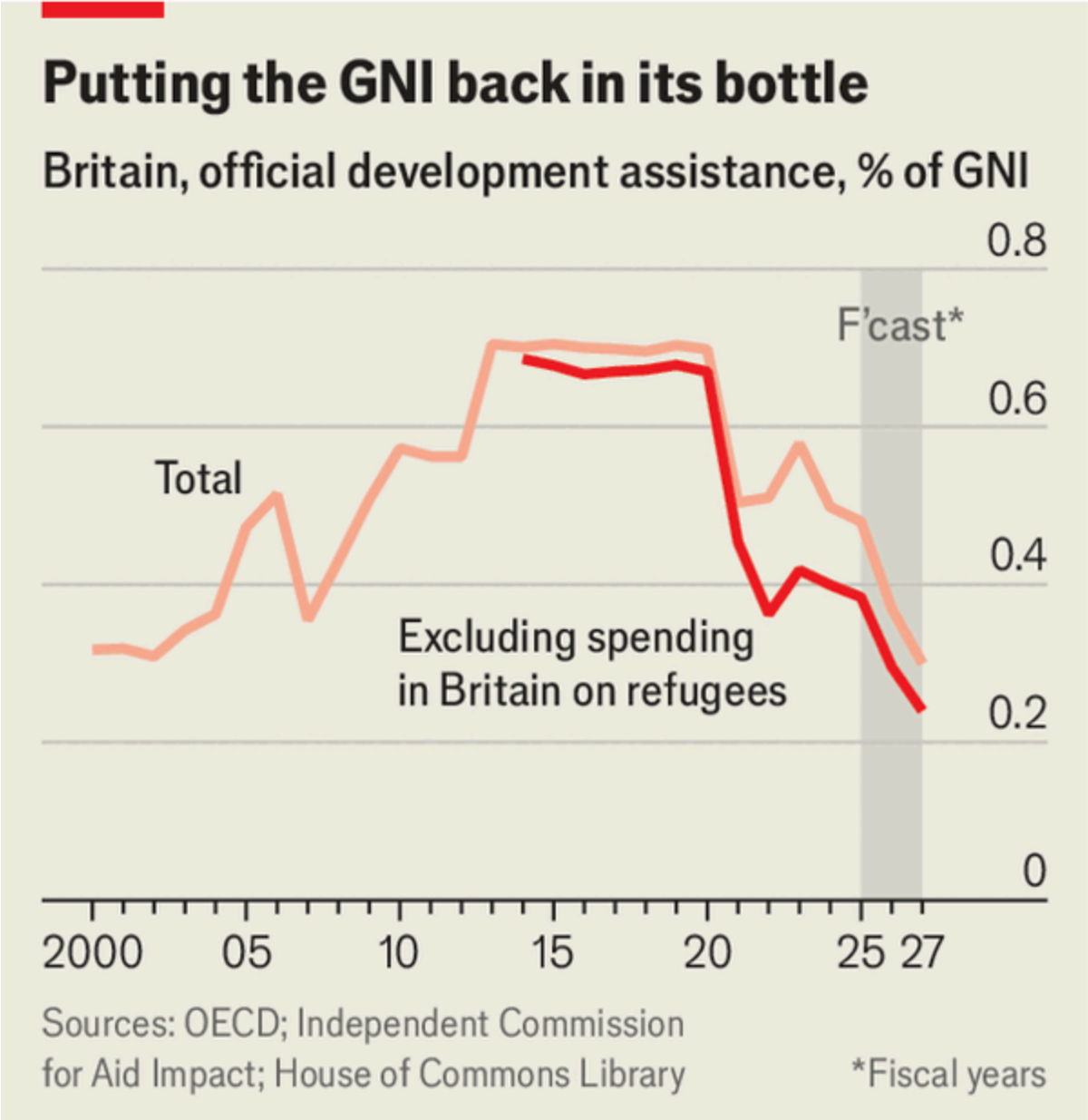
3月 26, 2026 04:45 上午



Help used to be on its way

"AID IS A peculiar thing," says Stefan Dercon, former chief economist at the Department for International Development (DfID). "You take some of your own money and spend it in the interest of people other than your own citizens that pay the taxes." But at its best it has helped achieve extraordinary progress. Foreign aid, or "official development assistance" (ODA), peaked in 2023 when

\$240bn was provided globally, and has been a big contributor to the decline of deaths from AIDS, malaria and vaccine-preventable diseases. Britain has often been at the forefront, both in terms of spending levels and expertise—in particular since 1997 when DfID was born. In 2013 Britain became the first G7 country that met the UN’s aid target of 0.7% of gross national income (GNI).



That era is over. In 2020 DfID was controversially melded back into the Foreign Office. A year later the ODA budget was cut from 0.7%

of GNI to 0.5%. Then the Labour government slashed it to 0.3% of GNI by 2027. Even that slim share involves creative accounting that follows “the letter but not the spirit of ODA”, notes Nilima Gulrajani of the Overseas Development Institute, a think-tank. About a quarter of the previous three years’ ODA budgets has been devoured by Britain’s domestic spending on refugees, so the amount going overseas—much of it to Ukraine—will be closer to 0.2% of GNI (see chart). The government’s newly announced allocations for aid programmes mean that bilateral aid to sub-Saharan Africa will have shrunk by half between 2024 and 2028.

Britain’s paltry growth and its cost-of-living squeeze are part of the explanation. “You don’t feel very generous towards other countries if you think you’re struggling yourself,” says Ian Mitchell, of the Centre for Global Development (CGD), another think-tank. But a deeper reason is a new geopolitical reality.

Tougher love

Many countries are prioritising hard power over soft; and national interest, not altruism, increasingly dictates how aid money is spent. In his second term Donald Trump set about dismantling USAID, America’s main aid agency. Marco Rubio, his secretary of state, has set out three tests for American aid: every dollar spent must either make America safer, stronger or richer. Other big donors, including Germany and France, have announced billions of euros-worth of aid cuts too. In Britain the prime minister, Sir Keir Starmer, has said the country’s aid cuts were to fund higher defence spending.

A different world

Britain, official development assistance budget, change between 2012-26, £m



*2026 prices

Source: Foreign, Commonwealth & Development Office

What impact will this have? Analysis by members of Bond, an NGO group, last year predicted that the announced 24% cut in British funding of Gavi, an international vaccination programme, and a 15% cut to the Global Fund to Fight AIDS, Tuberculosis and Malaria would lead to at least 500,000 fewer lives saved over four years. A 30% reduction in Britain's aid programmes for sexual health could possibly mean an additional 600,000 unsafe abortions across Africa over three years.

Britain's reputation has taken a hit. Aid has always been an instrument of soft power, giving "tremendous access" to governments, notes Nicholas Westcott, a former ambassador to several African countries. Currently, 11 countries receive £100m-plus in aid, down from 21 in 2013, after adjusting for inflation. Countries such as China and Russia can pose as more reliable finance and security partners, without replacing contributions to vital aid sectors such as health and education.

But the upheaval also presents an opportunity to do things better. Criticism of aid's shortcomings in lifting countries out of poverty—that it creates dependency and removes incentives for real change—had been mounting. A sharper focus on areas where aid efforts have proved most effective, primarily humanitarian emergencies and health crises, makes sense.

Jenny Chapman, the development minister, has been crafting a new approach with fewer resources. In future a higher share of ODA will be channelled through fewer multilateral organisations (such as Gavi and the Global Fund) which are generally better at raising the money, tackling cross-border issues and reducing duplication. They are more efficient and transparent too: when CGD created its "quality of ODA" index in 2021, the top five donors were all multilaterals. One of them, the African Development Fund, stands out for being African-led and able to gain access to regions that bilateral aid cannot.

Smaller but smarter

Lady Chapman has prioritised humanitarian aid in conflict-stricken countries. As for boosting economic growth in poor countries, she has called for a shift from being a “donor” to an “investor” via British International Investment, the government’s development-finance body. This reflects similar thinking in America and France, based on a belief that financing local businesses can spark growth that sustains itself. A new era of shrunken ODA budgets will mean, with luck, that poor countries evolve from being “recipients” to becoming business-led “partners”.

A report from Chatham House, a think-tank based in London, urges Britain to team up with like-minded donors such as Australia, Canada, the EU and Japan. They could pool resources, cut duplication and co-operate more closely—a NATO for aid, in effect. Schemes such as the Global Clean Power Alliance, a British-led initiative with 12 countries and the African Union, already point the way forward. Britain, which is hosting an international-development conference in May and presiding over the G20 next year, is well placed to facilitate this shift to the next, harder-headed era of aid. ■

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Boogie monster

ByteDance is swallowing the internet—in China and beyond

Can anything stop its stunning rise?

3月 26, 2026 05:35 上午 | Hong Kong and Shanghai



SINCE IT WAS founded in 2012, ByteDance has grown to become the world's premier application factory. The Chinese giant, which began as a news aggregator, is these days best known as the company behind TikTok and its domestic equivalent, Douyin, which together are used monthly by close to 3bn people around the world. The company churns out so many other mobile apps that its employees struggle to keep track. Its portfolio now spans everything from video editing and workplace collaboration to chatbots.

A [deal consummated in January](#) to sell 80% of the American division of TikTok to Oracle, a software giant, and other investors friendly with President Donald Trump has ended a distracting saga for ByteDance, which secured a surprisingly advantageous arrangement (it is reportedly leasing its algorithm to the new business in return for 20% of its revenue, and continues to operate TikTok Shop, the accompanying e-commerce unit, in America).

Since then, investors have become even more bullish about its prospects. In November the unlisted firm was valued in a secondary transaction at \$480bn; in February the figure reached \$550bn. Among private companies only OpenAI, the world's leading artificial-intelligence lab, and SpaceX, Elon Musk's rockets-to-chatbots conglomerate, are worth more. Its vast user base makes it the world's second-biggest social-media company, behind only Meta, owner of Facebook and Instagram. It is also fast becoming an e-commerce powerhouse and one of China's top AI companies. Its continued ascent is making rivals at home and abroad increasingly nervous. Can anything stop its rise?

Start with ByteDance's business in China, which is believed to have accounted for around three-quarters of its estimated \$155bn in revenue in 2024. Its "content-to-cart" business model, which blends entertainment and shopping, has made it the country's third-largest e-commerce firm, with 4trn yuan (\$580bn) of goods sold through its platforms last year. Douyin has evolved into a thriving marketplace. Posts about products are interspersed among cat videos; beloved influencers peddle wares during live shopping events. Hongguo, ByteDance's micro-drama app, likewise encourages users to buy items that feature in the [two-minute soap-opera episodes](#).

ByteDance has ventured into other businesses, too. Its food-delivery service is growing quickly, eating into the sales of Meituan and other incumbents. An app launched last month offering coupons for in-person consumption, called Dou Sheng Sheng, quickly shot to the top of local charts. ByteDance's breadth of apps, and the reams of

data it gathers on users, have reportedly now made it the country's largest digital advertiser, displacing Alibaba, the e-commerce colossus that had held the position since the mid-2010s.

AI is further fuelling ByteDance's rise. Doubao, its chatbot, is the most popular in China, with 315m monthly users as of February. Offering access to the models that power it has helped ByteDance lure yet more enterprises to its cloud platform, which has also been rapidly expanding.

ByteDance's AI ambitions are lofty. It hopes to turn Doubao into an intelligent super-app that can perform all manner of digital transactions with a simple instruction from a user, a goal also being pursued by rivals such as Alibaba. In December ByteDance teamed up with ZTE, a struggling device-maker, to launch a smartphone pre-loaded with an AI assistant able to read what is on its screen and perform various tasks, including making purchases on a user's behalf.

The experimental gadget, of which just 30,000 were made, sold out in days. But it quickly ran into snags. When the AI assistant attempted to use applications developed by rivals, it was blocked. Handling payments also proved problematic. ByteDance has its own payments system, but it has not been widely adopted, and its apps rely on those of Alibaba and Tencent, the company behind WeChat.

That points to one of the brakes on ByteDance's expansion. Its established competitors have spent years building infrastructure such as payment systems and logistics networks, notes Poe Zhao, a technology analyst and author of the Hello China Tech newsletter. ByteDance has so far skimmed on such investments.

An even bigger problem is its poor relations with China's government. Zhang Yiming, ByteDance's founder, resigned as chief executive and then chairman in 2021 amid a campaign by authorities to rein in tech moguls. But insiders say the government is still not at

ease with the company's influence. Consider the high-profile meeting last year between President Xi Jinping and a group of Chinese entrepreneurs, which was widely viewed as signalling a thaw in relations with the tech industry. Jack Ma, Alibaba's founder, who was also caught up in the crackdown, was present. Mr Zhang was not. The government has become more comfortable with strong e-commerce firms, but it does not want a social-media company to become too powerful. China's rulers jealously guard their control over public opinion.

Frosty relations with the government may also complicate ByteDance's continued expansion abroad. The company is rare among China's internet giants for the success it has had overseas in both poor countries and rich ones. ByteDance, which claims not to have a headquarters, has achieved that in part by setting up large foreign operations.

The Chinese government, however, is uneasy about the number of domestic companies shifting all or part of their activity to places such as Singapore (where TikTok is largely based). It has barred two co-founders of Manus, an AI company that relocated from China to the city-state last year, from leaving the mainland as it scrutinises a proposal by Meta to buy it. The government does not want China's technology to flow freely overseas, and would prefer jobs and profits remain at home.

That could trip up ByteDance's plans for a public listing. The only venue that could satisfy both China's government and the company's foreign investors, which include a number of American venture-capital firms, is Hong Kong. But Chinese regulators are starting to demand that domestic companies which list their shares in the city be incorporated there or on the mainland. That will be a challenge for ByteDance, whose complex holding structure is incorporated in the Cayman Islands to attract investors from across the world.

Sensitivity over the sharing of technology is also beginning to strain collaboration between ByteDance's China and overseas divisions, notes a former employee. Diverging rules for AI will only complicate matters further. Seedance 2.0, an AI video-editing app that ByteDance released in China in February, has been wildly popular at home. Before it could be released abroad, however, the company received complaints of alleged copyright violations from foreign media businesses, including Disney and Paramount. The app's global launch has reportedly been suspended. So far, ByteDance has succeeded in straddling the divide between China's internet and that of the West. That, however, will only grow more difficult. ■

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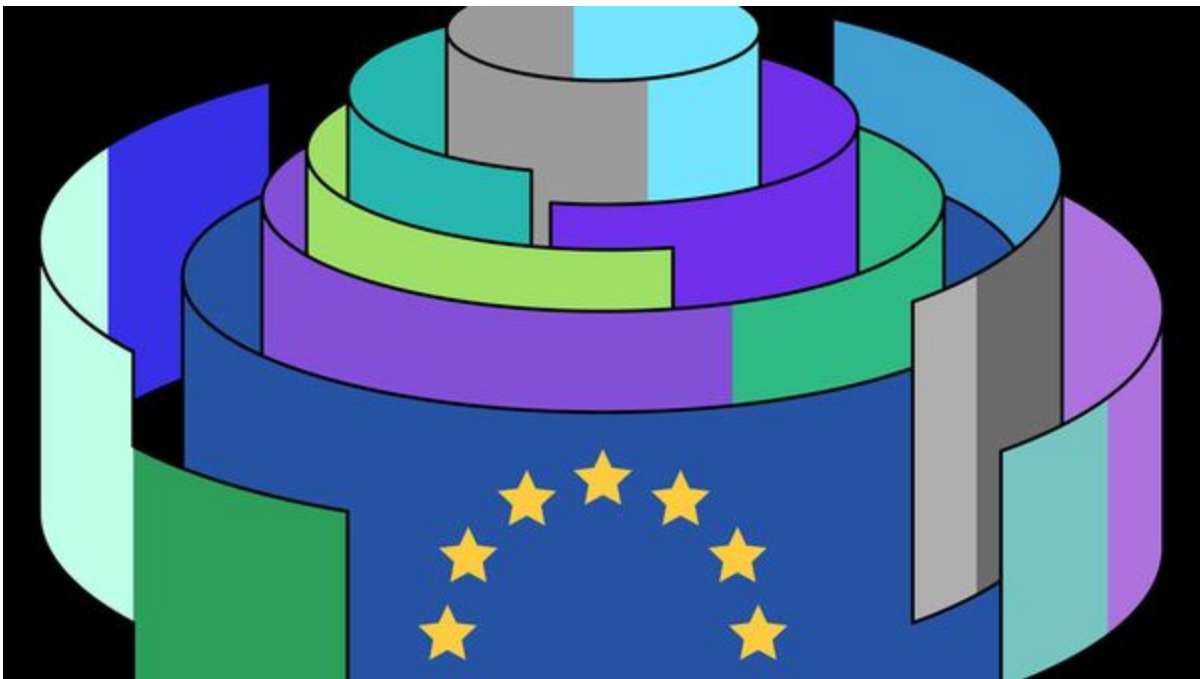
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Seeking scale

Will the EU's new merger rules unleash a wave of dealmaking?

Don't hold your breath

3月 26, 2026 04:46 上午 | BRUSSELS



HOW DO YOU compete with Elon Musk? It is a question that the bosses of Airbus, Leonardo and Thales, three European aerospace firms, have been grappling with. Their satellite businesses have been crushed by Mr Musk's SpaceX and its rival Starlink system. In response, the trio announced in October that they would seek to merge their space divisions in the hope of creating a European champion.

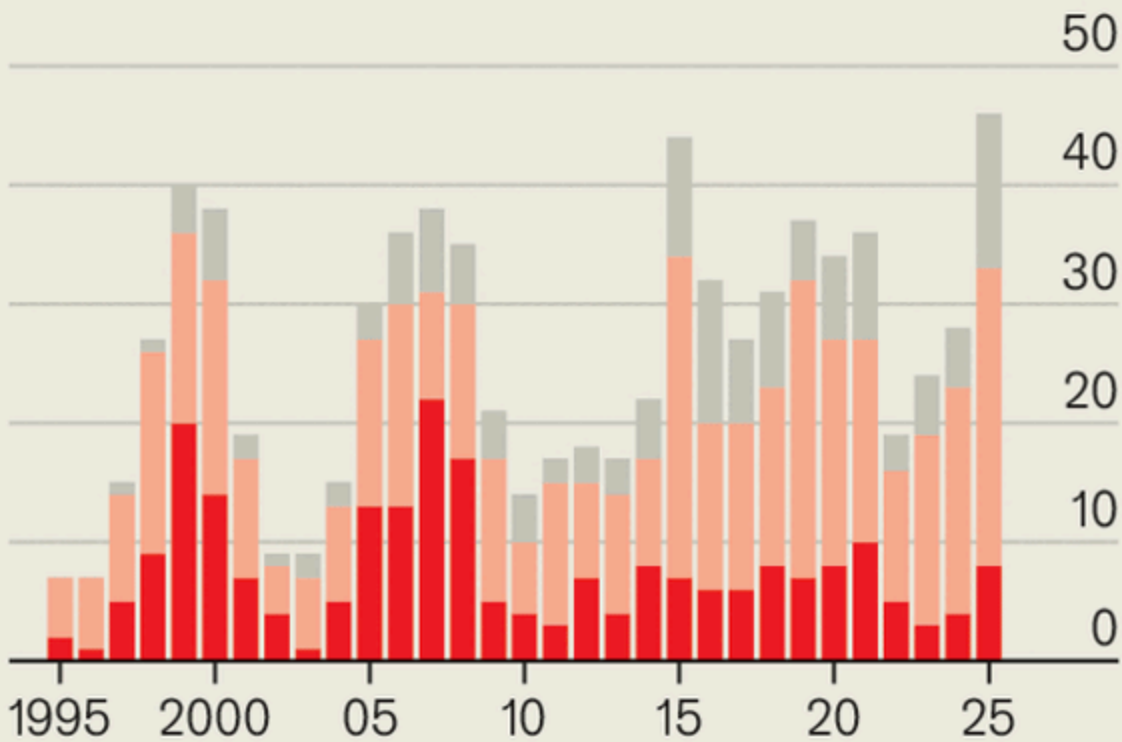
Whether Brussels will let them remains an open question. The decision will serve as a test of the European Commission's new merger guidelines, a draft of which is expected to be released in the coming weeks. Mega-mergers have long been tough to pull off in the European Union. In 2019 its executive arm blocked the combination of the continent's two largest train-makers—France's Alstom and the rail division of Germany's Siemens—that supporters had argued would allow the companies to compete better with ascendant Chinese rivals.

Since then, however, the deterioration of Europe's global competitiveness has led some policymakers to soften their opposition to tie-ups. A hallowed report in 2024 by Mario Draghi, a former Italian prime minister, on the bloc's economic woes argued that its strict approach to mergers prevented its firms achieving the scale needed to compete abroad. Later that year Ursula von der Leyen, the commission's boss, asked Teresa Ribera, her competition chief, to develop new merger guidelines that would ease the way for European firms to reach global prominence.

Going solo

Global M&A deals* announced,
by country of acquirer

■ Europe ■ United States ■ Other



Source: Dealogic

*Strategic deals above \$10bn

The dealmaking frenzy under way across the Atlantic has also been noted in Europe. Under President Donald Trump America's competition authorities have become far less stringent than they were under his predecessor. Last year the Department of Justice and the Federal Trade Commission between them sued to block three mergers, down from an average of six deals annually in recent years, according to McKinsey, a consultancy. Worldwide 45 mergers worth \$10bn or more were struck in 2025, up from 28 the year before, according to Dealogic, a data provider (see chart). American

companies were the acquirer in 25 of these deals (of which 22 involved American targets). European buyers accounted for eight (of which three were European targets). Yet those in the old continent hoping for a consolidation bonanza could be disappointed.

One problem is that there are many industries in the EU where there is little scope for further consolidation. We looked at the concentration among listed firms across 40 industries. In 22 cases the biggest four companies by sales captured over three-quarters of the industry total in the EU, compared with 16 such cases in America. In nine cases just two companies made up three-quarters of sales, compared with six cases in America. European firms such as SAP, a maker of enterprise software, and BASF, a chemicals colossus, loom large over their industries. Allowing already dominant companies to buy whatever European competitors remain would offer little in terms of additional economies of scale, and almost certainly result in higher prices for customers.

Still, there are a number of industries in which Europe remains relatively fragmented. America's four biggest banks account for 54% of their industry's total assets, compared with 38% in the EU. AT&T, Comcast, T-Mobile and Verizon account for 94% of America's telecoms market, whereas the top 17 companies make up the same share in the EU. Even at the national level, European telecoms is typically less concentrated than it is in America.

Firms in both industries are eagerly looking for tie-ups, and argue that, by combining, they will have more financial heft to invest and innovate. UniCredit, an Italian bank, has recently renewed its pursuit of Commerzbank, a German lender. European telecoms bosses seem incapable of discussing much else.

Many wonks in Brussels, however, still appear to have doubts. In a recent report, a group of economists at the commission argued that over the past decade the EU's big telecoms have, on average, generated profits greater than their cost of capital, meaning they

should not need margin-boosting mergers in order to continue investing in infrastructure and the like. Eurocrats talk in private of relatively modest changes to the merger guidelines, rather than a complete overhaul.

Europe's national competition authorities pose another obstacle. Last year UniCredit abandoned its pursuit of Banca Popolare di Milano following opposition from the Italian government. Its efforts to acquire Commerzbank have been resisted by Germany's government, which has called its latest proposal "unacceptable". A lawyer at an investment firm says that national regulators are expanding their reach by using "call-in powers", which let them review mergers even when the local sales of the companies involved are so low that they wouldn't usually have a say.

If European companies are prevented from merging with others in their industry, some may explore tie-ups with adjacent businesses. On March 22nd Poste Italiane, which runs Italy's national mail service, made a bid to acquire Telecom Italia. How significant the economies of scale would be from such mergers, though, is unclear. Conglomerates are [hardly in fashion](#) these days. If Europe wants more corporate giants, it will have to address the deeper reasons why its businesses struggle to compete on their own. ■

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Silicon scandal

A new case of chip smuggling shows the limits of export controls

Contraband AI gear continues to make its way to China

3月 26, 2026 04:45 上午



IN THE RACE to dominate artificial intelligence, China has largely closed the gap with America in software. But it remains far behind in hardware. Chips developed by American companies, chiefly Nvidia, account for over 95% of global AI computing power. Since August 2022 America has barred Nvidia from selling its most advanced processors to Chinese firms, forcing them to rely on domestic suppliers.

Yet suspicions persist that they are still getting their hands on Nvidia's prized silicon. On March 19th federal prosecutors charged Yih-Shyan Liaw, co-founder of Supermicro, alongside an employee and a contractor of the American equipment-maker with smuggling \$2.5bn-worth of AI servers containing advanced Nvidia chips to Chinese customers. Supermicro's share price fell by a third the following day.

Nvidia insists that illicit diversion is a "losing proposition", since such servers will receive no service or support. And for now the trade remains relatively small; the value of the servers in question represents a tiny portion of the \$194bn-worth of AI hardware the firm sold in the 12 months to January. Even so, the timing is bad. In December Donald Trump relaxed an earlier ban on the sale of its China-specific H200 chips. On March 17th Jensen Huang, Nvidia's boss, said that orders were at last starting to flow again.

The Supermicro episode has re-energised China hawks in America, who want tighter controls. At the same time, however, it points to the limitations of such measures, because a complex supply chain makes them difficult to enforce.

Prosecutors allege that Mr Liaw used brokers to order servers containing advanced Nvidia chips on behalf of a "pass-through" entity in South-East Asia; many were assembled in America and shipped to that entity, then repackaged in unmarked boxes and sent on to China. To fool customs inspectors, those involved allegedly created thousands of "dummy" servers to sit in the warehouses where the buyer claimed to store the equipment.

Supermicro, which was not named as a defendant, says it has a "robust compliance programme" and is co-operating with the investigation. Yet the company is no stranger to controversy. In 2018 it was temporarily delisted from the Nasdaq for failing to file financial statements. In 2024 EY resigned as the company's auditor, citing concerns about its internal controls.

Mr Liaw's is not an isolated case. In December American officials said they had broken up a ring that had exported or tried to export at least \$160m-worth of advanced Nvidia chips to China. In February last year three men were arrested in Singapore over the sale of \$390m-worth of servers incorporating Nvidia chips; prosecutors say these were directed through Singapore before being sent to Malaysia.

Such episodes show how export bans are hard to police. Nvidia designs its chips, which TSMC, a chip manufacturer, then produces, mostly in Taiwan. Equipment-makers such as Supermicro assemble them into data-centre servers, which then pass through a web of intermediaries before reaching customers. Smuggling is not the only problem. Some Chinese companies may also be accessing Nvidia's chips through cloud services in countries such as Malaysia. The Bureau of Industry and Security, the American agency that enforces export controls, is thinly staffed.

Some policymakers want to tighten the net. One bill currently in Congress would require advanced processors to include location-tracking mechanisms. Another would give lawmakers 30 days to review and block sales of such chips to adversaries, similar to their power over arms exports. Industry executives remain sceptical, arguing that the cat-and-mouse game is futile. With so much profit at stake, chip smugglers will only get more creative. ■

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Bartleby

Welcome to emoji school

OK boomers! Your questions answered

3月 26, 2026 04:45 上午



HELLO AND welcome to our emoji-training webinar. This session is aimed primarily at older workers who still do not have a clear grasp of what emojis to use and when, but it is open to people of all ages. I can see that most of you have done your preparatory assignment on what exactly the monocle emoji means. We'll discuss that later in the session, and also do some emoji tests. First, though, let's just dive in and open it up to questions.

I don't know whether it's appropriate to use the heart emoji at work. Am I implying that I am in love with the person?

Great question. It depends on whether you are using a reaction emoji (that's the small one that attaches to a specific message), which is clearly a response to what has just been said. If you send a heart emoji as a reply on its own, you are basically proposing.

I told my boss that I would not be at work one week because I was suffering from amoebic dysentery. I then got a notification that she liked my message. I've lost half my body weight and she's apparently taking pleasure in my misfortune.

If you do a thumbs-up reaction emoji on some platforms, it tells the other person that you "liked" their message. Your boss should have written back but she was probably acknowledging your message rather than rejoicing in it. Some Gen Zers regard thumbs-up emojis as a bit frosty, by the way. This is why.

When someone makes a weak joke on a group channel, I feel under tremendous pressure to put that silly face with tears rolling down its cheeks. I haven't laughed out loud since 1997 so this feels completely insincere. Is there a thin-smile emoji that I could use instead?

There is, but it would not be wise. The tears-of-joy emoji is the equivalent of that small snorting sound people make in real life when they want to acknowledge a failed attempt at humour. If you ever do find something genuinely funny, use the tears emoji tilted to the side. This implies actual amusement.

I frequently make weak jokes, and everyone responds with those faces with tears running down their cheeks. I think they might be mocking me. How can I tell?

Are any of them tilted?

The emojis are too small for me to see properly. And when I do zoom in on them, I still don't know what they mean.

I hope that this session will help! But also, try not to worry. A sense of perpetual confusion is part and parcel of working in any office environment. This is just a variation on that feeling.

I work at an aubergine farm—

You'll see that I've muted this person. Someone makes a variation on this joke at every session I run (in America, they use the word "eggplant").

I have just gone back over a WhatsApp thread and realised that instead of sending a crossed-fingers emoji, I sent the middle-finger one. The person involved has not replied, which is unlike him. What should I do?

Send a fulsome apology, explain what happened and add at least 25 tears-of-joy emojis at the end. Don't tilt them.

I still find the whole emoji thing totally infantilising. I'm supposed to let off a virtual party popper when we make a sale. Why? I'm not three.

It's part of joining in. People used to celebrate things by getting drunk at lunchtime. Emojis are cheaper, faster and healthier.

I sometimes put nothing but a thumbs-up in a message on Slack and am taken aback by how big it looks.

I'm not sure what your question is.

Is there an emoji I can use that is studiously neutral?

Yes! The thinking emoji is the graphical equivalent of saying "let's take this offline". It shows you have read the message, makes you look thoughtful and commits you to absolutely nothing.

Sometimes I am on a video call and lots of little thumbs-up gestures will suddenly rise from the bottom of my screen to the top, like bubbles in an aquarium. I get totally distracted by it, and if I am speaking, often forget what I am saying. Can I stop the little hands? (By the way you muted me earlier, for reasons I don't understand. I'm the person who works in aubergines.)

Sorry about that: a genuine mistake and the first time I have encountered that situation. I'm afraid you cannot control the little hands. Try and think of them as the digital equivalent of people nodding; that might help.

A few of my colleagues put a palm tree by their names on Slack. I know it means that they care about the climate. I'd like to show my commitment to the planet, too, but cannot find the emoji. Can you help?

Where's that thinking emoji? ■

Step inside the world of work with our [Bartleby newsletter](#). Each week our white-collar oracle muses on the agonies of office life.

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Oil change

The war's biggest corporate winners and losers may surprise you

Markets are beginning to signal the long-term consequences of the surge in fuel prices

3月 26, 2026 04:46 上午 | Washington, DC



Running on empty

FOR MANY businesses, a jump in fuel prices is a one-two punch. First comes the rise in input and operating costs, which compresses profit margins. Then, before bosses have got their bearings, the second jab lands: their customers start penny-pinching. Nearly all households in America own a car; most own two or more. When

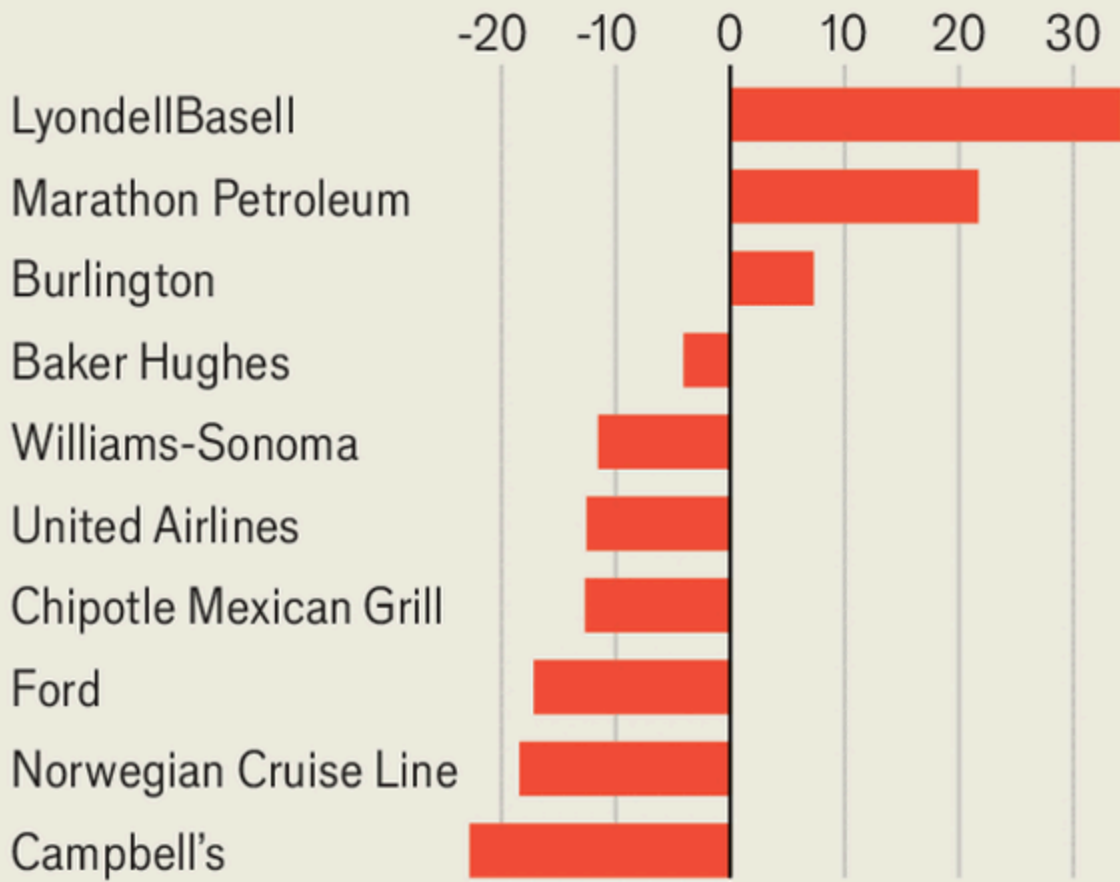
petrol prices rise from around \$3 a gallon to \$4 they end up spending over \$1,000 more per year on the fuel. For a typical household, that is an eighth of their discretionary spending—meaning money is diverted from things such as eating out, clothing and entertainment.

It has been almost a month since America first bombed Iran, killing Ali Khamenei, its supreme leader. At the start of 2026 oil prices were around \$60 per barrel. In March they have swung wildly as the intensity of the conflict has gone up and down and on news about efforts to mitigate the impact, but have gyrated around \$100. Consumers are already feeling the pinch: at the pump average petrol prices are \$4, up from \$3 at the end of February.

For American businesses, that creates winners and losers. Some are obvious. Higher prices are good news for the oil-and-gas sector, [at least in the short term](#). Its listed companies have seen their share prices rally by an average of over 8% since February 27th. Airlines and cruise operators, by contrast, are suffering. Most carriers in America long ago abandoned hedging their fuel costs using futures contracts. The share price of American Airlines has slumped by 20% since the end of February, while that of United is down by 13% (Delta, which is more insulated because it owns a refinery in Pennsylvania that supplies three-quarters of its domestic fuel, has seen its share price rise by 3%). Firms that rely on discretionary spending including Chipotle, a fast-casual Mexican chain, Nike, a sportswear-maker, and Williams Sonoma, which sells posh kitchen equipment, have lost 12-15% of their value since the end of February.

Over a \$100 barrel

Share prices, Feb 27th-Mar 25th 2026, % change



Source: Bloomberg

Elsewhere, however, the impact is more surprising (see chart). You might think that companies which make chemicals from hydrocarbons would suffer because of higher costs for both energy and feedstock. Yet the share prices of LyondellBasell and Dow Chemicals, two of America's biggest producers, are both up by around 30%. Unlike competitors abroad, they benefit from access to North America's natural gas, which is now much cheaper than that elsewhere. CF Industries, a fertiliser manufacturer that uses that gas an input for ammonia, has likewise seen its share price surge.

Some pedlars of discretionary wares are also doing well. Burlington, a discount department store, is up by around 7% over the past month, as investors bet that shoppers will soon be hunting for bargains. At the same time, some companies making essential products are feeling the heat. Shares in packaged-food producers including Campbell's and General Mills have tumbled by more than 20% since the war began. Investors reckon these companies, which jacked up prices during the previous inflation wave following Russia's invasion of Ukraine in 2022, will be [unable to repeat the trick this time](#). Many shoppers have already switched to private-label alternatives—which should help to offset any pressure on grocery-sellers such as Costco, Kroger and Walmart (whose shares are broadly flat).

On the whole, investors are expecting that companies will face higher costs and thriftier consumers. But what of the long-term consequences of the conflict? Here the signals are weaker, but worth paying attention to. Baker Hughes, which provides services and equipment to oil companies, would benefit if higher fuel prices led to a surge in investment. But, after swooning initially amid concerns over the impact on their projects in the Middle East, its shares are trading just below where they were before the crisis began, which may reflect doubts that production will rise much in response.

A lasting increase in fuel prices would have a big impact on carmakers. Ford and, to a lesser extent, General Motors have seen their share prices reverse since the war began. Partly that reflects the coming strain on would-be car-buyers. But it may also point to a less petrol-powered future. Shares in BYD, China's electric-vehicle champion, are up by 15% since the start of the conflict; those of CATL, a big battery-maker, are up even more. The repeated oil shocks of the 1970s dealt a heavy blow to Detroit, as consumers turned away from gas-guzzlers and purchased fuel-efficient Japanese cars instead. For now, the course of the war remains unclear. But businesses should recognise that the repercussions will still be felt well after it ends. ■

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Well lubricated

How much will America's oilmen benefit from the Iran war?

Less than the Trump administration thinks

3月 26, 2026 04:45 上午 | Houston



"MARKETS DO WHAT markets do." So Chris Wright enlightened a Houston ballroom full of oilmen on March 23rd. America's energy secretary was the opening speaker at CERAWeek, an industry jamboree, where he set an upbeat tone. War may be raging and oil markets gyrating; but in America's shale capital, good times were to be had.

After all, in Texas \$100 oil is usually cause to pop champagne. Rystad, a consultancy, estimates that if prices average that level over the year, American oil firms will enjoy a windfall of over \$60bn. Sellers of liquefied natural gas (LNG) also stand to benefit handsomely, as the shutdown at Qatar's national energy company renders nearly a fifth of the world's supply unavailable, possibly for months. The share price of Venture Global, an American LNG firm, has doubled in the past month. The mood at its CERAWEEK party was ebullient.

For Mr Wright, a former shale boss, it seemed there was little not to like about the war. "Prices have not risen high enough yet to drive meaningful demand destruction," but are up sufficiently for producers to start cranking out more supply, he declared. There is, however, [cause for sobriety](#): on three counts.

First is the war's uncertain duration. President Donald Trump appears to be [looking for a way out](#) of the conflict, though it could well last for months, especially if Iran keeps the Strait of Hormuz choked off. At CERAWEEK Jim Mattis, a retired general who served as secretary of defence during Mr Trump's first term, described in detail how Iran could maintain its grip over the shipping route. "I can't identify a lot of good options," he concluded. Even so, Mike Wirth, boss of Chevron, cautioned that markets are trading on "scant information".

That uncertainty may keep America's drillers from ramping up supply—a second reason to temper the enthusiasm. Shale executives at CERAWEEK made it clear that they intend to stick to capital discipline; their investors lost some \$300bn in the previous shale bust and have not forgotten it. Raoul LeBlanc of S&P Global argues that there will need to be at least two quarters of \$100 oil and a futures curve soaring upwards to persuade them to expand capital expenditure (currently the curve is going in the opposite direction).

Matthew Bernstein of Rystad adds that low prices and investment cuts last year have run down the working inventory of wells that can quickly be brought online. And even if drillers were to start investing immediately, it would take “three to nine months to show up in volumes”, according to Fraser McKay of Wood Mackenzie, another consultancy.

The natural-gas market in America may prove even less responsive. It is largely insulated from global gyrations: low prices continue to prevail at the Henry Hub, the domestic benchmark, even as they soar elsewhere. Enrique Gonzalez of BloombergNEF, a research group, argues that this makes it “unlikely for the Iran conflict to drive US natural-gas production growth in the short to medium term”.

The lack of a supply response will keep global prices—and profit margins—high. But in the long term it will also add fuel to a third problem: demand destruction. There is already evidence of this in Asia, the [region most reliant](#) on Middle Eastern energy. Even before the conflict, some predicted that global demand was set to peak within a few years, thanks to the policy threat from climate legislation and the innovation threat from cheap renewable power and electric vehicles. For now, America’s oilmen are celebrating. When they reconvene next year, the mood may be less buoyant. ■

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Food poisoning

Big food's troubles go from bad to worse

High prices and healthier diets are gnawing away at sales

3月 26, 2026 04:45 上午



NEARLY A CENTURY ago the unlikely combination of a margarine business and a soapmaker created Unilever, one of the world's largest conglomerates. Now it is being unwound. On March 20th the British company announced that it is exploring selling its remaining portfolio of food products, which includes Hellmann's mayonnaise, Knorr soups and Marmite, to McCormick, an American spicemaker, having rid itself of its ice-cream division last year. That would leave the company focused on personal-care and household-cleaning products.

It has been a [bruising few years](#) for makers of snacks, spreads and other pre-made edibles. The value of packaged-food companies in the S&P 500 has declined by a third from a peak in mid-2023, even as the index as a whole has risen by three-fifths. The industry outperformed during the post-pandemic surge in inflation, during which it managed to pass on rising costs to consumers—and then some. Between 2021 and 2024 large food brands increased their prices in America by a cumulative 11 percentage points above inflation, reckon analysts at TD Cowen, an investment bank.

That, however, left them vulnerable to competition. Shoppers turned to cheaper private-label offerings from retailers such as Costco and Aldi, as well as upstarts. Goodles, a macaroni-and-cheese brand launched in 2020 and endorsed by Gal Gadot, an actress, has already captured 6% of the market in America. That has been bad news in particular for Kraft Heinz, which last year said it would break itself up. Its new boss, who took over in January, has paused the separation in order first to get the business on surer footing.

That will not be easy. War with Iran, and the resulting spike in energy prices, has raised the prospect of another wave of inflation. Already there are concerns that the industry will face a surge in the cost of plastic packaging. Raising prices for shoppers, whose patience has already been tested, may prove difficult.

Pressure is also mounting on the industry from consumers' growing interest in healthy eating. Google searches related to ultra-processed foods have risen 30-fold worldwide since the start of 2022, helped by campaigners such as Robert F. Kennedy junior, America's health secretary. In January five American states barred recipients of federal food vouchers from using them to buy sweets and other items of dubious nutritional value. Several more are set to follow. Nor is Uncle Sam the only one waging war on big food. In January British regulators announced a [ban on advertising junk food](#) online, and before 9pm on television.

Then there is the impact of weight-loss drugs such as Wegovy and Zepbound, which are spreading rapidly [across America and beyond](#), and not just among the obese. A survey published last year by EY, a professional-services firm, examined the change in spending patterns of consumers already taking them, and concluded that weight-loss drugs could erase a cumulative \$12bn of snack sales in America over the next decade, around 3% of the total. And although most users currently live in the rich world, generic versions are beginning to roll out in India and other markets in the global south, which company bosses had been eyeing as a source of future growth.

Big food is aware of the difficulties that lie ahead. Many of the industry's largest companies have developed new product lines aimed at health-conscious shoppers. And nearly all have appointed a new chief executive since the beginning of 2025. That includes Nestlé, the biggest of the bunch, which last month said that it too would sell its ice-cream business. Among other things, the Swiss company is betting on healthy frozen meals. On March 23rd Danone, a French dairy giant that has benefited from the rising popularity of yogurt, announced that it would gobble up Huel, a British maker of protein-packed meal-replacement drinks. For Unilever, however, meal-time is ending. ■

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Social media on trial

Meta and Google face a reckoning over social-media addiction

A landmark verdict in California could have far-reaching consequences

3月 26, 2026 04:45 上午



Full-court press

AMONG THE 17m American children who use Instagram, the average time spent scrolling the app each day is 30 minutes. But for Kaley, a 20-year-old who started using social media aged six, it became an hours-a-day addiction. Spending time on Instagram, as well as YouTube, led to feelings of body dysmorphia and thoughts of self-

harm, she claimed. On March 25th a jury in California agreed, ordering the apps' parent companies, Meta and Google, to pay Kaley (whose full name has not been made public) \$6m in damages.

The payout amounts to less than one-thousandth of a percent of the companies' annual sales. But it threatens to do them far more harm. The novel legal argument used by Kaley's lawyers may bring social networks to heel in a way that previous attempts have not. The firms are weighing their options—both have said they will appeal—but the ruling could be a turning point in how social apps are regulated.

Although this was the first time that Mark Zuckerberg, Meta's boss, appeared before a jury, it was hardly the first attempt to sue social apps into changing their ways. In 2023 a case against Twitter, over its hosting of terrorist material, made it to the Supreme Court. But that case, like many others, went in favour of the tech industry. Section 230 of the Communications Decency Act of 1996 excuses social networks from liability for what their users post.

Kaley's lawyers took a different approach. Rather than trying to hold Meta and Google responsible for the harmful content hosted on their platforms, they attacked them for the way the platforms are designed. They showed the jury internal company documents demonstrating that executives knew of their products' harmful effects on children, and argued that features like auto-playing videos, personalised recommendations and infinite feeds were designed to lure youngsters.

The verdict could influence thousands of similar lawsuits that have been filed against Meta, Google and other social-media firms. (TikTok and Snap were part of Kaley's complaint, but settled before the trial.) Some lawyers have compared the claims to the cases brought against tobacco companies in earlier decades, which led to widespread regulation of the industry.

America is not the only place where social apps are facing greater scrutiny. In February a preliminary ruling from the European Commission found TikTok in breach of its Digital Services Act owing to its “addictive” features. TikTok was told to change the design of its app or risk a fine of up to 6% of the global revenue of its Chinese owner, [ByteDance](#). Reining in such features would probably reduce the amount of time spent on social apps, and thus the number of ads users could be served—and the profits to be gained.

Governments are focused in particular on protecting youngsters. In December Australia banned under-16s from using social networks; others from Britain to Malaysia are considering similar measures. A 30-country study last year by Ipsos, a pollster, asked whether under-14s should be excluded from social media, and found a majority in favour in every country. The verdict in California may soon go viral. ■

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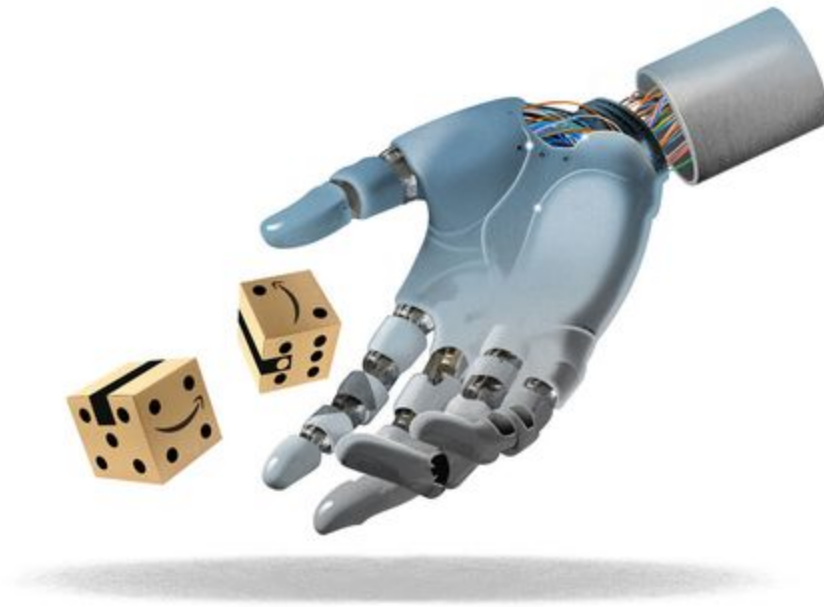
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Schumpeter

Amazon's unprecedented gamble on AI redemption might just work

Call it "The Bet-Everything Store"

3月 26, 2026 08:23 上午



AMAZONIANS LIKE to think of their company as frugal—at least compared with many of their tech rivals. Forget the chocolatey treats and massages available to techies in Silicon Valley. At Amazon's home in Seattle, the most cherished freebies are bananas, distributed from a food truck in the courtyard. This parsimonious culture runs deep. In its heart the e-commerce giant has a shopkeeper's sense of thriftiness. Except every so often, when it

throws caution to the wind and goes on a spending spree. It is on one now. JPMorgan Chase, a bank, calls it “Capexapalooza”.

It’s a historic gamble. No company has ever matched the \$200bn of capital expenditure that Amazon has earmarked for this year, which is partly to be financed by blockbuster bond sales. It is mostly aimed at supporting Amazon Web Services (AWS), its cloud-computing arm, in the race to build artificial-intelligence infrastructure including data centres and the power they rely on. To add to the bill, Amazon has also said it will invest up to \$50bn in OpenAI, which would be almost quadruple what Microsoft, its arch-rival, has committed to the maker of ChatGPT since 2019.

Amazon says that strong demand is driving the binge. AWS’s sales grew at the fastest pace in more than three years last quarter, and despite \$250bn of capex in the past three years, Andy Jassy, Amazon’s boss, said it is selling cloud capacity as fast as it is built.

Yet powerful competitive forces are also at play. Over the past 20 years AWS has been the pioneer in cloud computing, and a big provider of AI services. It is still leader of the pack, but since OpenAI launched ChatGPT in 2022, its main cloud rivals, Microsoft’s Azure and Alphabet’s Google Cloud, have grown much faster, chipping away at its lead. By doubling down on AI data centres, and seeking to loosen Microsoft’s grip on OpenAI, Amazon looks determined to regain its stride.

The company has a history of swinging for the fences. Back in 2015 Jeff Bezos, its founder, wrote with his inimitable nerdiness of the “truncated outcome distribution” when attempting to hit home runs. In baseball, the maximum pay-off was four runs. In business, “every once in a while, when you step up to the plate, you can score 1,000 runs.” That letter to shareholders was penned at the start of one spree that scored big time. In 2016-17 Amazon sharply increased spending on logistics and AWS, leading to several years of higher profit margins. But its next capex binge, during the covid-19

pandemic, was initially a bust, as it built far more warehouses than were needed. In 2023 it curtailed spending—just as Microsoft started to ramp it up in anticipation of an AI bonanza. Since then Amazon has been batting more aggressively.

AWS has a few things in its favour. One is its sheer breadth of customers. Its burgeoning relationship with OpenAI adds to one with Anthropic, the lab behind Claude. Model-makers are among the biggest sources of cloud demand in the near term, using “gobs and gobs of compute”, as Mr Jassy has put it. But with almost a third of the global market for cloud services, well ahead of Azure and Google Cloud, AWS has much to gain if companies beyond Silicon Valley start to embrace AI more fully. For now, many are still hesitant. But it will take at least 18 months to put this year’s capex to operational use. By then it is possible that AI agents, which can reason in steps, use tools and engage with other bots, will have led to a surge in enterprise spending.

Working with both OpenAI and Anthropic will position Amazon well for that moment. “The Everything Store” remains true to its name, with AWS now able to offer customers ways to build on the two leading families of models as well as numerous others, including its own, Nova. It also supports a variety of chips, including those of Nvidia and its cheaper in-house alternative, Trainium.

Microsoft and Google offer variety, too. Azure provides models from OpenAI and Anthropic, as does Google, which also has its own top-tier model, Gemini, and chips called TPUs. But at a time when all hyperscalers say that demand for their AI services outstrips supply, Amazon’s two rivals may find it harder to allocate scarce computational resources to their cloud customers. That is because their other big businesses—Microsoft’s Office products and Google’s search—are more profitable than their cloud services, making them a more obvious priority for AI chips. With Amazon, things are different. The margins of Amazon.com are paltry compared with those of AWS,

and it has a culture of doing a lot with little. Cloud customers may be more likely to come first.

Raising the Rufus

Wall Street has mixed feelings about Amazon's capex splurge. Although its shares have outperformed Microsoft's this year, they are still down by 8%, mostly because of doubts about the return on its spending spree. In the short term, depreciation costs stemming from the new investments will rise before revenue from them starts to flow. Brent Thill of Jefferies, a bank, says investors are also worried that the growing costs of AI infrastructure will weaken cloud margins even over the long term.

Another source of worry is the rise of AI agents embedded in chatbots that can shop on a user's behalf. They could threaten Amazon's core business—bypassing [Amazon.com](https://www.amazon.com) or robbing it of relationships with customers and advertisers. Yet the company is better placed than its sceptics fear. Shortly after it struck its deal with OpenAI, the model-maker shelved plans to launch a shopping service called Instant Checkout. Rufus, Amazon's agentic-AI shopping assistant, helped generate \$12bn of incremental annualised sales last year.

Other model-makers such as Google are muscling into e-commerce, but for now Amazon appears to be fending off the threat. By all means call the spending spree Capexapalooza. But it does not mean Amazon will end up a looza. ■

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Here we go again

How high could global inflation go?

With luck, the Iran war won't cause a recession. But the surge in energy prices will push up the cost of living

3月 26, 2026 05:35 上午



AFTER PEAKING at more than 10% in late 2022, because of post-pandemic supply-chain snarl-ups, over-generous stimulus cheques and, for good measure, an energy shock from Russia's full-scale [invasion of Ukraine](#), average inflation across the rich world fell. By the beginning of this year it was near 2% (see chart 1, top). Central bankers thought they had slain the inflationary beast.

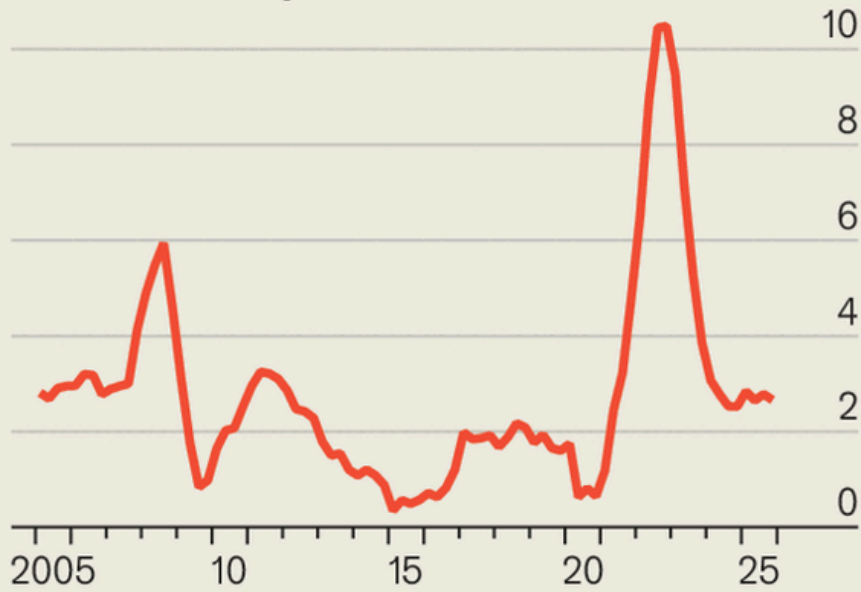
Just as they turned away, however, its beady eye twitched open. America's and Israel's war against Iran has [disrupted energy markets](#): once again. Even as Donald Trump seeks to soothe markets by saying [hostilities could end soon](#), flows of oil through the Strait of Hormuz remain perhaps 95% below normal levels. Outmatched by its enemies on the battlefield, the Islamic Republic has retaliated by bombing natural-gas plants across the region. Energy prices have soared. The price of Brent crude is around \$100 a barrel (albeit jumping about), up from \$60 at the start of the year. American petrol prices have risen (see chart 1, bottom).

Fortunately, these ructions would need to get much worse to provoke a global recession. Less happily, they will almost certainly further stoke popular anger over the cost of living.

The price was right

1

OECD*, consumer prices,
% increase on a year earlier[†]



US, average retail petrol price,
\$ per gallon



Sources: OECD; EIA

*Excluding Turkey

[†]Simple average

At some point a rise in the cost of energy causes output to fall. Firms' profit margins decline as they pay more for fuel and power. Consumers forced to fork out more for petrol cut discretionary spending. Oxford Economics, a consultancy, reckons that two months of crude-oil prices at \$140 (alongside higher natural-gas prices) would push parts of the global economy into a mild slump. A survey of economists by the *Wall Street Journal* suggests that \$138 is America's tipping point. Many economies seemed primed for a downturn even before the war began. Consumer confidence is close to an all-time low in America and scarcely higher elsewhere.

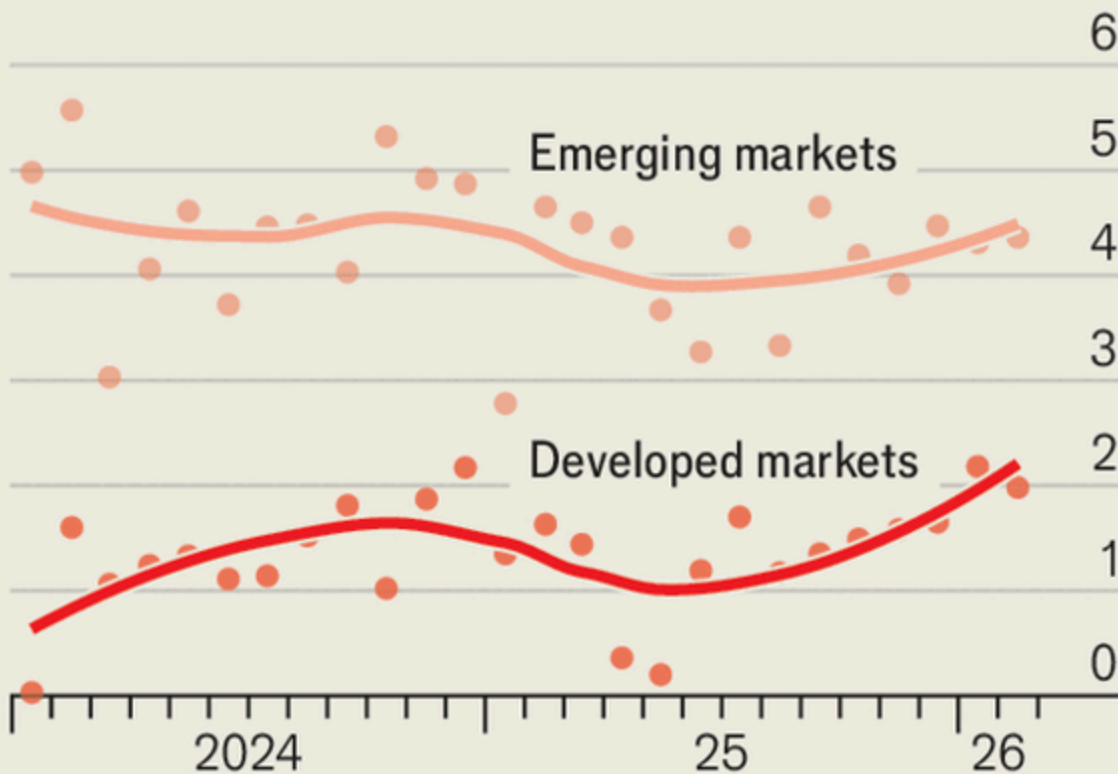
That scenario may be too gloomy. Research from Deutsche Bank shows that the change in oil prices matters, not just the level. America's recession of 1973-75 was so deep because oil prices more than tripled in short order. So far in 2026 they have not even doubled. Steven Blitz of TS Lombard, a consultancy, points out that around the oil-induced GDP contraction of 1990, the price of West Texas Intermediate crude rose by 166%. To provoke a comparable shock today, it would need to hit \$175 (from around \$90 now). Today's shock is closer to touching a cattle prod than to a toaster in the bathtub.

Moreover, the world economy came into the energy crisis in decent nick. Real wages across advanced economies are growing by at least 1% a year. In the fourth quarter of 2025 global corporate earnings rose by 15% in nominal terms, compared with a year earlier. A range of real-time data suggests that in recent months growth in the rich world has picked up (see chart 2). Despite the gyrations in energy markets, few investors are panicking about a recession. Measures produced by Goldman Sachs, a bank, which combine analysis of equities, foreign exchange and other assets, imply that investors are pricing in a mild slowdown, not recession.

Signs of life

2

Current-activity indicator*, % increase
on previous month, annualised



*High-frequency measure of economic activity

Source: Goldman Sachs

That same data set, however, suggests that investors worry a great deal about inflation. Market-based measures of inflation expectations are shooting up. A rule of thumb says that a sustained \$10 rise in oil prices eventually adds 0.3-0.4 percentage points to overall inflation. Assuming oil stays around \$100 a barrel, the OECD's average inflation rate might therefore rise above 4%; at \$140, inflation of 5-6% is not out of the question.

Most worrying, central banks might be less able to respond to an inflation shock than the last time they faced the problem in 2022. In America especially, monetary policymakers might feel constrained in raising interest rates. Mr Trump would go ballistic if Kevin Warsh, his doveish pick to lead the Federal Reserve, started his tenure in a few months' time by tightening monetary policy. That would raise mortgage rates for Americans already furious about the rising cost of living. What is more, companies might be quicker to pass costs on to consumers this time than they were in 2022 and 2023, having eventually proved back then that they could get away with raising prices.

It's getting real

Although real-time data are not always reliable, they hint that the inflation scourge is indeed stirring. Alternative Macro Signals, a consultancy, analyses millions of news articles. Its global inflation index, which has proved to be a useful predictor of official numbers, has recently risen sharply. If historical patterns hold, by July monthly global inflation could be above 0.6%. That is equivalent to more than 7% on an annualised basis.

Alternative Macro Signals is not the only worrying data point. Truflation, a consultancy, analyses prices in real time from a wide variety of sources. Its figures suggest that this month American year-on-year goods inflation has jumped from less than 1% to nearly 3.5%. This was almost entirely the result of rising petrol prices.

If central banks will not nip another cost-of-living crisis in the bud, governments may feel forced to bail out citizens. In 2022 and 2023 many of those in Europe allocated more than 2.5% of GDP to reduce soaring energy costs facing households and businesses after Russia drastically reduced its hydrocarbon exports in response to the West's Ukraine-related sanctions. The measures helped Europe's poorest avoid severe deprivation. But they came at enormous fiscal cost.

Perhaps half the spending was untargeted, so rich people—the biggest energy users who needed least help—benefited most.

Would governments pick more focused measures this time round? At a time of populist anger and spendthrift politicians, don't bank on it. The longest-lasting economic consequence of war in the Middle East could be to compound the rich world's fiscal woes. ■

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Smoke and horrors

Even the best-case scenario for energy markets is disastrous

Whatever happens, high prices will outlive the Iran war

3月 26, 2026 04:46 上午



Editor's note (March 23rd): This piece has been updated to reflect Mr Trump's decision to delay his threatened strikes against Iranian infrastructure.

THE THIRD Gulf war will soon be in its fifth week. Every day that Iran keeps the Strait of Hormuz shut, around a fifth of the world's output of oil and liquefied natural gas (LNG) remains stranded. And every

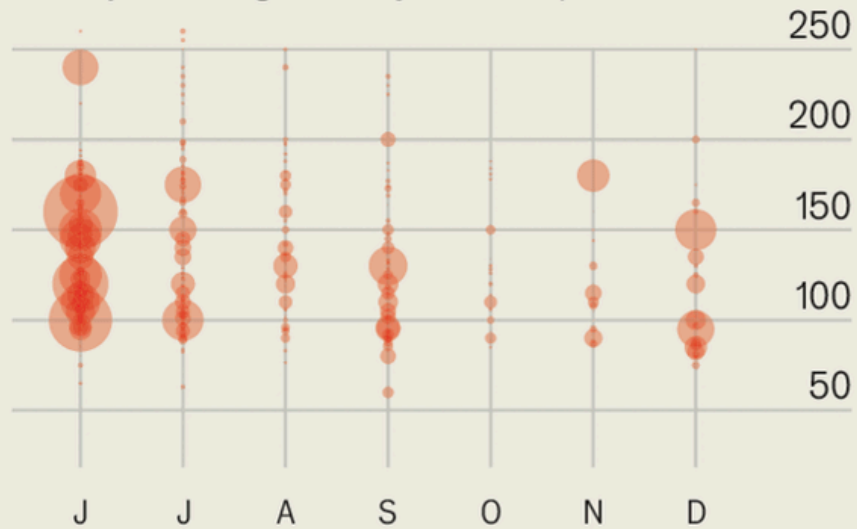
day, traders update how much supply is lost for the year. As their estimates rise, so do energy prices. Brent crude, at \$105 a barrel, is 45% dearer than before hostilities began. Gas prices in Europe are up by 65%.

The reason they aren't higher is that investors expect flows to resume soon. Financial bets that prices will fall ("put" options) are clustered around \$80 a barrel for July; bets on a rise ("call" options) are more spread out (see chart 1). Account for transport lags, in other words, and investors expect normality by May.

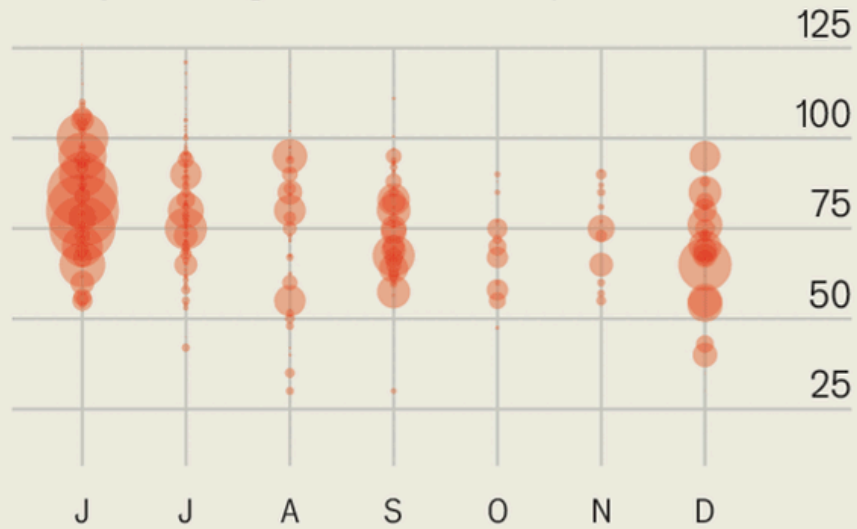
Putting money where your mouth is 1

Brent crude oil futures, strike price, \$ per barrel
Mar 19th-26th 2026, circle size=increase
in number of outstanding contracts

Call options Right to buy at strike price



Put options Right to sell at strike price



2026

Source: Bloomberg

*Some outliers not shown

To test those expectations, *The Economist* has calculated how long normalisation would take if the war ended today. Even if Iran agreed to open the strait, global oil and gas markets would stay undersupplied for months. To set them right, three things need to happen. Gulf producers must restore output to pre-war levels. Ships must ferry that output to refiners abroad. And those refiners must process it into usable fuel. Each of these takes time.

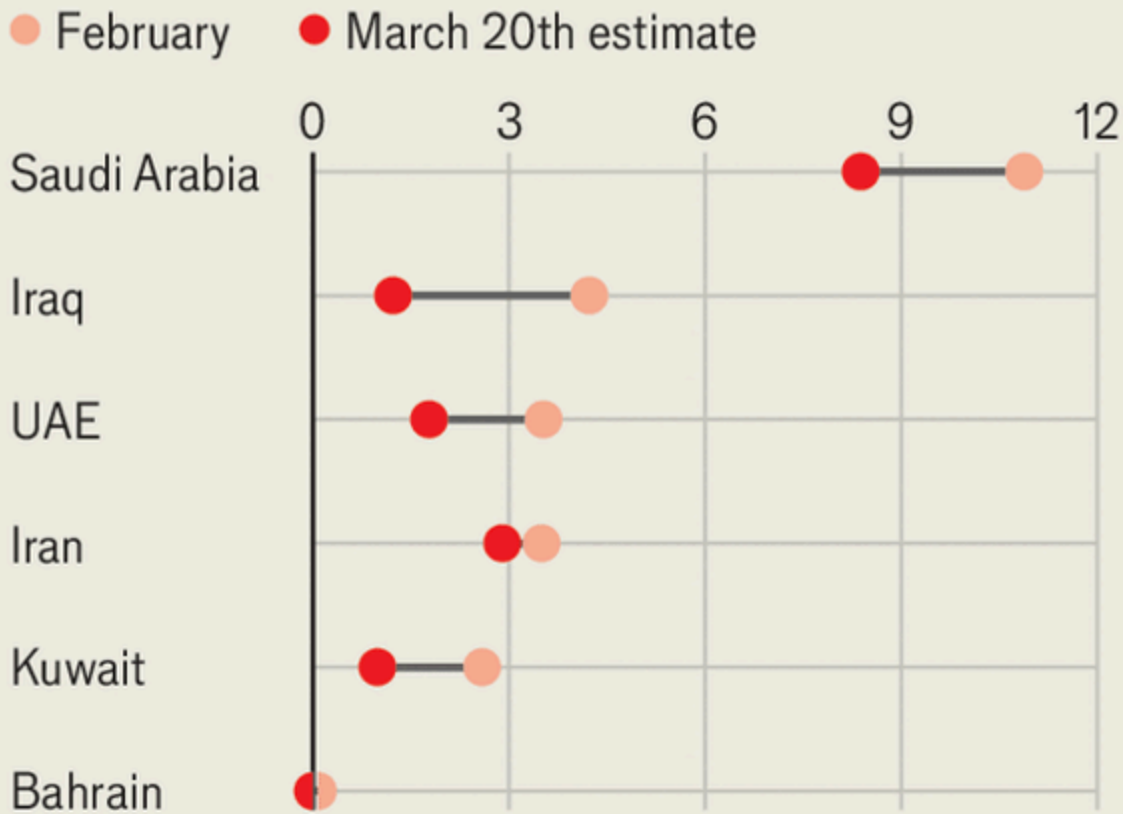
Start with production. Unable to export and facing storage constraints, Gulf countries have already cut their output of crude by 10m barrels per day, 10% of the global total and 40% of their pre-war level (see chart 2). To bring this back, producers must check everything still works and clear pipe blockages. Only then can they restart wells by restoring pressure—gently, to avoid damaging reservoirs. Revving up the separators, compressors and treatment plants for initial processing will take more time. Experts reckon on two to four weeks in all.

Gas looks even gnarlier. Qatar's Ras Laffan, which supplies nearly a fifth of the world's LNG, has been shut since March 2nd after an Iranian drone strike. In the past week a missile strike damaged two of its 14 liquefaction units, accounting for 17% of its capacity and 3% of global supply. Repairs will take three to five years, Qatar's energy minister says, and a planned expansion will be delayed. Weeks of repairs are needed for any operations to resume.

A yawning gulf

2

Crude-oil production, 2026, m barrels per day
Selected OPEC+ countries



Source: Argus Media

Mending is just the start. The equipment must be purged of moisture to ensure that pipes do not crack as it is cooled back to -160°C . Rush it, and the metal contracts unevenly, shattering welds. Anne-Sophie Corbeau of Columbia University reckons all this could take up to seven weeks.

Next, shipping. Most captains of the 480 or so vessels stranded in the Gulf would want several days free of attacks before attempting to exit. Most tankers are already loaded, so the backlog could be

cleared in a fortnight. In principle, new ships could then come in to pick up the gradually restarting production.

In practice, few vessels may oblige so soon. Iran has attacked ports across the Gulf. Although terminals appear largely intact, sunken vessels or infrastructure may need to be cleared to ensure safe passage, observes John Ollett of Argus Media, a price-reporting agency. Repairs to piers or loading equipment typically take months.

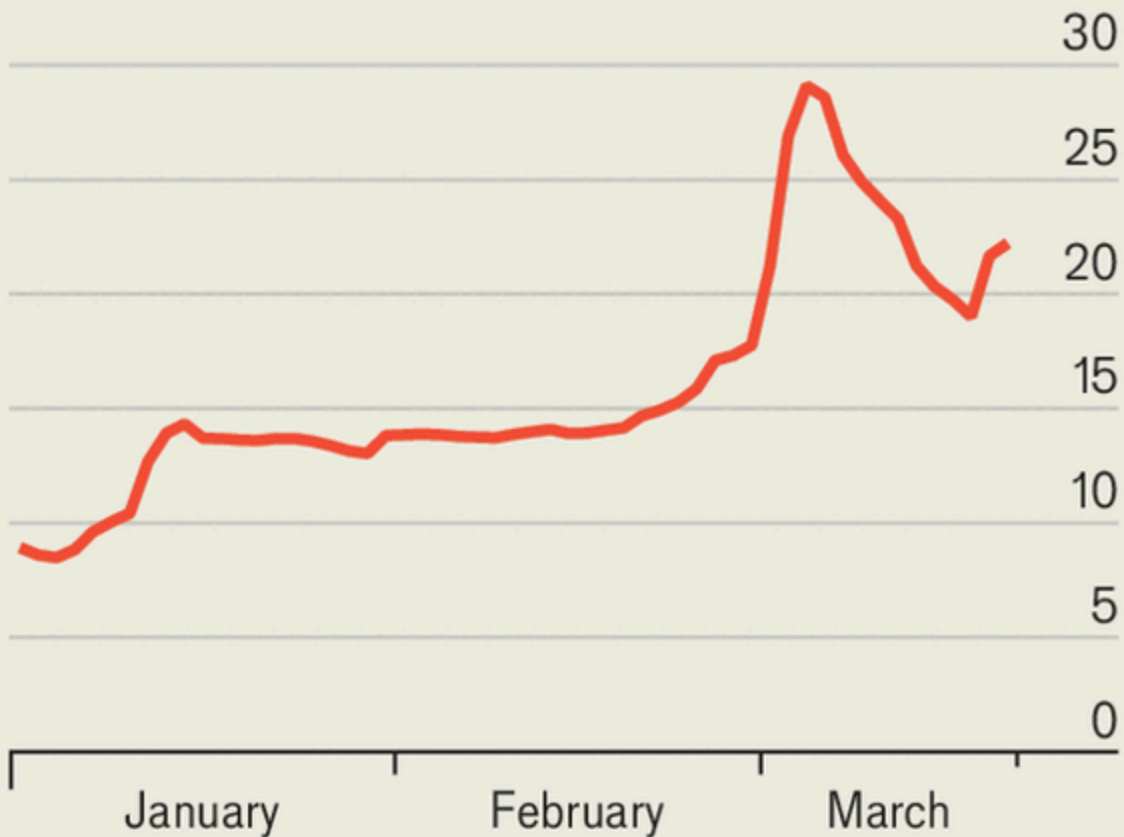
Moreover, most war-risk insurance in the region has been cancelled. Insurers still writing cover have raised rates from 0.2-0.4% of vessel value to 1% or more, and 10% for the riskiest voyages. Anyone with internet access can identify a ship's owners or charterers, making vessels potential targets. Insurers will not lower prices in a hurry, says Ellis Morley of Howden, a broker.

Even once insurance becomes available—and affordable—again, shipowners may hesitate. Although Yemen's Houthi rebels formally ended their two-year campaign against Western-aligned vessels in the Red Sea last November, half as many oil tankers (and virtually no LNG tankers) are risking the passage as in 2023.

War and the Pacific

3

Shipping costs from the US Gulf coast to China*, 2026, \$ per tonne

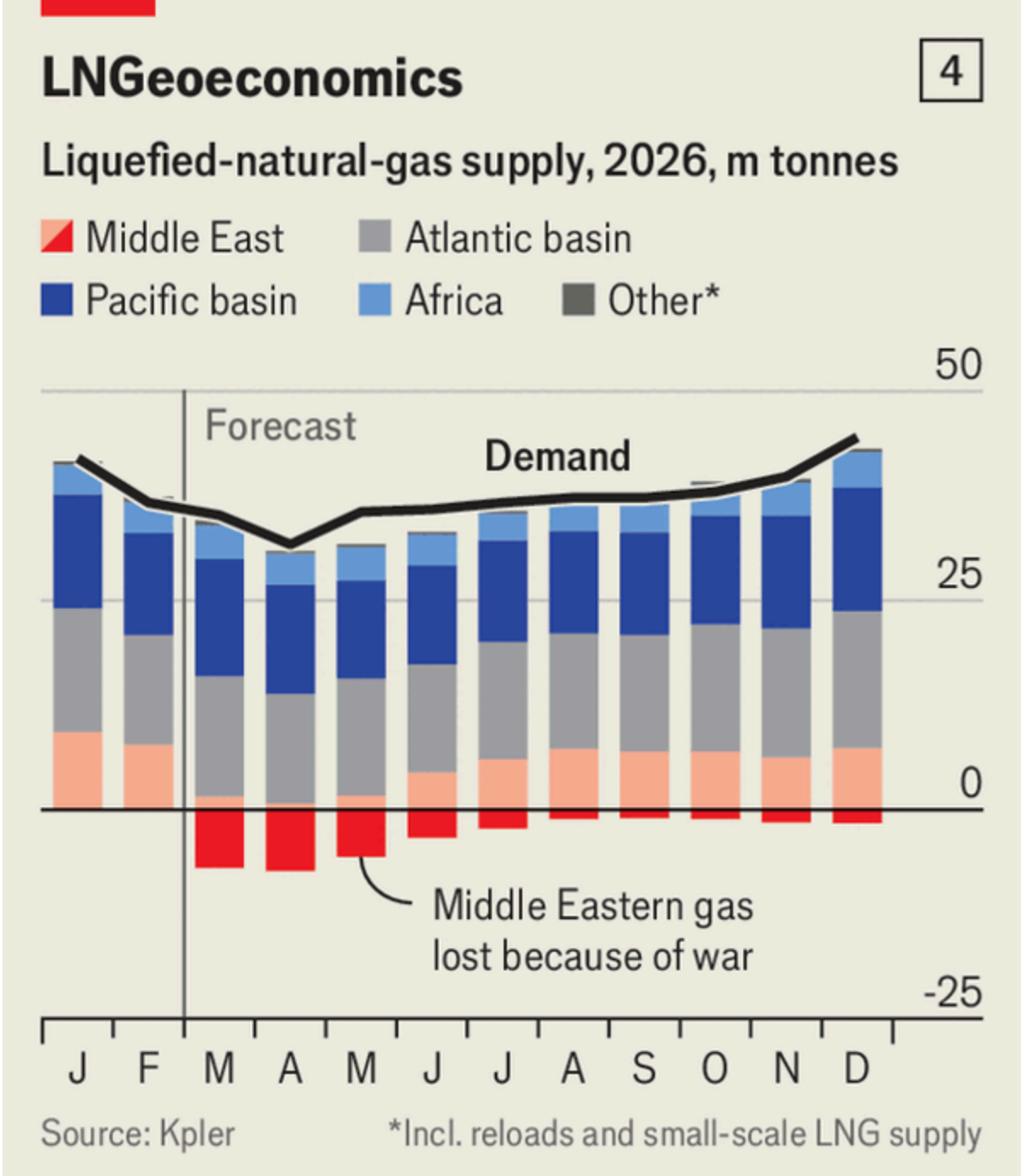


Source: Baltic Exchange

*Very Large Crude Carriers (VLCCs)

Further delays will be caused by tankers being in the wrong place. When the war erupted, the supertankers that once ferried Middle Eastern crude to Asia went looking for business in the Atlantic. When Hormuz reopens, many will complete their current voyage—pick up oil in America, drop it off in China—before heading to the Gulf (see chart 3). The round trip usually takes up to 90 days, says Andrew Wilson of BSR, a broker.

Their delayed arrival will not immediately relieve fuel shortages. Some Asian refineries have closed units for want of raw material. Getting them back up might take a few weeks. Emergency shutdowns in particular can take months to undo, says Ajay Parmar, a former engineer at TotalEnergies, a French energy giant.



Thus even if fighting stopped now, it would be four months before markets regained some semblance of normality. The result is to shave some 3% from planned global oil output this year. Every month Ras Laffan stays shut, the world loses nearly 2% of annual gas supply. And full capacity will, owing to the latest strikes, be lower than before. Production would be 4% shy of demand this year even if Qatar started pumping what it can today.

The implications are stark. Global crude stocks, on course to end March in the bottom third of their historical range, will also keep dwindling for weeks after Hormuz reopens. As countries with thin buffers run out, bouts of panic-buying and price spikes could ensue. Bidding wars for LNG are equally likely. The last cargoes from Qatar to leave before Hormuz closed will reach Asia and Europe in days, says Ashley Sherman of Vortexa, a ship-tracker. After that, buyers must seek supplies elsewhere or go without, jeopardising the restocking of reserves for winter (see chart 4).

Oil and gas traders are still banking on a spring miracle. The world is praying for one. But the logistics of oil and gas will not be easily appeased. Energy markets will be living with the war's fallout well into the northern winter. ■

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Techno-Utopia

China's new masterplan for its tech economy in 2030 and beyond

The Communist Party's technological ambition is breathtaking

3月 26, 2026 04:45 上午 | SHANGHAI



CHINESE TECHNOCRATS spell out their vision of the future in impenetrable officialese. The 15th five-year plan for China's economic development, adopted in March, talks of "industrial upgrading", "new quality productive forces" and the like. Yet in plain language, it translates into Elon Musk's fever dream: skies dotted with flying taxis; fusion power fuelling factories manned by

humanoid robots; unstoppable quantum computers; 6G mobile devices plugged directly into people's brains.

Past plans also displayed gumption. In 2015 the most high-profile plan in years, dubbed [Made in China 2025](#), set the goal of catching up with America and ending reliance on foreign technology. But catching up, which China has pulled off in areas like electric cars, [clean energy](#) and even artificial intelligence, is one thing. Dominating technologies of the future is another.

One reason for this breathtaking ambition is the desire of Xi Jinping, China's leader, to usher in a "modernised socialist state" by 2035. A modernised Chinese socialist is one generating between \$20,000 and \$30,000 in economic value per year, up from less than \$14,000 today. To meet that goal, itself a step towards China becoming a "modernised socialist world power" by 2049, the centennial of communist rule, GDP per person must grow by 4-8% a year in the next decade. With Chinese consumers in a dour mood and exporters facing geopolitical uncertainty, the party believes only world-beating technology and resulting productivity gains can ensure success.

This requires picking up pace. Whereas earlier plans set distinct objectives for strategic industries and for scientific innovation, industrial policy is now being extended to out-there tech, notes Camille Boullenois of Rhodium, a research firm. The latest plan ordains the commercialisation of fledgling fields like AI robots, hydrogen power and brain-computer interfaces—all in the next five years. Within another five the party wants breakthroughs and "application scenarios" (probably meaning supply chains and clusters) in "frontier technologies" like fusion power and quantum computing, which promise to up-end energy and IT, but have proved hard to crack.

The point of the plan is to signal to officials and investors which initiatives to back. This unlocks funds from central and local governments. Private capital follows, on the assumption state

involvement reduces risk. Research clusters attract not just technologists and money, but also marketers, lawyers and other professionals needed to take tech from the lab into markets. Host cities enlist armies of bureaucrats, who develop domain expertise.

Proponents of Chinese techno-planning point to AI as proof that it works for cutting-edge innovation. When in 2017 China declared its intention to enter “the global high-end value chain” for AI by 2025, foreigners scoffed. In January last year Western markets shuddered when DeepSeek, an AI lab, released a model that rivalled top American ones. No one is scoffing at the new goal of turning China into “[the world’s primary ‘AI innovation centre’](#)”.



Early results in several other areas look encouraging, too. The “low-altitude economy” of delivery drones and flying cabs, born of private-sector ingenuity, took off after catching the attention of officialdom around 2021. State imprimatur for brain-computer interfaces, first named a “future industry” in 2024 and subject of its own plan in late 2025, has led universities to set up research projects and startups to launch products. Cities host specialist

industrial zones and hospitals have published pricing guidelines for brain implants.

Scepticism is warranted, however. Earlier plans, including Made in China 2025, missed many goals. China beats the world in renewables tech and electric cars, and matches it in AI, but lags behind in critical areas like advanced chips. Capital ends up wasted if it flows to places in which local officials duplicate efforts elsewhere, chase industries despite a lack of tech talent, or are loth to abandon failures. China's apparent desire to dominate every emerging industry may spread resources too thinly.

Making a hoo-ha about the plans does not help. Made in China 2025 spooked America, which saw it as a challenge to its techno-economic dominance. It hobbled Chinese efforts in areas like chipmaking by restricting exports of crucial American inputs. There is now no talk of Made in China 2035. But any technology named in the latest plan can still expect a target on its back. Talk of using undefined "unconventional measures" to achieve the plan's goals will not put American minds at ease.

The biggest challenge for China's planners is a function of their catch-up successes. Those occurred in fields where the technology (like photovoltaic cells or lithium-ion batteries) had been around for decades and the market (for electricity or cars) was mature. Moving to tech's bleeding edge involves a lot more unknowns. Is there a business case for hydrogen power? How many people will want brain implants? Can quantum computers and fusion even be made to work outside the lab? China's plans imply it knows the answers. Market forces may have other ideas. ■

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Navigating a Trumpian world

Christine Lagarde's sober tone on the Gulf war energy shock

Our interview with the ECB's president

3月 26, 2026 04:53 上午 | FRANKFURT



Tailored, on target

THE RISKS from the Iran war, says Christine Lagarde, are being underestimated. Amid what the International Energy Agency calls the biggest energy shock ever, the president of the European Central Bank says expectations of a swift return to normal may be “overly optimistic”. “We are facing a real shock...probably beyond what we can imagine at the moment.”

Speaking to *The Economist* at the ECB's headquarters for "[The Insider](#)", our video show, on March 25th, Ms Lagarde gave a sober view of the risks to the world economy. The bank's technical experts believe "too much has already been damaged", she said, and that there is "no way" the Gulf's lost energy supply can be restored within months. The disruption may last "years". The danger, she argued, is that the consequences will emerge only gradually, leading to a "delayed assessment" of how serious the crisis is. That struck a more pessimistic tone than a speech Ms Lagarde gave earlier the same day, when she said it was "too early to say" which scenario for the energy shock would unfold.

Still, on monetary policy, she said the ECB was "well positioned to respond". She is more concerned about government budgets. "There is not as much fiscal space" as in 2022-23, when countries spent 2.5% of GDP or more to cushion energy costs after Russia's invasion of Ukraine. Any support this time should be "tailored, targeted and temporary". Policymakers should be mindful of how "broad a blanket" they deploy, and focus on low-income households.

On America's role in the global system, Ms Lagarde was notably more critical. Asked whether countries could come together in a global crisis, she quipped: "I can assure you that the central-bank community will get together," pointedly omitting finance ministers. She noted that during the financial crisis of 2007-09 the G20 coordinated a global response. "Can you imagine that happening now? The G20 is under US leadership. I'll say no more."

She detects echoes of the 1920s, when America turned inward. Yet she is only partially a "Carneyist"—agreeing with Mark Carney, Canada's prime minister, that the old order is breaking down, but resisting the idea that it must be rebuilt from scratch. Multilateral institutions such as the IMF, World Bank and World Trade Organisation, she said, can still be repaired—even if America's "dominance" within them must diminish. As with a snake shedding its skin, it is possible to "extract from the old skin a new animal".

In that world, Ms Lagarde argued, Europe still has a central role to play. “Europe-bashing is vastly excessive,” she said, suggesting that disappointment reflects high expectations. The continent, once a “dream” and a “promise”, has been a “brutal success” in securing peace. Yet some of the successes she cited, such as the Erasmus student-exchange programme, seem underwhelming.

She acknowledges that Europe must do more. Her priorities, she insists, are clear: a true single market; deeper, more efficient capital markets—“you need the money”—to lift weak productivity and innovation; a digital euro to support integration. However, the recently proposed “28th regime”, a unified rule book, “lacks ambition”.

But achieving any of this will require political cohesion, which is complicated by the rise of populist nationalism. Ms Lagarde brushed aside suggestions from figures such as Jordan Bardella, of France’s National Rally, that the ECB could tailor policy to individual countries. There is “no chance in the world” of that. The deeper risk, she suggested, is political. Europeans “will have to decide again whether they’re together or not”. Europe’s shared commitments to the rule of law, democracy and common values are under strain. “Where we massively failed,” she said, is in neglecting distribution, leaving large parts of society feeling left behind. If that is not fixed, Europe’s economic agenda may matter less than its political survival. ■

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The expat economy

Westerners are fleeing their countries in record numbers

This will have economic consequences for the places they flee and their destinations

3月 26, 2026 04:45 上午 | San Francisco



AFTER STEPPING down as New Zealand's prime minister in 2023, Jacinda Ardern took up a role at Harvard University. Now she is based in Sydney. Ms Ardern's decision to live abroad has struck a nerve with Kiwis, who were already worried about high levels of emigration. Anxiety over the former prime minister's living arrangements hints at a wider trend across the West. Politicians focus on how many people migrate to their country. Less noticed is

that people are leaving in record numbers. The rise of the “expat economy” will have profound consequences.

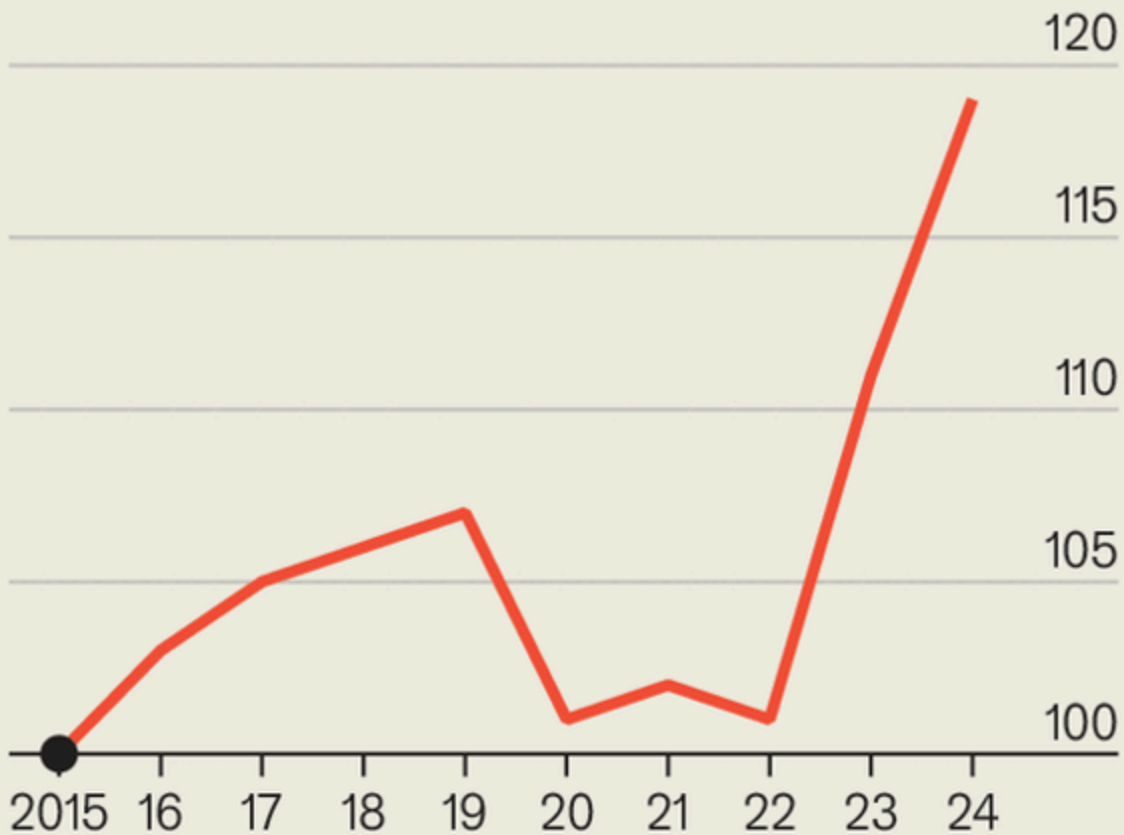
Governments do a poor job of tracking emigrants. Britain long had no exit checks. Lacking a proper exit system, America relies on a mixture of tax data, surveys and indirect methods. But the quality of the figures has improved enough to let *The Economist* produce the first broad measure of gross emigration from the West.

We looked at data from 31 countries, including Australia, Britain, Canada and Germany (but not America, where estimates remain flaky). We track the comings and goings of residents leaving on a permanent or semi-permanent basis (to exclude tourists and business travellers). Our best estimate is that 4m or so people left those places in 2024, about 20% more than before the pandemic (see chart).

Foot-looser

31 rich countries, emigrants, 2015=100

Three-year moving average



Sources: National statistics; *The Economist*

Emigration from Greece has fallen since the mid-2010s, as the Greek economy has turned from an EU laggard to star performer. But most places saw increases. In the third quarter of 2025 departures from Canada were 34% higher than six years before. New Zealand's emigration in 2025 was 29% above 2019. In Sweden it was more than 60% higher. Italy's statistics office recently noted a "boom in emigration". Iceland's reported the highest level on record. The Brookings Institution, a think-tank, estimates that as many as 3m people left America in 2025, up from 2m in 2021. Private-sector data

suggest that, for the first time in years, more American tech workers are moving to Europe than vice versa.

The surge in emigration is, in part, the unwinding of an immigration boom in 2022 and 2023, when Western countries admitted legions of newcomers. Many of them never intended to stay for ever. Students graduate. Temporary workers go home. Donald Trump's mass deportations may provoke up to 1m to leave in 2026, the Brookings data suggest, in addition to the 2m or so that would normally be expected. All these people show up as emigrants.

Higher churn among foreigners is not the whole story, however. In Ireland, departures of citizens are up by 29% compared with 2019. In New Zealand, they are up by 74%. Our analysis of OECD data finds a sharp increase in expat Americans, whose numbers rose by 11% from 2019 to 2024. Evidence of who becomes an expat is thin but official data from New Zealand suggest that people with at least an undergraduate degree are at least twice as likely to emigrate in their 20s as those without.

Some Western expats live it up in places like Dubai. War in the Gulf may change that. But even before the fighting started, most moved elsewhere in the West. Our analysis suggests that since 2019 the number of Western-born people living in another Western country has grown by about 2m. America has taken over 40% of that; many ambitious Europeans have gone there to make their AI fortunes. The Netherlands has taken an outsize share relative to its population. British data are too poor to analyse properly. Yet Hampstead is now full of Hollywood A-listers. Ryan Gosling buying bread! Rami Malek on a Lime bike!

Three factors explain the rise of the expat economy. First, the pandemic normalised geographical arbitrage. Once firms accepted that an employee could work from a kitchen table three hours away, why not farther afield? American multinationals in sectors such as

management and technical consulting employ 36% more people abroad than they did in 2019.

Taxes are the second factor. In recent years many Western governments have implemented "Robin Hood" policies that go after rich people's incomes. In Britain the top 1% pay an effective income-tax rate of about 40%, up from less than 35% in the 2000s. In America, the overall effective tax rate on the top 1%, including federal, state and local taxes plus corporate tax, is close to historical highs. Especially for people who do not expect to be high earners for long, it makes sense to temporarily move somewhere with lower taxes.

Third, politics play a role. Many Americans who waltz around Hampstead dislike Mr Trump. Many of the Britons who have moved to Dubai detest "Keir Starmer's socialist Britain". Conservative Canadians, now living through their 11th year of centre-left Liberal rule, are looking elsewhere. This points to the growing sense among Westerners of all political persuasions that politics is broken. Surveys show declining faith in democracy. A paper published last year by Assaf Razin of Tel Aviv University finds convincing evidence that "democratic decline tends to increase emigration".

Sending countries can suffer. When a state invests in educating young people only to lose them, it forfeits future tax revenues. The fiscal hit is especially acute in smaller economies with ageing populations. In parts of eastern Europe, sustained emigration has strained public finances. Emigration also affects politics. A paper focused on central and eastern Europe by Daniel Auer of the Collegio Carlo Alberto in Turin and Max Schaub of the University of Hamburg suggests that emigrants are more liberal than those who stay behind. Their exit "went along with a deterioration of democracy in their home countries".

For every country losing a clever, open-minded person, though, another country gains. Over the past decade the number of

Americans living in Germany has risen by over 60%. Germans have replaced many of the departing Kiwis, with their numbers 50% higher than in the mid-2000s. If those people are able to earn higher salaries than before or enjoy their life more, the world may be better off overall. In addition, a country losing an expat does not necessarily lose them for ever.

In New Zealand, around 40% of native-born emigrants come back. Returnees bring savings, ideas, networks and skills. Even those who do not return form part of an interconnected global diaspora. Maybe that is what Ms Ardern has in mind. ■

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Buttonwood

Markets are gripped by an alarming cognitive dissonance

Investors all seem to think everyone else is wrong

3月 26, 2026 05:35 上午



MARKETS THRIVE on contradictions. Every buyer needs a seller—and each thinks they are making a good trade despite the likelihood that the other is at least as well-informed as they are. Investors know that markets are the best prediction engines out there, and try to beat them anyway. Perhaps the most useful piece of financial theory, the “no-arbitrage” principle, says that portfolios with the same pay-offs must have the same price. Yet if this were always true, the arbitrageurs who profit from enforcing it would go out of business and there would be no one left to do so.

Just now a far starker and more dangerous cognitive dissonance is gripping markets. Speak to virtually anyone who works on a trading floor and they will sound somewhere between unnerved and panicked that the [Strait of Hormuz](#) remains shut. No one knows when it will reopen; in the meantime a fifth of the world's supply of oil and liquefied natural gas is trapped.

The closer someone sits to the commodities desk, according to one trading boss, the more freaked out they tend to be. But everyone—whether they deal in energy, bonds or stocks—seems to say the same thing: market pricing betrays a [staggering optimism](#) about a bad situation that could get an awful lot worse.

Exhibit A is Brent crude, the global oil benchmark. To be sure, its price has climbed by 40% since the latest Gulf war began and is now around \$100 a barrel. With such a hefty proportion of the world's output stranded, however, even this level makes sense only if you believe fleets of oil-laden tankers will be chugging through Hormuz within weeks.

Donald Trump, America's president, would certainly like markets to think so, having said on March 23rd that his country and Iran were having "in-depth, detailed and constructive conversations" about ending the war. Traders naturally take such claims with a huge pinch of salt, given Mr Trump's obvious desire for lower energy prices and less-than-impeccable reputation for honesty. Even so, Brent crude's price promptly fell by over 10%.

The relief rally that followed for other assets felt equally dissonant, given that Gulf countries would need months to normalise oil flows even if Hormuz reopened tomorrow. Odder still, it included gold, the price of which had previously been cratering. Gold is investors' traditional hedge against geopolitical chaos and spiralling inflation—two risks that shot up the agenda as America and Israel began to bomb Iran.

Yet even as conflict rages and soaring energy costs threaten broader price rises, the glittering haven has failed. Gold's price has been on such a tear in recent years that investors have come to treat it not as a time-honoured hedge, but as just another risky asset.

Should the nightmare scenario unfold, with the Gulf war lasting for months or years and an energy shock plunging the world into recession, it is equity investors who will end up looking the most flat-footed. Share prices have fallen, but on most big bourses they are not even in "correction" territory (meaning a drop of over 10% from a recent peak). America's S&P 500 index is within a few percent of its all-time high. Many of the people who are bidding it there, meanwhile, are sitting mere desks away from commodity analysts discussing the disastrous consequences for the world economy of Hormuz staying shut.

What on Earth is going on? Some of the confusion is entirely logical. Reasonable bond investors, for instance, can differ over whether the inflationary impact of the oil shock (which should push bond prices down and yields up) will be more or less important than the hit to growth (which tugs them the other way). No one knows for certain how central bankers will react.

And markets in every asset class, though excellent at pricing known risks, are ill-equipped to account for the radical uncertainty that comes from a war. If it is near-impossible even to set out all the possible outcomes, there is only so much traders can do.

Moreover, Pollyannas have been richly rewarded of late. For years shareholders who have sold when disaster beckons—from covid-19, Russia's invasion of Ukraine or Mr Trump's trade war—have looked on as prices rebound, and then some. Yet the belief that they always will becomes dangerous if it leads you to miss signs of serious trouble. Right now elevated energy prices, higher inflation and wider government deficits seem all but nailed on. Ignoring that might be a contradiction too far. ■

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Free Exchange

The decline and fall of the Roman currency empire

The fate of ancient coins offers uncomfortable lessons about dollar dominance

3月 26, 2026 04:46 上午



IN 1847 A few poor labourers living near Kottayam, a city in what is now the Indian state of Kerala, stumbled upon a hoard of gold coins. They exchanged these for a day's worth of rice or a few rupees. The merchants who got the coins at knock-down prices melted them into jewellery or ornaments, oblivious that they were destroying 1,800-year-old Roman artefacts. Luckily for archaeologists, some of the stash survived. The coins have proved priceless for the study of

economics, too, as an early example of a global currency. The same gold *aurei* have shown up in dig sites as far away as Scotland.

The Kottayam hoard and others unearthed in India since have given economists plenty to chew on. The sites date back to the period when ivory, spices, pearls and silk from the subcontinent showed up in Rome, providing further evidence of long-distance trade. They also suggest the empire ran a trade deficit.

The coins largely moved one way, from Rome to India, and goods moved the other. Whereas Romans bought Indian wares, Indians accumulated monetary claims on Rome. Evidence points to high external demand for Roman assets: the coins bore a particular pattern, came in sealed bags and travelled via Alexandria, an Egyptian province with its own currency. That upset some contemporary commentators. Pliny the Elder, a first-century Roman thinker and soldier, grumbled: "There is no year in which India does not drain our empire of 550m sesterces." (A sesterce equalled one-quarter of a *denarius* and one-hundredth of an *aureus*.)

But it also afforded Rome an "exorbitant privilege" akin to that enjoyed by today's global currency, argues Barry Eichengreen of the University of California, Berkeley, in "Money Beyond Borders", a new book. Thanks to strong global appetite for the dollar, America pays much less to borrow from foreigners than it earns from its overseas investments. It, too, runs a stubborn trade deficit. Americans buy silk, spices, pearls and other things (though not, legally at least, ivory) from India and elsewhere despite not selling as many goods abroad. America even has its own Pliny in President Donald Trump, who views trade deficits as theft.

Rome's privileged currency status rested on the same three pillars that hold up the dollar. The first is that trade deficit. If India did not drain Rome of sesterces, then Indians would have no sesterces at all—and they wanted these to settle trade, including with other non-Romans. In the 1960s Robert Triffin, an economist and critic of the

Bretton Woods system of fixed exchange rates, observed that if the rest of the world wanted to make international payments and settle trade between themselves in dollars, America had to maintain a negative trade balance.

The second factor helping Rome's currency spread was military hegemony. Because Roman soldiers and bureaucrats travelled the world, the coins in which they were paid got into the hands of everyone else. Mr Eichengreen has previously pointed out that allies that depend on American security, such as Germany and South Korea, hold a bigger share of their foreign-exchange reserves in dollars than countries with no such military presence.

Last, Rome's institutions provided stability and security. Only Rome itself was permitted to mint the currency. During the Republic, from 509 to 27BC, coinage was under the aegis of the Senate, which relied on a board of magistrates at the mint. Mr Eichengreen likens these *tresviri* to the board of a central bank overseeing the simultaneous circulation of gold and silver currency, with their relative values set by a "bimetallic standard".

The slow-motion collapse of the Roman empire undermined its currency's status. But that status also helped accelerate the collapse. By facilitating Rome's trade with all and sundry, the currency may have exposed it to diseases such as the Antonine plague (probably smallpox), which came from the east and killed around a tenth of the empire's population.

Traders also spread Christianity and its idea of the divine, which undermined Roman governance. An emperor anointed by the Almighty had no need for the checks and balances of the Senate, argued Edward Gibbon, an 18th-century British historian. Mr Eichengreen finds a more profane source of institutional rot. Nero, hardly a Christian, debased the currency after the great fire of 64AD. This was partly to rebuild the city but also to finance foreign adventurism (and erect a "golden house" for himself). Roman coins

appeared less frequently in India after that. Although inflation did not rise under Nero, it did under his successors, who used debasement to pad soldiers' wages in an effort to cling to power.

When Rome fell in the fifth century, its currency was replaced by the Byzantine *solidus* as the "dollar of the middle ages", in Mr Eichengreen's words. In later centuries the Umayyad caliphate's *dinar* shared that role. The two currencies let some international trade resume, aided by their empires' location between east and west. But in much of Europe *Pax Romana*, ensured by an economic and military hegemon, gave way to a patchwork of feuding kingdoms. Living standards and life expectancy fell.

Caesar and desist

Mr Eichengreen warns that America is repeating Rome's mistakes. Mr Trump's desire to curtail trade, reduce America's military footprint in Asia and Europe, and recklessly increase the budget deficit while undermining the independence of the central bank all hurt the dollar's status as the global currency. In contrast to the *solidus* and *dinar*, however, none of the dollar's successors comes with the full complement of commercial, military and institutional virtues. The euro lacks a powerful army. The Chinese yuan's authoritarian institutions are not widely trusted. Bitcoin has none of the three features. The decline and fall of the dollar could thus leave an even mightier mess than that of the *denarius*. ■

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Science & technology

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Picking their brains

China is winning the AI talent race

Its lead over the West is only set to widen

3月 26, 2026 05:35 上午



“IS IT POSSIBLE that the United States falls behind China?” Jensen Huang, the boss of Nvidia, asked himself during a question-and-answer session about artificial intelligence late last year. “The answer is absolutely yes.” That may seem surprising—for much of the past decade America has been comfortably ahead in the AI race, home to the most advanced companies producing frontier models. Its engineers have access to deep pools of capital as well as a regular supply of Nvidia’s cutting-edge chips. But Mr Huang’s concern

related to an equally important ingredient of innovation: human talent.

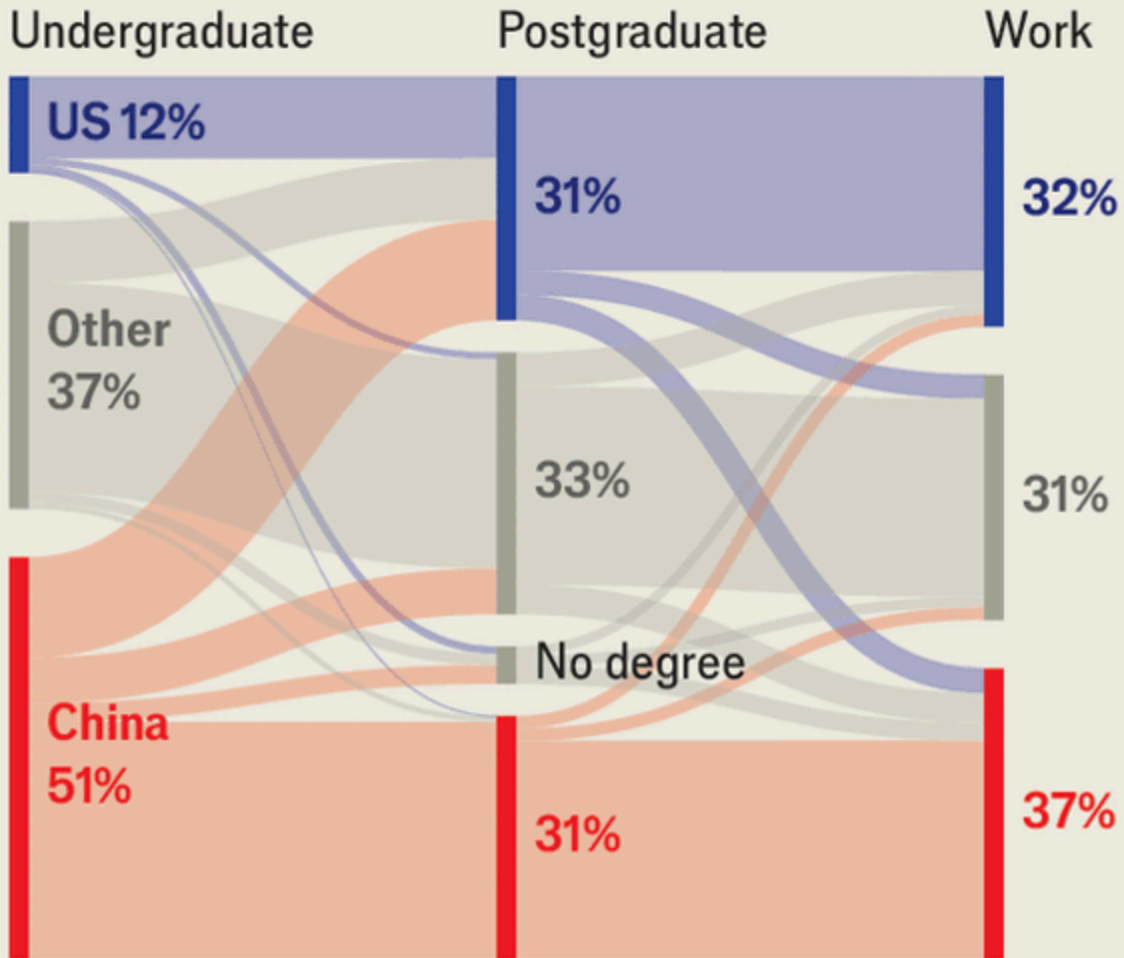
Until recently, most leading AI research was produced by experts based in the West. That is changing. In 2025, for the first time, more studies presented at the world's top AI conference had lead authors based in China than in either America or Europe. This is not a blip. China is producing more clever young AI researchers than its rivals, and more of them are staying at home than ever before. At the same time, Chinese-born researchers who would once have built careers abroad are returning. China has taken the lead in AI talent and is continuing to extend it.

To better understand the flow of AI talent, *The Economist* tracked the education histories of researchers who presented papers at the December 2025 edition of the Conference on Neural Information Processing Systems (NeurIPS), the world's largest and most prestigious AI gathering. More than 21,000 papers were submitted, of which roughly a quarter were accepted. Using a mixture of AI and manual search, we randomly sampled the authors of 600 papers (a cohort of almost 4,000 researchers) and identified their educational backgrounds. The method replicates one used by MacroPolo, a now-shuttered think-tank, on NeurIPS authors from 2019 and 2022.

Coding with their feet

1

Top AI researchers*, 2025



*Authors of a random sample of 600 papers accepted for presentation at the NeurIPS conference

Sources: NeurIPS; MacroPolo; *The Economist*

Of the AI researchers who presented at NeurIPS 2025, 51% began their careers in China. In 2019, just 29% did (see chart 1). Over the same period, the share who started out in America fell from roughly 20% to 12%. Nine of the top ten institutions where authors from the

2025 conference earned their undergraduate degrees were in China. Graduates of Tsinghua University alone accounted for 4% of those researchers. MIT, the leading American institution, produced 1%.

The analysis also shows the extent to which America's AI efforts rely on Chinese-born researchers. Among authors affiliated with American institutions, roughly 35% have a Chinese undergraduate degree (as many as have an American one).

That being said, NeurIPS may not be entirely representative of the field. Chinese researchers might feel stronger incentives to present at the conference: to win promotions at academic institutions, for example, scientists often need top conference papers on their CV. What's more, China's culture of open-source models may encourage its authors to publish in academic forums, whereas America's leading talent is increasingly concentrated in secretive frontier labs.

There are other measures by which the importance of Chinese researchers to America can be gauged. When Meta, a tech company, announced the researchers staffing its new "superintelligence lab" in June, a leaked list revealed that half were described as being from China. *The Economist's* analysis of 483 contributors to OpenAI's GPT-5 (which includes AI researchers as well as marketing, design and leadership staff) found 15% had at least one degree from a Chinese institution.

China is increasingly holding on to its AI talent. According to Digital Science, a data firm, China now has more active AI researchers than America, Britain and Europe combined—though it still trails the West per head of population. What's more, China's cohort skews younger: 47% are students, compared with about 30% in the West. The country also prioritises education in science, technology, engineering and maths (STEM): around two-fifths of Chinese university students study STEM subjects, roughly double America's share.

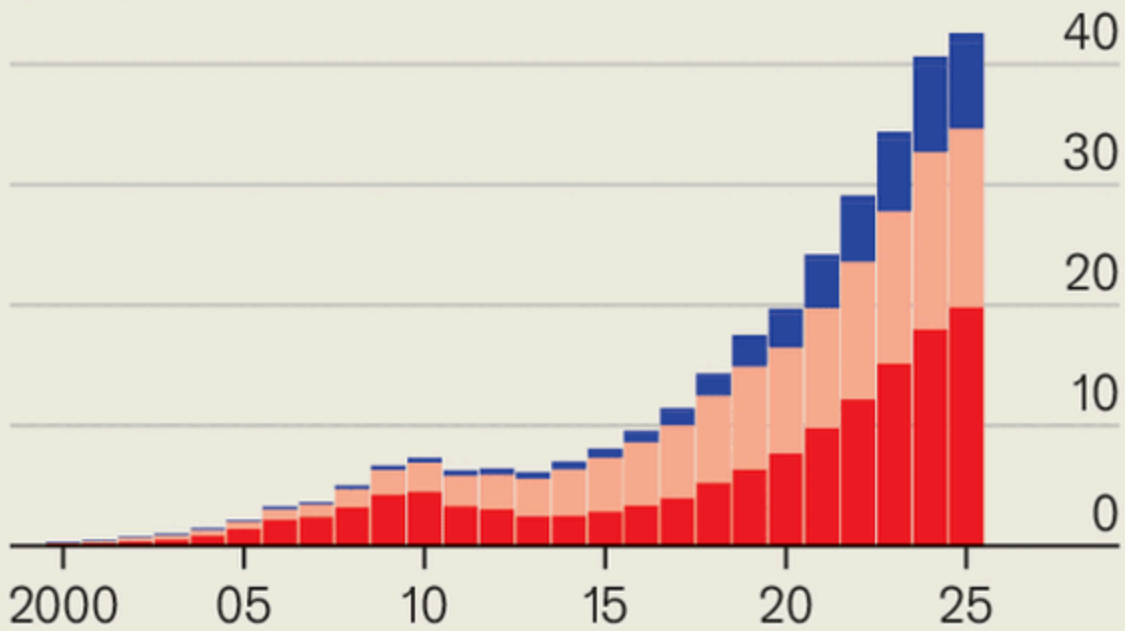
Skills gap

2

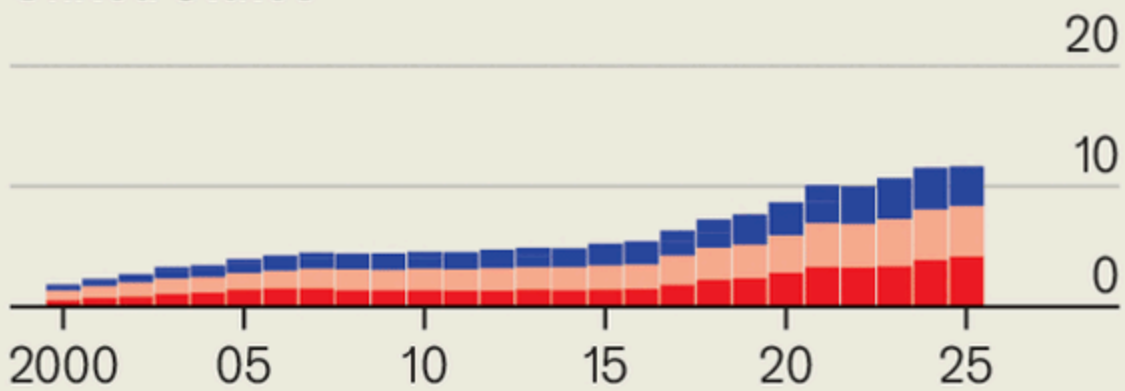
Active AI researchers, '000

■ Student ■ Early career ■ Mid- and late-career

China



United States



Source: Digital Science

Not all of these graduates will produce frontier innovations, but scale matters. A large pool of AI-savvy researchers increases the chance of breakthroughs and means new technologies spread faster. “China is creating this high-quality, highly trained workforce who are AI-sensitive,” says Daniel Hook, the boss of Digital Science (see chart 2). “That’s just going to mean so many companies coming out of China.”

More and more Chinese boffins are choosing to stay in the country. In 2019 roughly a third of NeurIPS authors who completed their undergraduate degrees in China remained there. By 2022 that share had risen to 58%; in 2025 it reached 68%. Some of the country’s best innovations have come from home-grown talent—none of the core contributors to DeepSeek R1, a Chinese model that stunned rivals when it was released in January 2025, held degrees from outside China.

These changes reflect both pull and push. Ever more Chinese universities are ranked among the best in the world. At the same time, initiatives to lure talented researchers back to China, such as the Qiming Plan, offer salaries of more than 700,000 yuan (\$100,000), generous research grants and help with housing.

Meanwhile, America has become a less attractive destination. Funding cuts and visa uncertainty have unsettled would-be applicants, as has increasing suspicion of their loyalties. Last year Purdue University rescinded offers to more than 100 graduate students, most of them Chinese, after being asked by lawmakers to document researchers’ ties to institutions in China. At American AI meetings some Chinese researchers feel the need to clarify they are not corporate spies.

More are therefore heading home. In 2019 just 12% of Chinese NeurIPS researchers who had earned graduate degrees abroad had returned to China. By 2025 that share had more than doubled to 28%.

The Economist spoke with Chinese-born early-career researchers who have recently relocated back home from America, or have moved back and forth between the two countries. Some still consider America to have a stronger research environment or complain of fierce competition and long hours at China's fast-growing firms. Yet they said on balance a strong job market, interesting opportunities and proximity to family now outweigh those drawbacks.

America's appeal has not vanished. It still draws more international talent than anywhere else and most Chinese researchers who complete graduate degrees in America stay on to work. Following up on a sample of Chinese-born, America-based NeurIPS authors from the 2019 conference, 87% were still there in 2025. "Long-standing institutions just don't disappear overnight," says Matt Sheehan, of the Carnegie Endowment for International Peace, who performed the research and worked on the original MacroPolo analysis.

But the numbers increasingly favour China. Using the authors of NeurIPS papers as a metric, around 37% of the world's top AI researchers now work in Chinese organisations, compared with 32% in American ones. If the trend of the past decade continues, by 2028 top China-based researchers could outnumber America-based ones by two to one. According to Mr Huang, for a country to lead in AI "Winning developers is everything." The battle for talent looks increasingly one-sided. ■

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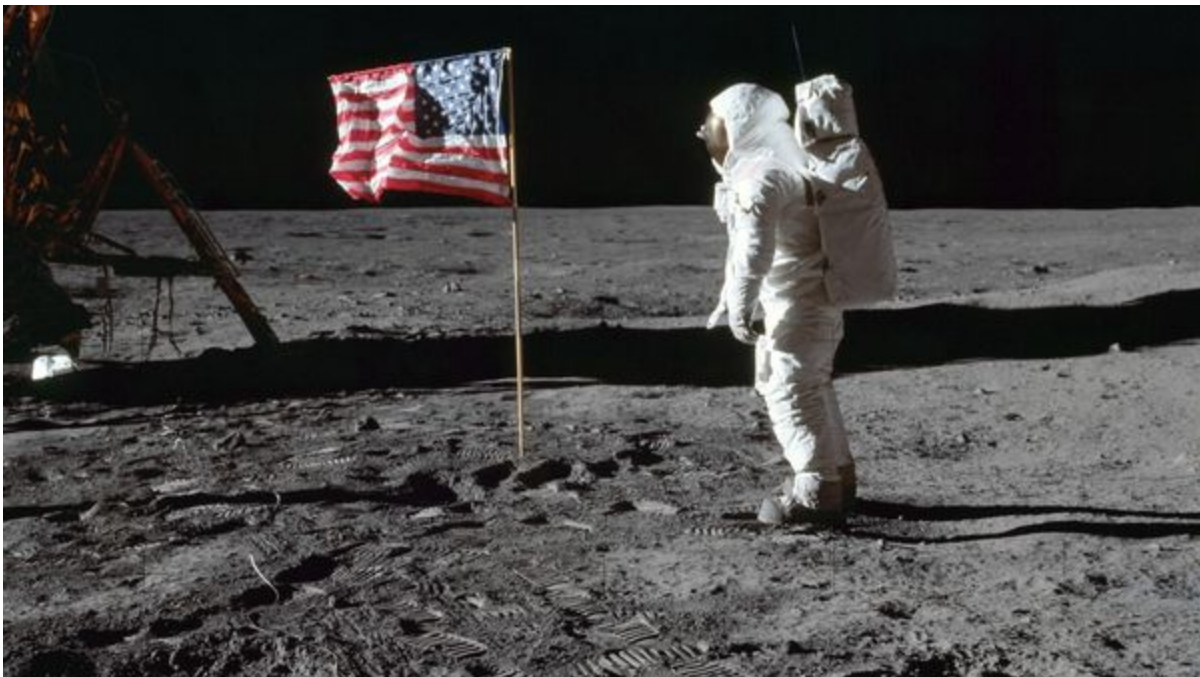
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Boots on the regolith

NASA's Moon-base plans mark a rethinking of its future

The changes are welcome

3月 26, 2026 04:45 上午



“THE UNITED STATES will never again give up the Moon.” This line in a memo that NASA staff received from their boss, Jared Isaacman, on March 24th, sought to recast the stakes in America’s race with China to put [the next humans on the Moon](#). Since taking over NASA in December Mr Isaacman has added new realism to the timetable for Artemis, the late-running, over-budget and needlessly complex Moon programme. Nevertheless, the chances that its current target of boots on the lunar terrain by 2028 might slip again, and that

China's more streamlined programme might deliver people there first, are real. Some rate them as high.

This is surely one of the reasons why Mr Isaacman's memo, and the accompanying presentations made by him and senior members of his team during a daylong event at NASA's headquarters, turned the agency's [vague aspirations](#) towards a permanent Moon base into something far more concrete. During phase one of the new plan, the agency will send as many as 15 robotic landers to the Moon as it prepares for the first crewed landing; these will, among other things, scout out sites for subsequent landings and the base-to-come. Phases two and three will see astronauts visit the chosen site every six months as they and their robot helpers build out infrastructure including habitats that allow prolonged stays.

The overall effect is to make the Moon more central to NASA's objectives over the coming decade while diminishing the importance of the first crewed landing. A brief "here-today, home-tomorrow" visit by Chinese astronauts could be brushed off as a stunt.

Though the Moon took pride of place at the event—which NASA called "Ignition", in reference to what has to happen on the launch pad before lift-off—there were other shifts in thinking on display, most notably on nuclear power. The agency is taking its next steps seriously—and facing up to some past failures.

A case in point: SLS, the ill-conceived, temperamental and outrageously expensive rocket around which Artemis has been built. It will serve for the mission that will carry astronauts past the Moon next month (Artemis II); for a mission to test lunar landers in Earth orbit (Artemis III); and for the first two crewed lunar landings (Artemis IV and V). But at the same time NASA will work with commercial providers on ways to put its astronauts into space much more cheaply and reliably. And although Mr Isaacman said that he imagined some SLS technology might make it into those private-

sector bids, it would be remarkable if anything substantially SLS-like survived.

Another improvement is the elimination of a space station, the Lunar Gateway, which was to be assembled in the vicinity of the Moon. Gateway was originally conceived as a way station where astronauts could disembark from the spacecraft taking them from and back to the Earth in order to get onto another to take them to and back from the Moon. It now appears that this transfer will be done elsewhere, probably in low Earth orbit.

Last year the Trump administration cut Gateway from its NASA budget, only to see Ted Cruz, a senator for Texas, reinsert funding for it. This time Mr Cruz seems to be on board. So the already appropriated money he secured can be put towards the Moon base instead.

Mr Cruz may be reconciled to the new plans, which will doubtless provide a lot of work for Johnson Space Centre in Houston. Josef Aschbacher, the director-general of the European Space Agency (ESA), who was in the audience at the NASA event, may be less pleased.

Some bits of Gateway were to be contributed by other countries: ESA has been working on equipment for refuelling and communications and collaborated with JAXA, the Japanese space agency, on a module for astronauts to stay in; the Canadians were to provide a robot arm; and the Mohammed Bin Rashid Space Centre, the United Arab Emirates' space agency, had taken on responsibility for an airlock. In all those cases, the quid pro quo was a promise by NASA to take astronauts to Gateway, a promise that now looks unlikely to be kept.

NASA says—unconvincingly—that Gateway is paused indefinitely rather than cancelled. It also says that it will be working with its international partners to rework their contributions into stuff the

Moon base will need. But this seems more a figleaf than a practical plan—a way for all concerned not to argue in public. Behind the scenes America’s space diplomats will be facing some hard work to maintain future collaborations with international partners.

Watch this space

One already developed bit of Gateway, though, is assured of future use. Gateway’s Power and Propulsion Element (PPE), being built by Lanteris Space Systems, an American company experienced in building large commercial satellites, is to be at the heart of a new mission to Mars. Whereas on Gateway the PPE’s state-of-the art electric thrusters were to have been powered by solar panels, now they will be powered by a tiny nuclear reactor.

This new mission, called Space Reactor 1 Freedom (SR-1), will be the first NASA spacecraft with a nuclear reactor on board, and the first spacecraft to use a reactor to propel itself beyond Earth orbit. The plan is to launch it when Mars and Earth are suitably aligned at the end of 2028. When it gets into orbit around Mars it will drop three small helicopter drones into the atmosphere, where they will scout out an area that might serve as a landing site for a future crewed mission.

The cute drones on a neat mission, though, are not the underlying purpose of SR-1. It is there to herald a new commitment to nuclear power for deep-space propulsion, Moon-base operations and, eventually, human exploration of Mars. Steve Sinacore, the NASA official in charge of the programme, outlined new technologies this initiative would entail, including systems for protecting electronics from the reactor’s radiation and for getting rid of surplus heat, which would pave the way for future missions with bigger reactors.

Mr Isaacman stresses that these new plans can provide better value for the money NASA is getting. Progress on eliminating the SLS and Gateway looks like a good start. Encouraging competition between

private companies interested in providing services is also good. Lunar landers built by [SpaceX](#) (owned by Elon Musk) and Blue Origin (by Jeff Bezos) look increasingly headed for a fly-off, which will add some extra drama to proceedings, too.

There are other welcome signs of change. Mr Sinacore prefaced his remarks with a frank account of NASA's past failures in the area. Since the mid-1960s, he said, it has spent over \$20bn on 12 different nuclear programmes that have produced, essentially, nothing. There was a similar forthrightness about the prospects for research and manufacturing in low-Earth orbit, which have routinely been hyped up in discussions of the International Space Station (ISS). Dana Weigel, who manages NASA's ISS programme, broke with this tradition by telling the audience that "After more than 25 years of crewed operations...we haven't yet seen breakthrough products, capabilities, or services that generate significant demand."

Contrary to the aphorism ascribed to Gene Krantz, Apollo 13's flight director, failure is very much an option. If the agency's historic character reasserts itself, everything will get delayed, costlier and more vulnerable to a less space-friendly administration. Having scads of landers visiting the Moon and a nuclear spacecraft on its way to Mars before January 20th 2029 may make that at least a bit less likely. With Ignition, NASA embraced the long haul. To deliver on its promises, the agency will need to be able to sprint as well. ■

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Stronger together

Autonomous swarms are the future of drone warfare

Much of the innovation is being carried out in Ukraine

3月 26, 2026 04:46 上午



Flying solo

DRONES HAVE become a standard weapon of war. Small quadcopters currently inflict the majority of casualties on the battlefield in Ukraine, and in recent weeks Iran has rained thousands of larger drones on the cities, airfields and oil facilities of the Middle East.

For all their destructive potential, however, they are personnel-heavy to operate. Unless a drone is directed along a preprogrammed path, even the smallest can require up to six people to control and

maintain. It would be more efficient if that ratio could be flipped: if one person could control many drones at once and, better still, if each drone could co-ordinate with its neighbours to strike a single target. Such drone swarms are fast becoming a reality.

Inspiration comes from animal swarms, such as the murmurations of starlings or shoals of fish, in which the movement of the flock is neither directed by a central brain nor preprogrammed into each creature, but emerges from a simple set of rules all members follow. In the military world, that would mean a swarm could be controlled by a mission commander who would look at intelligence and make decisions about which targets to strike.

Swarms come in many levels of sophistication. The simplest have some type of deconfliction to ensure that they do not all go for the same target. A version of this is implemented in Britain's Brimstone anti-tank missile, which entered service more than 20 years ago. It can be fired in salvoes, with the first missile attacking the highest-priority target, the second missile the next-highest, and so on.

The Russian v2U attack drone takes a similar approach. Each one has wings of a different colour. A red drone, say, might be assigned to attack the highest-priority target, an orange one the second and so on. If the second drone sees the first drone miss its target then it will take over the job. If any drone loses sight of its predecessor, however, it risks jumping the queue, dragging its followers with it.

The Israel Defence Forces used the first combat-drone swarm in Gaza in 2021 to track down Hamas groups firing rockets, though how the drones communicated with one another is unclear. But some of the most innovative work is being done in Ukraine. In February 2025 Mykhailo Fedorov, then Minister of Digital Transformation, announced that a dozen Ukrainian companies were working on drone swarms and the first was intended to be in service by the end of the year. Mr Fedorov is now the country's defence minister.

Several Ukrainian suppliers are already deploying swarming systems on a small scale. Sine Engineering, a company based in Lviv, Ukraine, has rolled out a system called Pasika (apiary), which handles a first-person-view (FPV) drone's communications, navigation and ability to autonomously plan a flight path. The firm describes this as a "cheat code" for drone operators. Pasika allows drones to find their own way to a predefined area and orbit there—communicating with one another via radio—until they are instructed to strike targets the operator has identified.

An operator with 11th Brigade of the National Guard of Ukraine, who goes by the call-sign Samosud, says that Pasika has been highly effective at stopping massed Russian assaults which might have been too rapid to halt with individual drones.

Swarmer, another Ukrainian firm, was reported to have had its first success last September: a mini-swarm of one scout and two bombers controlled by a single operator. The operator uses the scout to find a target, and the bombers automatically engage it. The company says it has now tested swarms of up to 25 drones.

The Fourth Law, a Ukrainian company whose name alludes to Isaac Asimov's fictional laws of robotics, is aiming for what it calls "massively scalable autonomy", using AI to enable vast numbers of drones that can fly and find targets on their own. The company sees autonomous bombing, target detection and identification, navigation without GPS and autonomous take-off and landing as its next challenges. A drone swarm that can overcome them all will be able to carry out an entire mission with minimal human supervision.

Impressive as Ukraine's challengers are, they face stiff competition from Auterion, based in America, which has supplied tens of thousands of its Skynode strike kits to Ukraine. These add AI capability to drones, enabling autonomous navigation, the ability to lock on to targets—and swarming. In January America's Department of War released a video from its "Swarm Forge" programme. It

showed several FPV drones hitting targets in quick succession with the aid of Auterion's Nemyx swarming software, which runs on Skynode. The operator just selects a target and the software does the rest.

Lorenz Meier, Auterion's boss, says that Nemyx allows the drones to communicate with each other to attack targets in priority order. The swarm is synchronised so that if one drone is lost, another automatically takes over its target. This capability may already be in use in Ukraine.

Some Ukrainian analysts suggest that mature swarms of tens of drones are still two or three years away. That is largely to do with the problem of scaling up the mesh networks that allow larger groups of drones to share data. But things could move faster. On March 13th Russian military commentators described "massive" Ukrainian strikes carried out with 300-400 drones over a narrow front. They are said to have attacked targets to a depth of 20km and allowed a rapid advance by Ukrainian troops. Swarms may have played a role.

Thus far in Ukraine the sheer volume of FPV drones has benefited defenders, who can see and attack from a safe distance. Russian gains have, therefore, been small and hard-won. Drone swarms, which allow the efficient and rapid concentration of firepower, could flip the dynamic. ■

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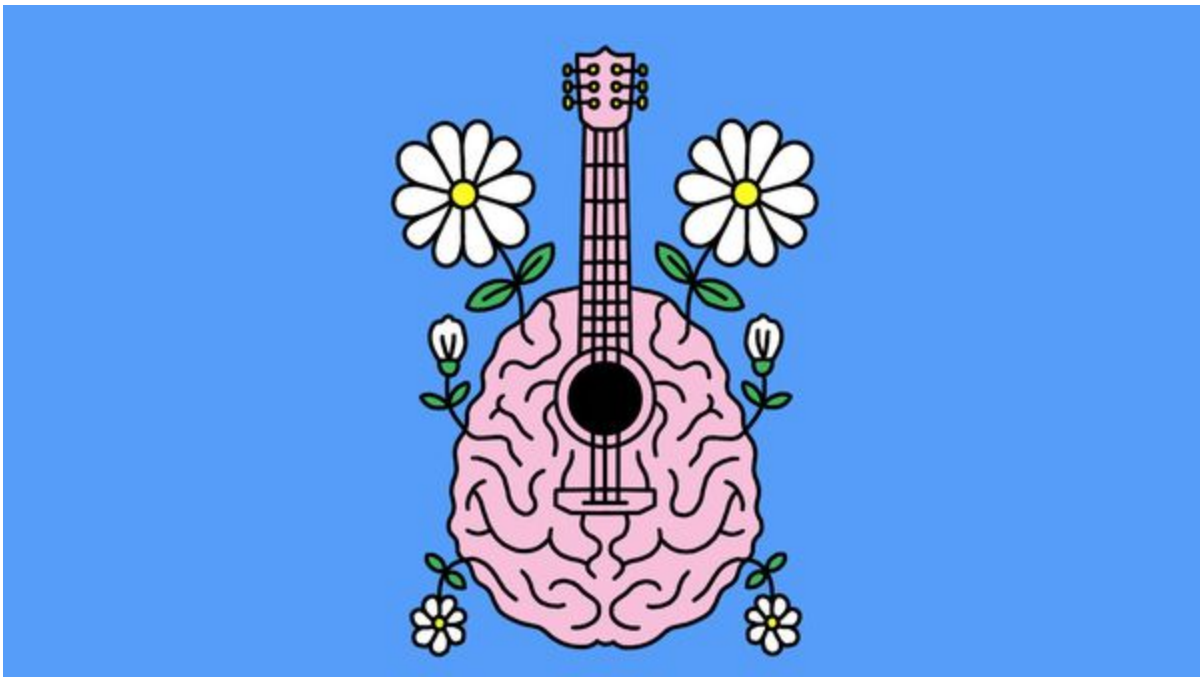
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Well Informed

Is playing music good for the brain?

It would seem so, even for amateurs

3月 26, 2026 05:35 上午



THE MEN who raided Joseph Haydn's grave hoped that his genius would be written on his skull. A scan of the Austrian composer's decomposing brain might have been more enlightening. Musical talent does not, as those 19th-century phrenologists believed, leave bumps on the cranium. It does, however, seem to make a healthy impression on the brain.

Making music is a mental workout. The brain must simultaneously co-ordinate sound and vision, as well as fine motor control, focus

and imagination. Over time this stretches the brain like a muscle. Several studies have found that professional musicians have more grey matter (the neural tissue involved in thinking, movement and memory) in some regions than non-musicians.

Conclusive evidence is hard to come by, but existing research hints that other benefits may accrue. One study from 2020 suggests that musicians may also have better executive function—the part of the brain that helps with planning and problem-solving. A meta-analysis from 2017 concluded that musicians also have a sharper memory. And a study from last year suggested they may even be less sensitive to pain. The experiment, in which 40 participants were injected in the hand with a compound which mimics muscle soreness, found that subjects with musical experience reported less pain. Music as medicine indeed.

Might musically precocious children have a head start? A paper from 2010 found that musicians who begin training before the age of seven have a larger corpus callosum, the neural bridge between the brain's two hemispheres, than later starters. Research from 2014 suggests that learning an instrument also improves children's second-language acquisition and non-verbal reasoning.

Musical training later in life has been linked to slower age-related decline. A small study on older adults showed that continuing to learn an instrument was associated with less deterioration in verbal working memory and grey-matter volume. A meta-analysis from 2021 also found an association between music practice and reduced risk of developing dementia. Whether these findings arise because musical brains are more resilient or because those without dementia keep playing for longer is a knotty question that future studies will need to unpick.

The instrument you play could make a difference. A study from 2024 of 1,100 older Britons found that pianists and brass players tended, on average, to have better working memory. Woodwind players had

superior executive function. Singers excelled in verbal reasoning. Show-offs who played several instruments enjoyed no extra neural benefit.

In addition, the brain's limbic system, which processes pleasure and reward, lights up when you play an instrument. Endorphins, feel-good hormones which relieve pain, flow when you are in the zone. Performing in a band, orchestra or choir eases stress and encourages social bonding. And if an instrument is out of reach, simply listening may also be worth a try. In 2025 an observational study of 10,000 cognitively sound over-70s found that regular listeners to music had a 39% lower relative risk of cognitive decline. Proof of a causal relationship, however, remains elusive.

The good news is that you don't have to be a musical genius to feel the benefits of deliberate and regular practice. Studies have found that consistent training correlated with brain reorganisation in amateurs as well as professionals. But if you are a second Haydn, consider hiring a guard at your tombstone. ■

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The biggest loser

Everyone knows divorce is costly. But children pay most dearly

A new book analyses social history through the lens of divorce law

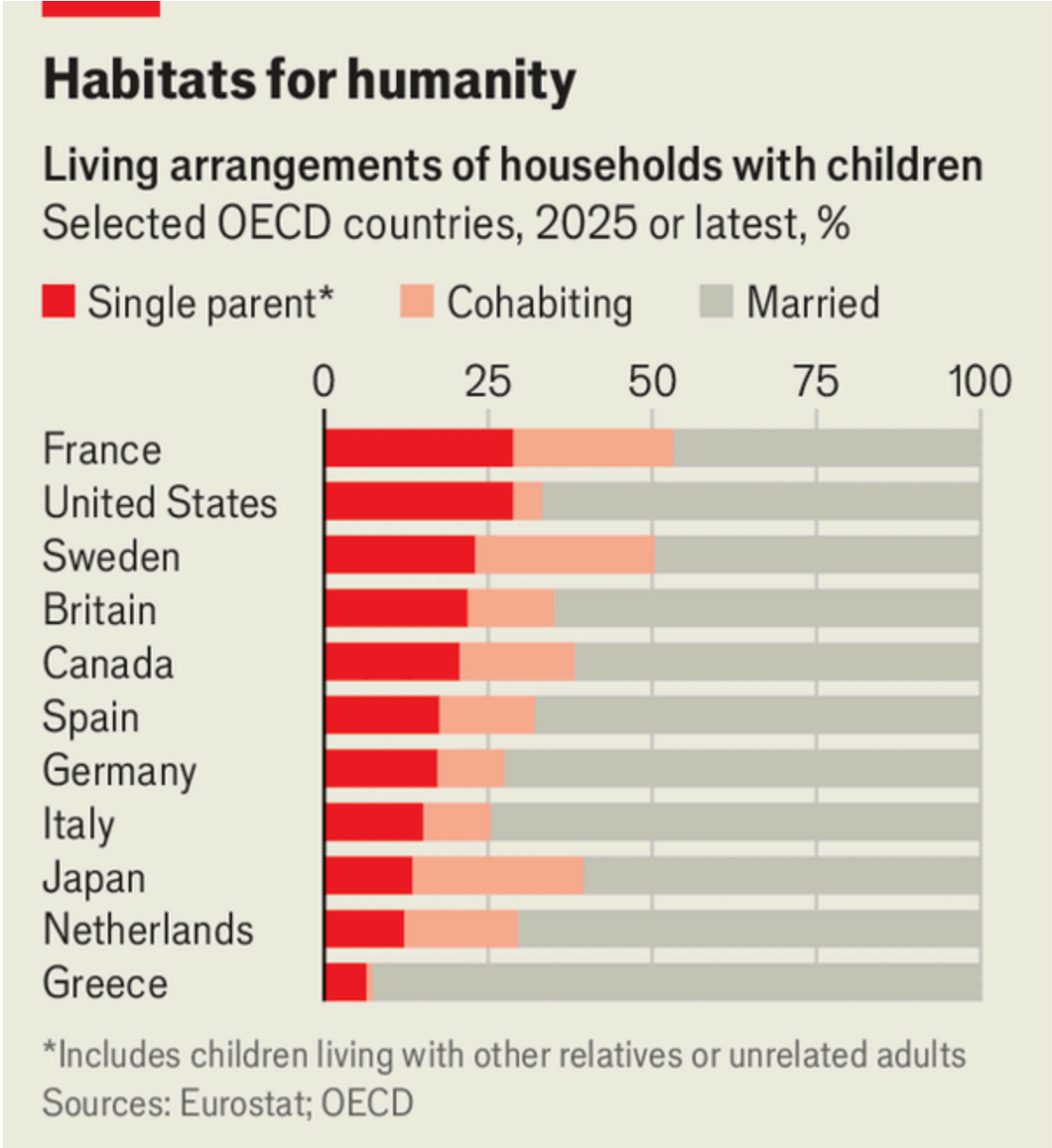
3月 26, 2026 05:40 上午 | PARIS



Custody. By Lara Feigel. *William Collins; 432 pages; £25*

“BUT WHAT is a child between injured parents?” wrote Edna O’Brien, an Irish novelist. “Only a weapon.” The arsenal, by that definition, is vast. In America nearly a third of children will see their parents [divorce](#) before they turn 18. The share of American children living in single-parent divorced households is almost five times higher than it

was in 1960. In Britain nearly a quarter of children live with single parents—though far fewer adults are divorced, because they are more likely to have children without marrying first (see charts).



Divorce is one of the biggest social transformations of the past century. Instead of telling human history in the way others might, selecting a famous war or revolution, Lara Feigel, a professor at King’s College London, opts for a different sort of conflict-ridden

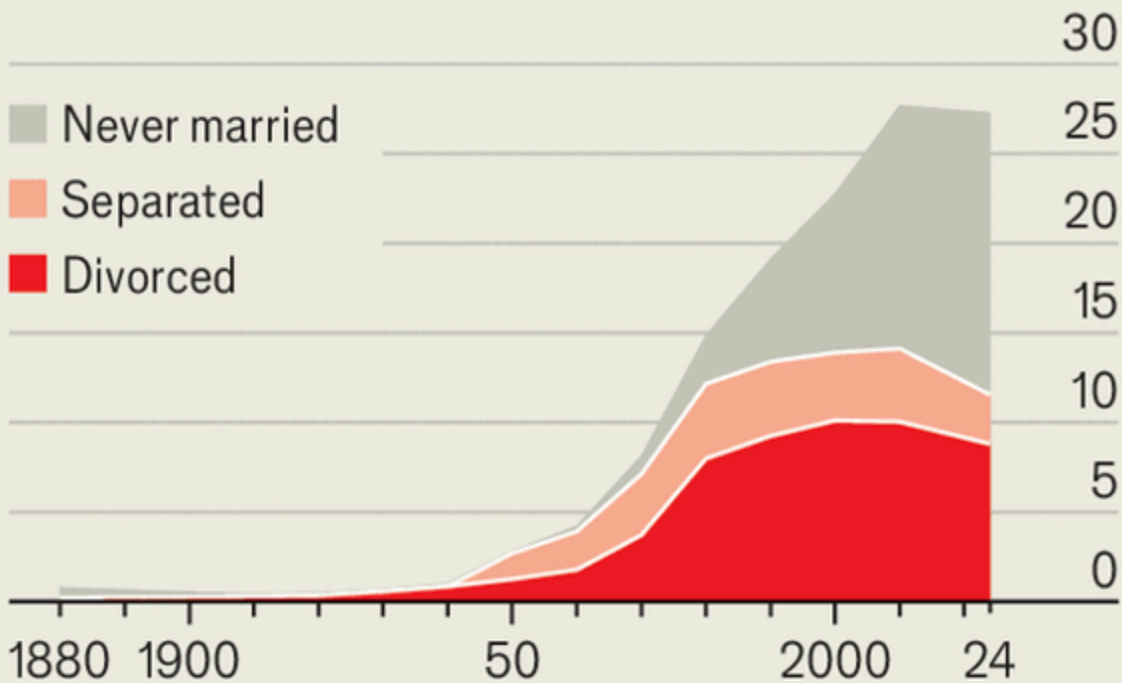
setting: the [courtroom](#). “There are winners and losers here, and the child is the prize,” she writes.

Ostensibly Ms Feigel’s subject is “the secret history of [mothers](#)”. She uses seven subjects, from Caroline Norton to Britney Spears, to show how women helped forge new laws and shape attitudes concerning the right to parent after marital dissolution. In fact, she writes about eight women, including herself. During the pandemic Ms Feigel moved to the English countryside and wanted her children to stay there with her. That sparked her own custody battle, which friends admonished her to avoid, with warnings that the ordeal would cut her children in half. (Everyone since King Solomon’s time knows no good mother should choose to split a baby.)

For most of history the law has treated children as property—the father’s. In 19th-century England a single mother, absurdly, had the right to keep her children only if they were illegitimate. Otherwise even young ones were handed to fathers, who could park them with any relative or servant he chose.

On the divide

United States, children living in single-parent households, by type, %



Sources: Census Bureau; *The Economist*

Norton, one of the most consequential and least celebrated women in British history, discovered this the hard way. A famous lady of letters and (possibly) lovers, she was dragged into a lawsuit by her husband, who accused the prime minister, Lord Melbourne, of "criminal conversation" with Norton. (Victorians managed to make adultery sound like a noise complaint.) Norton left her husband, and he treated their sons as possessions, moving them on a whim. She wrote pamphlets and campaigned to change the law. In 1839 she succeeded, with passage of the Custody of Infants Act, giving mothers rights to petition for care of young children. It was the first feminist law in British history.

Ms Feigel casts her spotlight across nations and centuries. She features [George Sand](#), a flamboyant French novelist, who won custody of her two children in three separate court cases in 1836. (French law accounted for the well-being of the child more than English law did.) There is Elizabeth Packard, an American whose husband placed her in a mental institution; she campaigned in the 1860s to reform laws so women could maintain guardianship of their children and not be declared insane without a trial. And there is Alice Walker, an African-American novelist who settled on the oddest custody arrangement you have ever heard of, with her daughter switching between Walker's and her ex-husband's homes every two years.

These women help construct a narrative of how custody law has arced over time. After Norton, a "tender years" doctrine took hold, with the view that young children need a mother's care (though this did not extend to transgressive or adulterous women, whom custody proceedings tended to punish). In the 1970s a fathers' rights movement gained force, with activists saying it was unfair that custody was awarded to mothers by default. This led judges to consider more strongly the best interests of the child.

More recently claims of "parental alienation" have played a role in custody proceedings (with one parent, usually the father, claiming a child is being manipulated into estrangement by the other). These can shape outcomes: one study found that if a father cross-claims alienation, courts are nearly four times more likely to disbelieve a mother's assertion of child abuse.

"Custody" probes the sometimes uneasy relationship between [feminism](#) and motherhood. But what makes it especially incisive is its emphasis on children as the injured "hostages" traded in adult wars. Even though, legally speaking, children are no longer property, they can be treated as such by sparring parents. The author argues that every custody case is a "tragedy", which drags "its way down the generations". Even when mothers succeed in gaining the right to

care for their little ones, those children suffer. Each character's offspring reacts to parental conflict with sickness and sadness. Some even die, including Norton's youngest son, who got blood poisoning after an untreated injury.

An excellent read though "Custody" is, the book could have made its case of how children are disadvantaged by divorce even more convincingly by using data and not merely anecdotes. Divorces tend to cause household income to fall, especially women's earnings. Parents often have to work longer hours and move to poorer districts. Data from America show that divorce can have long-running economic effects on children, denting their university prospects and earnings as adults and increasing the rate of incarceration, teen births and mortality.

"Custody" stays mainly in the realm of emotion and of literature, which provides succour to Ms Feigel. By fighting for custody of her two children, she was trying to put an end to the 50-50 split between her and her ex's homes and calm her son's distress at shuttling between them. Instead, she lost her case, being granted care only of her toddler, while her son was sent to live mainly with her ex. A family, not a baby, split right down the middle. What would King Solomon have said? ■

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Fascism's first act

The forgotten man who predated Mussolini and Hitler

"The First Fascist" argues a French aristocrat, the Marquis de Morès, was an important antecedent

3月 26, 2026 04:45 上午



The First Fascist. By Sergio Luzzatto. *Harvard University Press*; 496 pages; \$35. *Allen Lane*; £30

FAR-RIGHT PARTIES are on the march, causing many to fear the spectre of fascism. Google searches for "fascism" reached a five-year global high in September. Those seeking to understand the history of the term should pick up a new book. The conventional wisdom is that [Benito Mussolini](#) was the world's first fascist. But Sergio

Luzzatto, an Italian academic, makes a persuasive case that, in fact, it was the Marquis de Morès, a French aristocrat born in 1858. In his penchant for “hierarchical order, identity politics, conspiracy theories, prejudice against those who are different, incitement to racial hatred” and use of body language and aesthetics to project power, he anticipated the [worst actors](#) of the 20th century.

Morès was a “serial failure”. After a stint in the cavalry, he set off to become a cattle rancher in America. Then he poured energy—and other people’s money—into bold, impractical projects, such as a meat co-operative and a railway along the Indochinese border. Needing someone to blame for his failures, he became a rabid [antisemite](#). After his return to France in 1889, he found the country in a febrile mood. The collapse of Union Générale, a bank, in 1882, and the stockmarket shock that ensued, was blamed on Jewish financiers. Morès was happy to fan the flames.

Portraying himself as a revolutionary socialist fighting for the dispossessed, he led violent demonstrations intended to intimidate the authorities. Understanding performative brutality and how to use the media to his advantage, Morès challenged prominent Jews to duels, murdering one.

After another financial scandal, Morès left for Africa and wrote a polemic, “The Secret of Foreign Exchange”. He used the image of the fasces, a bundle of rods that were a symbol of power in ancient Rome. In the 19th century they had become an expression of “the organic bond between the different components of a national group”. Morès argued that the fasces had to be rebuilt. A year later, he quarrelled over a camel with nomads in the Tunisian desert and was slain in an ambush. His French followers saw him as a martyr. For those whose politics are shaped by hatred and prejudice, Morès is a wretched sort of hero. ■

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Classical literature and art

What is the big deal with Ovid and artists?

The Latin poet appeals because he deals with transformation. And smut

3月 26, 2026 04:45 上午 | AMSTERDAM and LONDON



Classic rock

IT HAS BEEN called an “epic of rape”, with good reason. Almost no one—almost nothing—in Ovid’s “Metamorphoses” is safe from seduction (or worse). Animal, vegetable, mineral: all are tainted. Leda lies beneath that swan. A laurel tree has a terrible time with Apollo. Danaë is mistreated by a shower of gold. Ovid’s writing is what the young people call “problematic”. And that is before you even open his [“Art of Love”](#).

Ovid is also, to artists, irresistible. The first-century Roman poet has inspired so much art that he has been described as the “artists’ bible” (albeit a rather secular, smutty one). Chaucer filched freely from Ovid; [Shakespeare](#) imitated him; George Bernard Shaw reimagined him. The medieval era was so keen on Ovid it was called an *aetas Ovidiana*—an “Ovidian Age”.

Artists still turn to Ovid for inspiration. Ted Hughes told “Tales from Ovid”. Ali Smith borrowed from Ovid for her book “Girl Meets Boy”. Now there is “Metamorphoses” (Shape-shifters), a new exhibition at the Rijksmuseum in Amsterdam, which will travel to the Galleria Borghese in Rome in June. The show lays bare—and there is a lot of nakedness—Ovid’s influence on artists.

This influence might surprise many gallery-goers. Ovid is a bit of a classical casualty. People still know that Horace carpe-d the diem. They know that Marcus Aurelius meditated. They are aware that Thucydides had a trap. Ovid? Not so much.

But step inside the new show, and there are many familiar faces. Those who thought they didn’t know Ovid are quickly corrected. Here is Leda and that seductive swan (imagined by a follower of [Michelangelo](#)—the original was allegedly destroyed by Queen Anne of Austria, because she found it too erotic). There is Narcissus (gazing at himself in an inky puddle, by Caravaggio). Over there is Arachne (hulking bronze spider sculptures by Louise Bourgeois). Not far is Pygmalion (rising from white stone, by Auguste Rodin). And there is Hermaphroditus, with a pinchably soft bottom (by Bernini, pictured).

You realise that what you know of classical culture you know from Ovid. So much of it hangs on a surprisingly slender thread (an estimated 99% of all Latin literature was lost), and often the writer who wove the narrative thread that remains was him. Ovid appeals partly because he, like his poems, was a shape-shifter. To read Ovid is to feel unsettled: comedy turns into tragedy; tragedy into comedy;

women turn into men; everyone turns into trees; nothing is quite what it seems. The [Bible](#) offers “order, justice and salvation” (nice things, but dull ones), says Ingo Gildenhard, a professor of classics at Cambridge University. But Ovid offers “a world in flux, transgressive desire, sex and violence”. Ovid is often immoral. He is never dull.

Ovid’s strength is, unfortunately, this exhibition’s weakness. Transformation and shape-shifting are themes that most artists in history have tackled: the assortment of works sometimes feels random (such as a creepy looping video of pythons slithering across a woman’s face, evoking Medusa). But it is not the masterpieces that are the star here: it is Ovid himself. ■

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The funny business

With “SNL UK”, Britain’s laughing stock appreciates

The television show offers a chance to make sketch comedy amusing again

3月 26, 2026 05:40 上午



MOST OF THE time, the aim of the opening monologue on [“Saturday Night Live”](#) is simple: it sets the tone, gives the celebrity host a few easy gags and primes the audience to laugh at the sketches to follow. But on March 21st Tina Fey, the inaugural host of a new British version of the show, had a different job: to justify the programme’s existence. “Why do a UK version of ‘SNL’?” the American writer-performer wondered aloud, repeating a question that many have been asking since the project was announced. “Well,

like so many large-scale American operations these days, no one really knows why.”

In fact, commissioners and producers at Sky, the broadcast network that is home to “SNL UK”, had been mulling it over for about five years. They reckoned there were good reasons to launch the show half a century after “SNL” made its debut across the Atlantic. The first was that, in dark times, people need light relief. Comedy is a release valve—and there is plenty of pent-up tension thanks to war, economic instability and [political](#) polarisation. “We’re in a moment where we need to laugh more than ever,” says Philip Edgar-Jones, Sky’s executive director of unscripted originals.



“Comedy can do a brilliant job—and they do it brilliantly in America—of [speaking] truth to power,” he adds. The American edition of “SNL” often opens with a bit about some foolhardy thing the president has said or done; the first sketch of “SNL UK” portrayed Sir Keir Starmer, Britain’s prime minister, as a feeble flip-flopper, terrified of talking to the man in the White House. (Donald Trump, delighted to be portrayed as a bully, shared it on social media.) The show will soon take on the royal family (a rich subject for satire) and British

culture more broadly. One of the best sketches from the premiere imagined an immersive “Paddington” experience, featuring not a cuddly, marmalade-loving bear but a bloodthirsty beast.

Though “SNL UK” adapts an existing format, there is nothing like it on British television at present. TV-sketch comedy has keeled over like a dead parrot in the past decade: gone are the days when you could choose between “Fry and Laurie” and “French and Saunders” or “Harry and Paul” and “Armstrong and Miller”. (A notable exception is “Mitchell and Webb Are Not Helping”, which last year reunited two British comedy favourites and became Channel 4’s biggest new comedy show since 2018.) Whether panel shows or sitcoms, [comedy](#) is rarely broadcast live any more, meaning that “SNL UK” has a madcap energy all its own: the appeal of watching it on TV is the prospect of seeing things go awry in real time.



And, after the broadcast, the show can reach a giddy [audience online](#). Videos tagged #skit go viral on Instagram and TikTok. Posts related to sketch comedy had 4.5bn impressions on Reddit, YouTube and X between mid-February and mid-March, according to Sprout Social, an analytics firm. “SNL UK” counts a number of social-media

stars among its writers and cast, including Omar Badawy, Lorna Rose Treen and Al Nash; sketches from the premiere, such as one which imagines famous Britons at a dinner party, have already racked up hundreds of thousands of views. The hope, Mr Edgar-Jones says, is to produce material that “sets the internet on fire the day afterwards” in Britain and beyond.

The first episode of “SNL UK” was patchy. But it has a chance to cultivate the next generation of British comedians, just as “SNL” has launched the careers of umpteen American actors and writers who are now globally famous. (The choice of Ms Fey as host underscored that point.) Audiences may remain sceptical for now; the show will need to land more of its punchlines. But if it spreads on social media and gains a loyal following live, Ms Fey’s question will have been answered. ■

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Back Story

Russia should not be welcome at the world's top art show

Would you invite a serial killer to a garden party?

3月 26, 2026 04:45 上午



YOU HOP off the *vaporetto* or stroll along the embankment from St Mark's Square, away from the gondolas and the Bridge of Sighs. The pavilions of the Venice Biennale, the world's leading contemporary-art exhibition, are scattered across the lush, jasmine-scented gardens at the island's eastern tip. This is bliss, culture vultures may think. Yet even in this artistic Arcadia, death and politics intrude. As [Vladimir Putin's war](#) grinds on, a row has erupted in [Venice](#) about art, politics and violence.

Ever since the onslaught on Ukraine in 2022, cultural institutions have tried to distance themselves from Russian artists deemed tainted by the bloodshed. In the early months some panicky impresarios went too far, cutting loose critics of Mr Putin as well as cronies. A saner approach has since evolved: [blameless](#) and [apolitical](#) Russians tend no longer to be blacklisted, but organs and cheerleaders of the renegade state are still shunned. Or, they were until the Venice Biennale revealed that Russia would be exhibiting at the festival that opens in May.

This is a reversal. Aghast at the invasion, in 2022 the artists due to represent Russia at the biannual art jamboree pulled out; a monument built of sandbags kept Ukraine's plight in mind. Russia was not represented in 2024 either. But this year it will return, say the organisers—news that has outraged Ukrainians and diplomats across Europe. Three arguments are made for the country's inclusion. All are bad.

The first is the hoary idea that art is above politics. Made by both naive aesthetes and whitewashing cynics, this claim is either a delusion, a cop-out or a lie. For instance, the biennale is avowedly "a place of dialogue, openness and artistic freedom". Dialogue, openness and freedom are as political as it gets. They certainly are in Russia, which in wartime has locked up a playwright and a director and chased other artists into exile. "No one can deprive Russia of the right to artistic self-expression," smirked a Russian cultural dignitary of the biennale. False: the Kremlin does that all the time.

The biennale itself—dubbed the Olympics of contemporary art—is grounded in politics. Countries select artists to represent them; the pavilions in those idyllic gardens, in which much of the work is displayed, are owned by participating states. (Russia's was designed by the architect of Lenin's mausoleum.) One of the Russian show's overseers is the foreign minister's daughter. In recent years much of

the assembled art has been stridently political, often dealing with oppression or colonialism of one kind or another.

Another pro-Russian argument is time. Surely, this case runs, no country can be ostracised for ever. Here the hideous news rhythm of war kicks in. The longer it lasts, the more the world's attention wanders—even as the suffering in Ukraine intensifies—and the more it is eclipsed by other woes. Russia may have started the fighting, inattentive people conclude, but both sides may be to blame for not ending it. And, anyway, what has cutting ties with Russia really achieved?

This argument appeals to some self-serving Western politicians and businessmen. It helps explain why, creepingly, Russian teams are being readmitted to major sports events. But it is wrong. For ever is indeed a long time; it is true that no country should be an eternal pariah. While Russia murders civilians in their beds, however, its rulers and their proxies should be unwelcome.

A last justification is a version of the “whataboutery” beloved of Soviet propagandists. Other strongmen are waging wars; shouldn't artists from their countries be excluded from Venice too? There is, in fact, a separate push to expel Israel from the biennale, on account of its allegedly genocidal treatment of the Palestinians. An open letter to that effect was signed by almost 200 artists and workers involved in the festival. And what about America, or Ethiopia, or...?

That defence doesn't stack up either. Wherever you draw the line, Russia—whose army, among its other crimes, loots and destroys Ukrainian libraries, theatres and museums—should fall on the disqualified side of it. No one invites a serial killer to their garden party.

Individual countries, not the biennale, are in charge of their pavilions, note the organisers. Hmm: surely they could, say, omit Russia from catalogues and marketing bumf if they chose to. They

deplore censorship and extol free speech. As things stand, they will host quite a lot of it, in the form of boycotts and protests. There will be no escape from war and politics, even in Arcadia. ■

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It's on the table

Young people all over the world are clicking with mahjong

The tile-based game is now played in trendy venues as well as retirement homes

3月 26, 2026 04:46 上午 | NEW YORK



What are you playing four?

WITH ITS neon lights and mirrored ceilings, 886, a Taiwanese restaurant in New York's East Village, has the vibe of a nightclub. But on a recent Wednesday night, you could hear shouts of "Pong!" and "Chow!" rather than thudding beats. Dozens of young people descended on the hip eatery to enjoy black-pepper beef, sesame

[noodles](#)—and a few rounds of mahjong. As they tried to assemble a winning hand by drawing and discarding tiles, players were overlooked by a huge mural of Taiwanese celebrities immersed in the game.

Mahjong has long been a popular pastime among older generations of Asians and American women. But now it is attracting a young crowd, too. Global attendance at mahjong events has more than tripled in the past year, according to Eventbrite, a ticketing platform. Regular events are held in Berlin, Helsinki, London, Los Angeles, New York, Paris and Sydney. Some, such as the event at 886, are intimate; others attract as many as 800 people.

Naturally these new fans are spreading the word online. There are hundreds of mahjong tutorials on YouTube. There has been a 70% surge in mahjong content on TikTok in the past year: over 100,000 posts now talk about it. Some share videos extolling the pleasures of playing with friends (“This & three hours of uninterrupted yapping”) or showing themselves unboxing a new set of gleaming tiles.



Mahjong was devised in Shanghai in the mid- to late-19th century. (The name means “sparrow”, as the sound of tiles knocking together is reminiscent of the birds’ clacking.) It started out as a gambling game and was associated with insalubrious venues such as brothels and teahouses. But by the end of the century it had spread into the homes of the bourgeoisie, and from Shanghai to the rest of China.

Mahjong continued its march across East Asia in the early 20th century. In the 1920s it conquered America. Joseph Babcock—who had been sent to China by Standard Oil and loved to play the game with his wife—simplified mahjong and created tiles with Roman numerals. In doing so, he set off a craze. Its famous boosters included celebrities such as Fred Astaire and Warren and Florence Harding, then the president and first lady.

The game continued to evolve. In 1937 a group of Jewish women formed the National Mah-jongg League. They simplified and standardised the rules once more, thereby creating the version now known as American Mahjong. Today there are dozens of variations of the game. Each has slightly different rules, scoring systems and number of tiles—all of which can affect the tempo. In American Mahjong the winning player must match their hand to one of the combinations on a card; in Hong Kong Mahjong, they must assemble four sequences and a pair of tiles.

What explains mahjong’s trendiness today? Popular culture is one reason for the revival. [Meghan Markle](#) is shown hosting a mahjong night in her lifestyle show on Netflix. The game is often used as a narrative device in [anime](#) and manga to ramp up tension: characters may bet their life savings—or their lives—on a round. In [“Crazy Rich Asians”](#) (2018), a hit romantic comedy, a pivotal scene between the protagonist and her boyfriend’s steely mother unfolds over a game of mahjong. Even those who do not know what is going on can deduce that it is a test of strategy and patience.

Another reason for mahjong's popularity is that it is a sensory experience. Annelise Heinz, the author of a history of the game, says there is something satisfying about "the way that the tiles look and sound and feel". (The same is true of a game like dominoes.) "In this very digital world", she argues, the tactile nature of mahjong offers "analogue pleasures".



To tap into this, firms are bringing a modern design sensibility to tile sets. The Mahjong Line makes ocean- and Western-themed tiles. Luxury brands are turning kits into *objets d'art*. Hermès and Prada sell mahjong sets; Louis Vuitton's "Vanity Mahjong Trunk" costs £48,000 (\$64,000). Talk about an expensive night on the tiles.

The last reason for mahjong's renewed relevance is the sense of community it provides. Sarah Teng says the pandemic galvanised her and her co-founders to establish the Green Tile Social Club in New York. "We were craving those in-person interactions and activities that were not super expensive and involved more than just eating or drinking," she says. "We created what we felt didn't exist yet."

An evening spent [on your phone](#) is enervating; one spent on the mahjong mat is enriching. During the game, there are pauses while tiles are shuffled and stacked, which leaves room for chitchat. Mahjong is “the ultimate connector”, says Angie Lin, the founder of East Never Loses, which produces mahjong events. “You sit down at the table, you’re immediately going to meet three people and you’re going to have to look them in the eye. You can get to know them through this game.”

Fun and companionship are worthy pursuits in themselves, but the benefits of mahjong persist long after the thrill of a winning hand has subsided. Aficionados talk about reaching a “flow state”—the stresses of the day disappear as they organise their tiles—and studies have found that, among the elderly, playing mahjong regularly is associated with lower rates of depression. It also helps to maintain cognitive function, thanks to the pattern recognition and memory skills required. By starting early, then, young people are getting ahead of the game. ■

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Economic & financial indicators

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Indicators ::

Indicators

Economic data, commodities and markets

3月 26, 2026 04:45 上午

Economic data

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	Gross domestic product				Consumer prices			Unemployment rate	
	% change on year ago:				% change on year ago:			rate	
	latest		quarter*	2026†	latest		2026†	%	
United States	2.0	Q4	0.7	2.5	2.4	Feb	3.2	4.4	Feb
China	4.5	Q4	4.9	4.6	1.3	Feb	1.2	5.3	Feb ⁵
Japan	0.4	Q4	1.3	0.6	1.3	Feb	2.0	2.7	Jan
Britain	1.0	Q4	0.2	1.0	3.0	Feb	2.8	5.2	Dec ^{††}
Canada	0.7	Q4	-0.6	1.4	1.8	Feb	2.5	6.7	Feb
Euro area	1.2	Q4	0.8	1.2	1.9	Feb	2.2	6.1	Jan
Austria	0.6	Q4	0.1 [‡]	1.0	2.4	Feb	2.3	5.6	Jan
Belgium	1.0	Q4	0.4	1.0	1.4	Feb	2.8	6.4	Jan
France	1.2	Q4	0.9	0.9	1.1	Feb	1.8	7.7	Jan
Germany	0.4	Q4	1.2	1.0	1.9	Feb	2.6	4.0	Jan
Greece	2.5	Q4	3.2	2.1	3.1	Feb	2.7	7.7	Jan
Italy	0.8	Q4	1.0	0.7	1.5	Feb	1.9	5.1	Jan
Netherlands	1.8	Q4	2.2	1.4	2.3	Feb	2.3	4.1	Feb
Spain	2.6	Q4	3.1	2.1	2.5	Feb	2.4	9.8	Jan
Czech Republic	2.3	Q4	2.5	2.5	1.4	Feb	1.8	3.0	Q4 [‡]
Denmark	3.2	Q4	0.8	1.8	0.7	Feb	2.0	3.0	Jan
Norway	2.2	Q4	-1.3	1.5	2.7	Feb	2.9	4.6	Jan ^{††}
Poland	4.0	Q4	4.1	3.6	2.1	Feb	3.0	6.1	Feb ⁵
Russia	0.6	Q3	0.4	1.5	5.9	Feb	5.7	2.2	Jan ⁵
Sweden	2.0	Q4	2.0	2.3	0.5	Feb	1.7	8.8	Feb ⁵
Switzerland	0.7	Q4	0.6	1.0	0.1	Feb	0.6	3.0	Feb
Turkey	3.4	Q4	1.5	3.6	31.5	Feb	25.4	8.6	Jan ⁵
Australia	2.6	Q4	3.2	2.1	3.7	Feb	3.7	4.3	Feb
Hong Kong	3.8	Q4	4.0	2.5	1.7	Feb	1.8	3.8	Feb ^{††}
India	7.8	Q4	7.1	7.2	3.2	Feb	4.5	6.7	Feb
Indonesia	5.4	Q4	6.7	5.2	4.8	Feb	3.1	4.9	Aug ⁵
Malaysia	6.3	Q4	3.8	4.8	1.4	Feb	2.2	2.9	Jan ⁵
Pakistan	3.7	2025 ^{**}	na	3.5	7.0	Feb	5.0	6.9	2025
Philippines	3.0	Q4	2.4	4.3	2.4	Feb	3.2	5.8	Q1 ⁵
Singapore	6.9	Q4	8.7	3.2	1.2	Feb	1.7	2.0	Q4
South Korea	1.6	Q4	-0.6	2.1	2.0	Feb	2.1	3.4	Feb ⁵
Taiwan	12.7	Q4	23.6	6.9	1.8	Feb	1.5	3.4	Jan
Thailand	2.5	Q4	7.8	2.0	-0.9	Feb	0.9	0.9	Jan ⁵
Argentina	2.1	Q4	2.5	3.4	33.1	Feb	29.9	7.5	Q4 ⁵
Brazil	1.8	Q4	0.6	1.8	3.8	Feb	4.0	5.4	Jan ^{5††}
Chile	1.6	Q4	2.3	2.2	2.4	Feb	3.1	8.3	Jan ^{5††}
Colombia	2.2	Q4	0.5	2.7	5.3	Feb	5.7	10.9	Jan ⁵
Mexico	1.8	Q4	3.5	1.5	4.0	Feb	3.8	2.6	Jan
Peru	3.2	Q4	-0.6	2.6	2.2	Feb	2.5	5.6	Feb ⁵
Egypt	5.3	Q3	39.4	5.3	13.4	Feb	10.2	6.2	Q4 ⁵
Israel	3.5	Q4	4.2	3.4	2.0	Feb	2.1	2.7	Feb
Saudi Arabia	4.5	2025	na	4.5	1.7	Feb	1.9	3.4	Q3
South Africa	0.8	Q4	1.5	1.7	2.9	Feb	3.8	31.4	Q4 ⁵

Source: Haver Analytics *% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast ⁵Not seasonally adjusted
[‡]New series ^{**}Year ending June ^{††}Latest 3 months ^{†††}3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

2 of 2

	Current-account balance	Budget balance	Interest rates		Currency units	
	% of GDP, 2026†	% of GDP, 2026†	10-yr gov't bonds latest, %	change on year ago, bp	per \$ Mar 26th	% change on year ago
United States	-3.5	-6.5	4.3	2.0	-	
China	3.3	-5.7	1.6	11.0	6.90	5.2
Japan	3.7	-1.6	2.3	69.0	159	-6.0
Britain	-4.1	-5.0	4.9	20.0	0.75	2.7
Canada	-0.7	-2.2	3.5	41.0	1.38	3.6
Euro area	2.4	-3.3	3.0	17.0	0.86	6.9
Austria	0.9	-4.3	3.3	12.0	0.86	6.9
Belgium	-3.0	-4.6	3.5	18.0	0.86	6.9
France	-0.3	-5.2	3.7	17.0	0.86	6.9
Germany	4.6	-3.8	3.0	17.0	0.86	6.9
Greece	-5.1	nil	3.8	17.0	0.86	6.9
Italy	1.4	-2.9	3.8	-5.0	0.86	6.9
Netherlands	6.9	-2.1	3.0	4.0	0.86	6.9
Spain	2.3	-2.6	3.5	9.0	0.86	6.9
Czech Republic	0.8	-2.5	4.8	47.0	21.2	9.0
Denmark	12.4	1.2	2.7	20.0	6.46	7.0
Norway	11.8	8.9	4.4	24.0	9.69	8.6
Poland	-0.9	-6.6	5.7	-8.0	3.70	4.3
Russia	2.7	-2.6	14.3	-52.0	80.7	4.3
Sweden	4.3	-2.0	2.9	11.0	9.35	7.3
Switzerland	1.9	0.2	0.4	-32.0	0.79	11.4
Turkey	-1.2	-3.4	31.3	218	44.3	-14.3
Australia	-1.6	-1.6	4.9	48.0	1.44	10.4
Hong Kong	11.8	-3.4	2.9	-67.0	7.82	-0.5
India	-1.3	-4.3	6.9	24.0	93.9	-8.9
Indonesia	-0.2	-3.4	6.8	-40.0	16,858	-1.5
Malaysia	2.6	-3.6	3.6	-19.0	3.96	11.9
Pakistan	-0.8	-4.4	12.4	13.0	279	0.4
Philippines	-3.7	-5.9	7.0	74.0	60.0	-4.1
Singapore	15.0	1.1	2.2	-58.0	1.28	3.9
South Korea	4.4	-2.9	3.9	102	1,506	-2.8
Taiwan	23.3	0.7	1.5	-18.0	31.9	3.5
Thailand	2.6	-4.7	2.1	7.0	32.7	3.3
Argentina	-1.6	0.4	na	na	1,377	-22.2
Brazil	-2.8	-7.1	14.1	-87.0	5.24	8.8
Chile	-2.1	-1.7	5.7	7.0	917	0.3
Colombia	-2.7	-6.5	13.0	133	3,688	11.3
Mexico	-0.5	-3.8	9.3	-22.0	17.8	12.8
Peru	2.0	-2.4	6.3	-16.0	3.46	5.5
Egypt	-2.0	-6.2	24.8	109	52.5	-3.7
Israel	2.3	-4.9	4.0	-47.0	3.12	17.6
Saudi Arabia	-3.4	-4.2	na	na	3.75	nil
South Africa	-0.5	-4.2	9.0	-174	17.0	7.8

Source: Haver Analytics †5-year yield ††Dollar-denominated bonds

Markets

In local currency	Index Mar 25th	% change on:	
		one week	Dec 31st 2025
United States S&P 500	6,591.9	-0.5	-3.7
United States NAS Comp	21,929.8	-1.0	-5.6
China Shanghai Comp	3,931.8	-3.2	-0.9
China Shenzhen Comp	2,584.3	-3.6	2.1
Japan Nikkei 225	53,749.6	-2.7	6.8
Japan Topix	3,651.0	-1.8	7.1
Britain FTSE 100	10,106.8	-1.9	1.8
Canada S&P TSX	32,382.6	0.2	2.1
Euro area EURO STOXX 50	5,649.3	-1.5	-2.5
France CAC 40	7,846.6	-1.5	-3.7
Germany DAX*	22,957.1	-2.3	-6.3
Italy FTSE/MIB	44,013.3	-1.6	-2.1
Netherlands AEX	983.1	-1.7	3.3
Spain IBEX 35	17,169.9	-0.7	-0.8
Poland WIG	121,194.0	-1.2	3.4
Russia RTS, \$ terms	1,108.4	1.8	nil
Switzerland SMI	12,718.4	-0.4	-4.1
Turkey BIST	12,963.9	-1.2	15.1
Australia All Ord.	8,745.3	-1.2	-3.0
Hong Kong Hang Seng	25,336.0	-2.6	-1.1
India BSE	75,273.4	-1.9	-11.7
Indonesia IDX	7,302.1	2.7	-15.6
Malaysia KLSE	1,716.7	-0.8	2.2
Pakistan KSE	158,313.4	2.6	-9.0
Singapore STI	4,904.5	-2.0	5.6
South Korea KOSPI	5,642.2	-4.8	33.9
Taiwan TWI	33,439.1	-2.6	15.5
Thailand SET	1,457.9	1.2	15.7
Argentina MERV	2,805,316.0	4.1	-8.1
Brazil BVSP*	185,424.3	3.2	15.1
Mexico IPC	68,187.6	3.7	6.0
Egypt EGX 30	47,497.9	-0.2	13.6
Israel TA-125	4,205.6	-0.6	14.8
Saudi Arabia Tadawul	11,079.9	1.2	5.6
South Africa JSE AS	114,312.7	0.5	-1.3
World, dev'd MSCI	4,309.9	-0.7	-2.7
Emerging markets MSCI	1,472.6	-3.0	4.9

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 31st 2025
Investment grade	99	93
High-yield	376	354

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Mar 17th	Mar 24th*	% change on	
			month	year
Dollar Index				
All items	154.0	147.3	1.0	7.5
Food	142.9	145.0	4.4	-3.7
Industrials				
All	163.1	149.2	-1.6	18.6
Non-food agriculturals	178.4	141.7	2.4	6.7
Metals	159.2	151.1	-2.5	21.9
Sterling Index				
All items	148.3	141.5	2.0	4.0
Euro Index				
All items	152.7	145.4	2.7	0.3
Gold				
\$ per oz	4,994.5	4,414.5	-14.2	46.0
Brent				
\$ per barrel	103.3	103.5	46.1	41.5

Sources: CME Group; LME; LSEG Workspace; NOREXECO; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; USDA *Provisional

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Obituary

- **[Chuck Norris made onions cry](#)**

The king of kicks :: The karate champion and action-movie star died on March 19th, aged 86

The king of kicks

Chuck Norris made onions cry

The karate champion and action-movie star died on March 19th, aged 86

3月 26, 2026 05:35 上午



AS HE WAS dipping a muscled toe into Hollywood in the 1970s, Chuck Norris went for elocution lessons. They didn't show. If his voice could be heard above exploding buildings, vehicle pile-ups and rapid gunfire, it tended to say "Show time!", "Let's rock and roll!" or, as he ran at a crouch towards mayhem, "I'll send you a postcard."

He had acting lessons, too. Those he was pretty clear-sighted about. He was no Laurence Olivier or Dustin Hoffman. He didn't have the presence of Sylvester Stallone or the craggy, virtuous heft of John Wayne, his boyhood hero. Against many of the baddies he met he

looked wiry, at five foot ten and 165 lb, and his hair was scruffy. Somebody said once that he had the emotional range of an avocado. His films, true, were very one-dimensional. Even his CBS TV series, "Walker: Texas Ranger", about a nature-loving lone-wolf lawman with a tragic Native-American past, drew little more out of him than a grim stare and a growl of a song, advising the "unsuspecting stranger" to be sure he knew wrong from right.

But this was not what his screen career was about. The reason a billion people a week (his estimate) watched "Walker" worldwide at its peak was to see baddies get thoroughly beaten up and the good guy win. His straight American back was always to the wall, often literally. Typically he was alone, or else the double-daring leader of a team carrying out a rescue mission, as in the "Delta Force" films. Besieged by a dozen thugs, clinging to a high ledge, spreadeagled on the hood of a speeding car, there seemed no hope for him. But then, "Party time!", he would turn into a whirl of jabs, feints and feet, kick-boxing his way out. A roundhouse kick full in the face usually settled things. "I didn't fight," he said once. "I gave a motivational seminar."

A massive piece of weaponry could also be helpful. But in the end it came down to him, one sweating but cool human being, and the skills he had honed for years since that day in the 1950s, on service in the air force, when he had wandered into a judo hall in South Korea. He went in because he was lost; when he came out, he was hooked. Solid training in all kinds of martial arts, but especially Korean tang soo do, won him the world middleweight karate championship in 1967; he held it for the next five years. He was the first Westerner to earn an eighth-degree black belt in taekwondo, as well as black belts in jiu-jitsu and judo.

Once back stateside he set up martial-arts academies, made training videos and developed his own "chun kuk do" system, a mixture of all he knew. This went on alongside Hollywood, where Bruce Lee, then Hollywood's kick-boxing sensation, got him bit parts to start him off.

Lee was a good friend, but he was not allowed to best him onscreen. At the end of their epic, cat-leaping bout in "The Way of the Dragon" (1972), the greatest fight they ever had, he was laid out dead. That certainly didn't happen in any other film. There the outcome, as he wiped his brow, would be a piled heap of groggy men who had dared to take him on. In "Delta Force 2", after one such maul-fest, an army officer asked him if he felt better now. "Sure I do," he replied. "They don't."

This transformation of his life often awed him. Only God could have organised it. He had grown up poor in a family that was constantly on the move, from the Oklahoma backwoods to Texas to California, and with a father who binged on whisky. At school, the home situation hung over him. He was a desperately shy boy, who could pass a whole day without talking and had no aptitude for sport. As he described it later, speaking to underprivileged children in the Kickstart Kids programme he set up to drive drugs out of schools, he had a choice of two paths then, negative or positive. He could decide he was no good and would never be anything, just ending up drinking like his father; or he could find an activity he liked, set goals and push forward to achieve them. Martial arts had given him that discipline, and look where he was now.

He was now in a place where the public, only half-joking, thought he could do anything. One fan-book hailed him as "the world's greatest human", with an adoring woman at his feet. (In fact, there was almost no love-interest in any of his 32 films; it would have slowed the frenetic action and over-taxed his acting.) A long trail of fan memes claimed that he made onions cry; that Superman, when young, wore Chuck Norris pyjamas; that the Bogeyman checked the closet each night for him, and the flu got a Chuck Norris jab every year. He was the only person who could slam a revolving door. He didn't do push-ups; he did Earth-downs.

The line between superhero and ordinary man could be blurry. If Ranger Walker had "a black belt...and an iron will", so did he. People

wanted to believe in him. In his books and interviews he gave the impression that vigorous workouts, meditation and a chicken-and-broccoli diet could build that iron will (and those decent pecs) in anyone. Self-belief was his mantra. People therefore assumed that as the red, white and blue force-field who pulverised Mexican bandits ("Lone Wolf McQuade"), Vietnamese soldiers (the "Missing in Action" films) and swarms of Russian terrorists ("Invasion U.S.A."), he must be on the rock-hard right. Well, not necessarily. But he did back Donald Trump in 2016, favoured a southern- border wall, took sponsorship from a gun firm and was against gay marriage. He could hardly fight for law and order and the American Way and also be a PC Hollywood liberal.

In 2008, in a book called "Black Belt Patriotism", he decided another solo rescue was needed. He would reawaken America, pulling it out of its apathy and restoring the ideals of the Founding Fathers: morality, civility, social responsibility. It became a bestseller, like his others. He had come a long way from kick-boxing, and even further from the shy boy who would not speak in class. In his last days, he was being tipped as the only man who could re-open the Strait of Hormuz. ■

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