

The Economist

Indonesia goes astray

What UFC can teach DJT

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MAY 16TH-22ND 2026

The jobs apocalypse

Hope for the best, plan for the worst



The Economist

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The world this week

Politics

5月 14, 2026 11:25 上午



Donald Trump went to [China for a summit](#) with **Xi Jinping** in Beijing. Mr Xi said China and America had agreed to a “new positioning” on bilateral ties and would increase co-operation in trade. Mr Trump’s delegation included a host of business bosses, including Jensen Huang of Nvidia and Kelly Ortberg of Boeing. Commercial discussions are easier for the two leaders than political ones. Tough topics include the wars in Ukraine and the Middle East, and America’s support for Taiwan. The island’s president, Lai Ching-te, made a point before Mr Trump departed for Beijing of thanking America for its “unwavering commitment” to Taiwan’s security.

Closed for business

[America and Iran](#) once again failed to reach a deal to reopen the Strait of Hormuz and remove the spectre of war from the region. Before leaving for his trip to China Mr Trump claimed America would win the war "one way or the other". Diplomats say the two sides still disagree on the duration of a moratorium for uranium enrichment, what to do with Iran's stockpile of highly enriched uranium, and whether Iran should dismantle nuclear facilities, among other things.

In **Israel** Binyamin Netanyahu's governing coalition submitted a bill to dissolve the Knesset and hold a general election. If the bill is approved, an election could come in September or October. The coalition has been under pressure from ultra-Orthodox parties angered by the failure to pass legislation that would excuse religious students from the military draft. The leader of the opposition, Yair Lapid, welcomed the move to call an election, assuring supporters that "We are ready."

Earlier, the Knesset passed legislation that would allow military tribunals to impose the death penalty on **Hamas militants** and accomplices if found guilty of involvement in the attacks of October 7th 2023. The vote had bipartisan support, passing by 93-0 with 27 abstentions or absences.

Cyril Ramaphosa, **South Africa's** president, said he would respect a verdict by the country's Constitutional Court that MPs must resume impeachment proceedings against him regarding his handling of a cash theft at his farm. Mr Ramaphosa said he would not resign. MPs from the ruling African National Congress voted to halt the proceedings in 2022.

In **India** Narendra Modi urged his fellow citizens to conserve fuel, hold more online meetings and reduce travel to help combat the energy crunch. The prime minister also said Indians should avoid buying gold from abroad in order to save foreign exchange. The government then raised duties on overseas gold purchases.

A car bombing and ambush killed at least 15 police officers in north-west **Pakistan**. A local Islamist militant group claimed responsibility. A few days later a bomb at a market in the same region killed at least ten people. Pakistan blames Afghanistan for allowing terrorists to operate across the border.

Sara Duterte, the vice-president of the **Philippines**, [was impeached again](#) by the lower house of parliament. Her previous impeachment a year ago was struck down as unconstitutional. The charges are similar, ranging from misuse of public funds to threatening to kill the president, Ferdinand Marcos junior. Her conviction in the Senate would require a two-thirds majority. Ms Duterte denies the claims. Meanwhile, a gunshot was heard in the Senate. Ronald dela Rosa, a senator wanted by the **International Criminal Court** on charges relating to the war against drugs conducted under Rodrigo Duterte, Ms Duterte's father, had been hiding out in the building to avoid arrest. He has now fled.

The authorities in **Kyrgyzstan** indicted eight people for conspiring to overthrow the president, Sadyr Japarov. One of those charged is Kamchybek Tashiev, the Central Asian country's second most-powerful politician. Mr Tashiev was ousted from his job as head of state security in February. His lawyer says the trial will be held behind closed doors.



Sir Keir Starmer faced [the most serious threat yet to his leadership](#) of **Britain's** Labour Party, and thus as prime minister, after several ministers resigned from the government and party rivals circled to launch a leadership challenge. This came after Labour suffered a heavy defeat in elections in Scotland and Wales and council elections in England, which suggested that the populist-right Reform UK is on course to be the biggest party at a general election. One of the ministers who resigned, Wes Streeting, the health secretary, said it was clear Sir Keir would not lead Labour into that next election.

A fragmented state

In those elections Labour lost 1,500 councillors in **England** and Reform gained a similar number. The Greens cut into Labour's heartlands in inner London, taking three councils and costing Labour control of several others. The Conservatives lost nearly 600 councillors overall, but won back Westminster council from Labour. Labour lost control of the parliament in **Wales** for the first time since devolution in 1999 as Plaid Cymru, the Welsh nationalists, surged to victory. Reform came second in Wales, pushing Labour

into third place. In **Scotland** the Nationalists won another term in the devolved parliament but fell short of a majority. The SNP's share of the constituency vote dropped sharply to 38%. Reform won 17 seats in Scotland, the same as Labour.

European Union foreign ministers signed off on a new raft of sanctions targeting violent **Israeli settlers** in the West Bank and organisations that support them. The sanctions had been held up by **Hungary's** previous government under Viktor Orban. Hungary's new government, led by [Peter Magyar](#), was sworn in this week.

Money-laundering charges were brought against Andriy Yermak as part of a wide-ranging investigation in **Ukraine** into state corruption. Volodymyr Zelensky's former chief of staff had been Ukraine's chief negotiator in talks to end the war with Russia until his home was raided by investigators last November, forcing him to pull out of a summit with Steve Witkoff, Donald Trump's special envoy. Mr Yermak has denied any wrongdoing.

Virginia's state Supreme Court scrapped a new congressional-districting map that heavily favoured Democrats. The court found that a ballot measure securing voters' approval for the map had not followed the state's proper electoral process. Democrats promptly asked the federal Supreme Court to suspend the decision while they appeal against it.

In **Brazil** a press report claimed that [Flavio Bolsonaro](#), a senator and son of Jair Bolsonaro, a former president imprisoned for plotting a coup, had obtained funds from a disgraced banker to make a film about his father. Mr Bolsonaro junior acknowledged the funding, but said he had not promised any favours in return. The news could tip this year's presidential election. Mr Bolsonaro junior is the right-wing candidate hoping to defeat Luiz Inácio Lula da Silva.

The government of **Mexico** denied a media report that the CIA has been involved in assassinating alleged senior members of drug

gangs and has operatives in the country trying to dismantle the gangs' networks. Two CIA officials died in a car crash in Mexico recently after apparently taking part in a drugs raid; the federal government said it had not been aware of the CIA men's involvement.

Cuba's energy minister said the country had run out of fuel oil and diesel and had very limited gas stocks. America has in effect imposed an energy blockade on the island by threatening to impose tariffs on countries that send fuel. Protests reportedly broke out in Havana against a series of blackouts that have left the city without power for up to 22 hours a day.

Philip Davis and his Progressive Liberal Party were re-elected to office in the **Bahamas**, the first time a prime minister has won two successive terms in three decades.

Separatists in **Alberta** suffered a blow to their campaign when a judge dismissed their petition to put the issue to voters in a referendum. Groups representing indigenous minorities had brought the lawsuit, claiming they hadn't been consulted and that the petition ignored their treaty rights.

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The world this week

Business

5月 14, 2026 11:24 上午



The International Energy Agency warned that the loss of oil supplies from the closure of the Strait of Hormuz has [depleted global oil inventories](#) at a record pace. Oil stocks held on land plunged by 170m barrels in April alone. Analysts at JPMorgan also warned that commercial stocks in rich countries could “approach operational stress levels” by June. And Saudi Aramco’s chief executive said inventories would soon reach “critically low levels”. The Saudi oil company reported a 26% rise in quarterly net profit, year on year, in part because it increased exports in the run-up to the war. It is also pumping more oil through its pipeline to the Red Sea port of Yanbu. <https://t.me/demagazinesharing>

Locks, stocks and barrels

The disruption to global trade routes caused by the Iran war has benefited the **Panama Canal**. The head of the authority that runs the Central American waterway said that revenue is expected to have risen by as much as 15% since the start of the conflict. More oil and fuel from America bound for China, Japan and South Korea is passing through the canal's locks and the prices paid at auction by vessels to traverse it have soared.

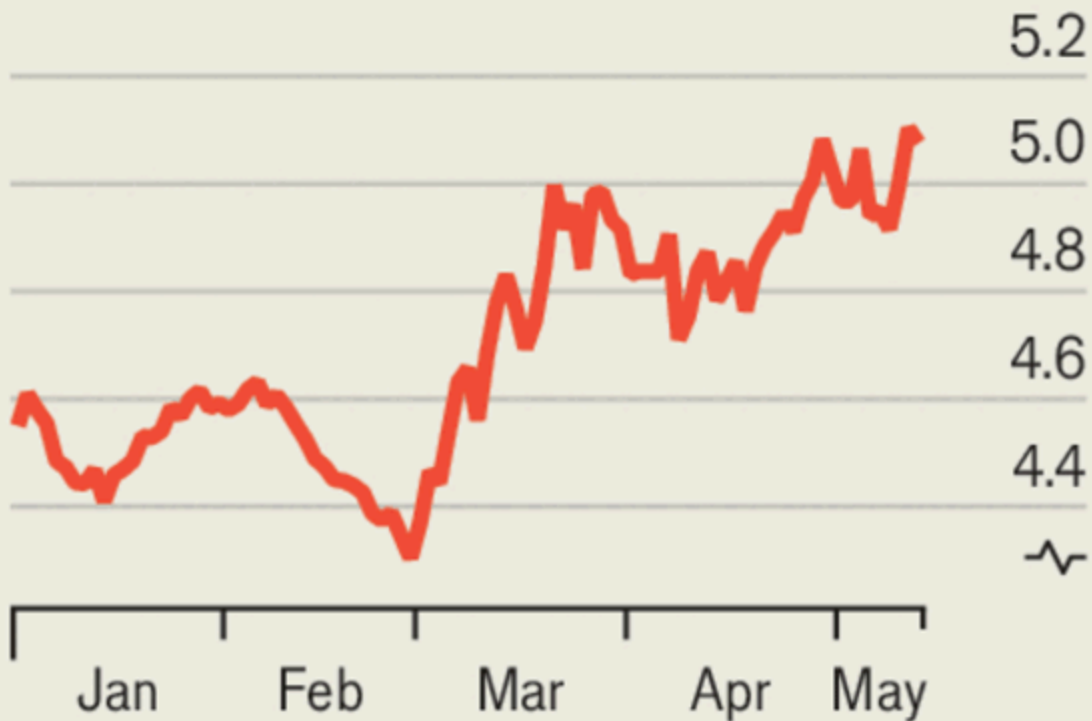
America's annual **inflation** rate surged to 3.8% in April, the highest in three years. Fuel-oil prices were up by 5.8% compared with March. At the beginning of 2026 annual inflation stood at 2.4%.

The inflation problem will land on the desk of **Kevin Warsh**, the incoming chairman of the Federal Reserve. The Senate confirmed him for the job this week, two days before the end of Jerome Powell's term.

The German government's opposition to the takeover of **Commerzbank** by **UniCredit**, an Italian lender, was criticised by the vice-president of the European Central Bank. Luis de Guindos, who is stepping down from the ECB, said that government interventions in business decisions "go against the spirit of a single market". UniCredit has amassed a nearly 30% stake in Germany's second-biggest listed bank. Commerzbank has announced 3,000 job cuts to make it more profitable in its fight against UniCredit's hostile bid.

Ten-year government-bond yield

Britain, 2026, %



Source: LSEG Workspace

The yields on [Britain's government bonds](#) soared amid speculation about whether Sir Keir Starmer would be forced out as prime minister. The yield on the 30-year bond hit 5.81%, the highest level since 1998. The benchmark ten-year gilt yield reached 5.13%, the highest since 2008. Higher yields mean the government pays more to service its debt.

Anduril, a defence startup that is seeking to challenge the industry's dominant companies, saw its valuation soar to \$61bn after its latest round of fundraising. Founded by Palmer Luckey, a 33-year-old entrepreneur with a taste for shorts and Hawaiian shirts, Anduril

was valued at \$30bn last June. The firm has won several Pentagon contracts and is ramping up production at its factory in Ohio that makes drones and other weapons.

Marty Makary resigned as head of America's **Food and Drug Administration**. He reportedly left over the FDA's decision to approve fruit-flavoured e-cigarettes, which he opposed. But his year-long tenure included clashes with food and drugs companies, leading to speculation that Donald Trump was about to sack him.

General Motors had a clear-out of its IT department, according to reports, laying off about 600 workers, or 10% of its IT staff. The carmaker is hiring new employees to work in roles such as AI adoption, data engineering and analytics and agent and model development.

Best known for its bright-green rental e-bikes strewn across city streets around the world, **Lime** filed for an IPO on the Nasdaq exchange. The startup, which is based in San Francisco, is backed by Uber. It reportedly hopes to attract a valuation of \$2bn upon its stockmarket debut.

An influential adviser to Lee Jae-myung, the president of **South Korea**, suggested that all the country's citizens should receive a payout from the soaring market valuation of domestic chipmakers. Samsung recently reported a quarterly operating profit larger than its annual profit for all of 2025. SK Hynix's quarterly profit was up by 405%, year on year. Mr Lee quickly pointed out that any payments to citizens would come from the government's extra revenue generated by the profits, and not a tax on actual profit.

No more popping to the shop

Amazon rolled out its 30-minute delivery service in Atlanta, Dallas, Philadelphia and Seattle. Residents of those cities can get groceries, household goods and other items in about the time it takes to

prepare and eat breakfast. **Amazon Now** is expanding in other cities, such as Houston and Phoenix, soon, and elsewhere by the end of the year.

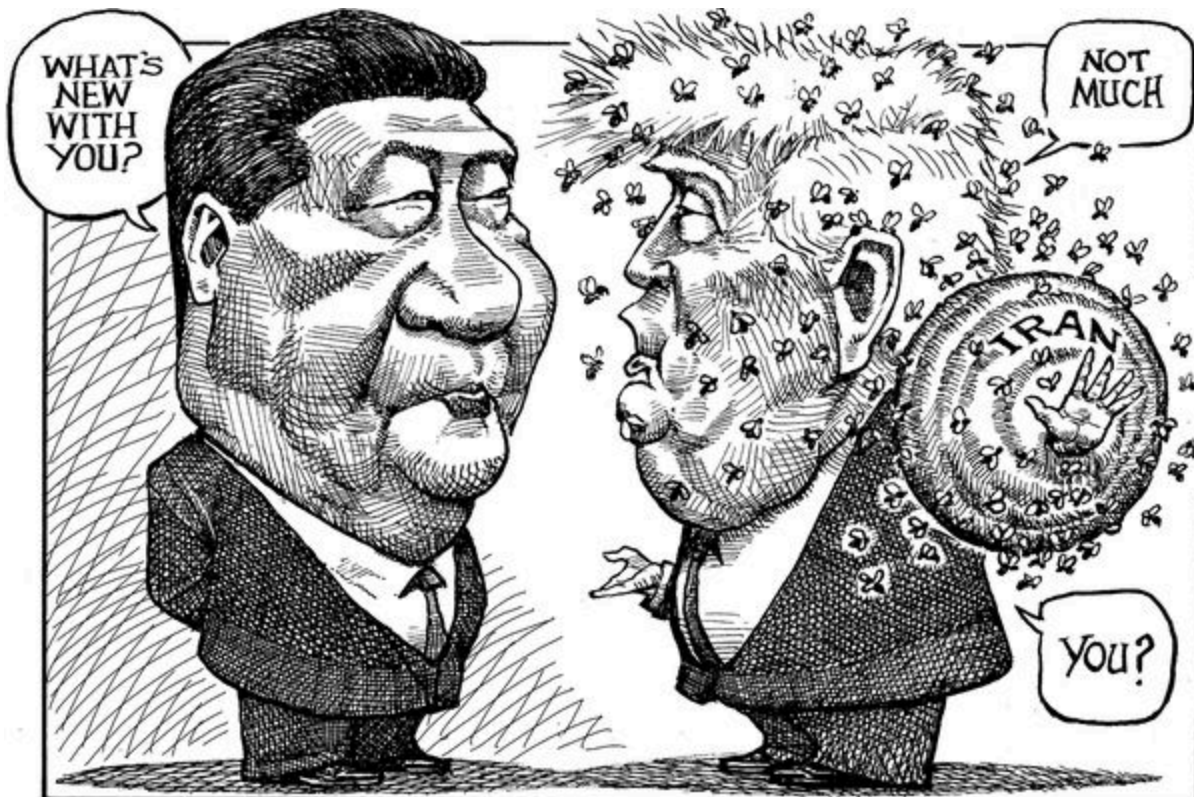
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The world this week

The weekly cartoon

5月 14, 2026 11:25 上午



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

[Trade or Taiwan? Trump and Xi struggle to set the terms:](#)

[The Trump-Xi summit will expose a dysfunctional duo](#)

[China is pushing Donald Trump for Taiwan concessions](#)

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

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Our cover

Prepare for an AI jobs apocalypse

It is not here yet. But governments should lay a safety-net

5月 14, 2026 03:53 上午



THE LAUNCH of ChatGPT in 2022 ignited the artificial-intelligence boom—and elicited a chorus of warnings from AI bosses of an impending jobs apocalypse. Never mind that they have reason to talk up the disruptiveness of their products, or that rich-world employment is near all-time highs—the dark message has landed. Seven in ten Americans think AI will make it harder for people to find work; nearly a third fear for their own jobs. A dearth of openings for

college graduates—especially computer programmers—amplifies the dread.

The past offers some solace for the anxious. Labour markets constantly change. Today's offices would be unrecognisable to a worker from 50 years ago. Never in modern history has technological progress hurt the [overall demand for human labour](#). Economic historians now play down the magnitude of "Engels' pause", the period during the Industrial Revolution in which working-class wages grew more slowly than the wider economy.

Read the rest of our cover package

- [The jobs apocalypse: a \(very\) short history](#)
- [How to share the 'AI windfall'](#)

Yet history is not always a good guide to the future, as the Industrial Revolution itself showed. The top AI models are awesome. They can tackle much more complex coding tasks than people were predicting a year ago. The number of AI agents has exploded. Spending on AI by businesses is up dramatically. Annualised recurring revenue of Anthropic, a hot model-maker, is set to reach \$50bn by the end of June. There is no evidence yet in the labour-market data of AI destroying many jobs. But given how fast it is improving, it would be rash to dismiss fears that it will. Society may be on the verge of a profound reallocation of resources, and political upheaval.

Economists' prediction that work will stay plentiful is less reassuring than it looks, especially over a long horizon. Though the market will find uses for human labour even as models and robots become more capable, the quality of those jobs and the wages they pay are not guaranteed. Data centres will account for 8.5% of America's peak power demand in 2027, up from 4.1% in 2025, predicts Goldman Sachs, a bank. As AI firms bid up the price of land and energy, the dollars people earn will go less far. Eventually humans could, like horses in the age of the car, become uneconomical. Income may go

mostly or entirely to owners of capital, who then go on to spend it on things that are made by AI and robots using natural resources that they monopolise.

This dystopian possibility is behind Silicon Valley's admonitions that state intervention, and perhaps a universal basic income, will be necessary. That remains a long way off, if it ever happens. But governments may have to act sooner, for you do not need a cataclysm to stoke popular fury. Perhaps 2m Americans lost their jobs between 1999 and 2011 owing to China's entry into the global trading system. That is no worse than a typical month's lay-offs in America's churning labour market. Yet the "China shock" helped propel Donald Trump to office and led to the highest tariffs since the 1930s.

The white-collar employees threatened by AI have more political and social clout than factory workers hurt by Chinese competition. Even a small number of lay-offs could provoke a backlash against the technology; furious opposition to new data centres is a hint of what may be to come. Severe disruption to the security and status of many people could lead to widespread unrest, even revolution.

What should governments do? One set of ideas involves slowing down change. China has urged its companies to adopt AI, but not to lay off workers. Prominent economists around the world have proposed higher taxes on capital and lower ones on labour. Some campaigners want levies on data centres. Inhibiting technology is not, however, a wise path to choose. Humanity is likely to reap enormous benefits from AI: not just greater wealth, but progress fighting diseases and solving problems such as climate change and poverty. Had the Luddites stopped the automation of textile mills in early 19th-century England, the world would be far worse off today.

A second category of countermeasures would be better. If employment falls, income that once went to workers is likely to show up as high profits in AI firms, chipmakers, data centres or elsewhere

in the supply chain. Clever tax reforms, such as levies on corporate profits that are above a normal return on capital, on land and on natural resources, could capture these rents. The case for inheritance taxes to prevent the entrenchment of a capital-owning elite looks even stronger than before.

At the same time governments could help workers adjust. Public wage-insurance, which smooths out falls in income after job losses, can help workers find better opportunities (and so can eventually pay for itself). Denmark's active labour-market policies, in which the state helps people find and train for new occupations, have been proved to cut spells in unemployment.

These ideas would make the economy more efficient and fairer regardless of AI. Would they satisfy voters facing disruption and uncertainty? In a populist era technocratic reforms are a hard sell. Past efforts to help workers adjust to trade liberalisation failed to stop the "China shock" backlash. In an all-AI workforce, humans will need help surviving, not adjusting.

Hence a last set of radical ideas, such as the [partial nationalisation](#) of AI firms. This week a South Korean presidential adviser floated a citizens' "dividend" from AI businesses, sending the local stockmarket down by 5%, before backtracking. In America politicians murmur about giving citizens shares in AI companies via "Trump accounts". In economic terms there is little difference between a well-designed tax system and a government stake in the private sector—and countries without AI giants will have to rely on taxes rather than seizing shares in foreign companies. But America may find that some public ownership is the best way to make the social upside from the technology transparent.

Concentrations of rent must be confronted early, before the power of rentiers is too great. The jobs apocalypse is not yet here. But if governments wait for conclusive evidence before creating a safety-net, it will be too late. Better to start now. ■

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Our cover

Sir Keir Starmer has failed abjectly. He should go

Britain is not ungovernable—it just needs better governance

5月 14, 2026 11:25 上午



LESS THAN two years ago Sir Keir Starmer was elected promising to save Britain from populism. As with Emmanuel Macron in France and Friedrich Merz in Germany, his mission was to show that the fruits of sober, competent policymaking are worth more than the empty promises of demagogues.

This week it became clear how abjectly Sir Keir has failed. A drubbing for Labour in elections for councils in England and parliaments in Scotland and Wales on May 7th has sparked a revolt in the parliamentary party. As we went to press, the prime minister was about to face at least one serious challenger for his job. It would be in Britain's interest for him to go.

Read the rest of our cover package

- [Who can save the Labour Party?:](#)
- [Labour has turned into the Conservative Party:](#)
- [How Tommy Robinson, far-right influencer, shaped views on Britain:](#)

The moral for some who look at the miserable polling of Messrs Macron, Merz and Starmer—all decent men—is that European social democracies have become ungovernable. Caught between low growth, high taxes and borrowing and the demand for more public spending, exhausted centrists seem incapable of bringing about change or seeing off the populist challenge from the right and the left. Nowhere more so than in post-Brexit Britain, which, with five heads of government in six years, has got through prime ministers almost as fast as Chelsea has replaced its managers. Larry, Number 10's chief mouser, has become a furry beacon of stability.

Yet Britain is not [ungovernable](#). Sir Keir blames his problems on everybody else, but they should really be put down to that unfashionable quality in politics: "character". The counsel of despair which says Britain should cling to a lame duck for fear of something worse is a formula for the populist insurgency safety-minded centrists most want to avoid.

It is true that the prime minister has had a lot on his plate. Real wages in Britain have barely grown over 20 years. The departure from the European Union and its \$18trn single market has lowered Britain's GDP per person by between 4% and 8%, some studies say.

Governments terrified of angering NIMBYS have failed to deal with a chronic lack of productivity growth. Between 2008 and 2023 output per hour worked increased by 21% for American workers. In Britain it grew by a miserly 7%. Battered by Brexit, Liz Truss's premiership and soaring energy prices, Britain's government bonds have the highest yields in the G7.

Politics has compounded Sir Keir's problems. Perversely, Labour's huge, 165-seat parliamentary majority has turned out to be a source of instability. As we have argued, when several parties have similar levels of support in a first-past-the-post electoral system, small changes in the share of votes lead to wild swings in the number of seats parties can expect to win. As Labour's popularity has ebbed, many of its fainthearted MPs are tempted to rebel by the prospect of losing their jobs.

However, as that all-conquering parliamentary majority also attests, Sir Keir had a chance to make a better fist of governing. Britain's institutions still function. Relations with Europe, for so long a drag on the economy, are now an opportunity for growth. So too, as Labour rightly spotted, are cutting red tape in planning and curbing unsustainable welfare.

Other countries, such as Australia, Canada and Norway, have faced headwinds and yet centrist parties there have survived and even thrived. A large part of the reason Britain has not joined them is Sir Keir himself. Even before he took power, he pinned his government down with manifesto commitments not to raise income taxes or VAT. His half-baked reforms were painful enough to alarm voters but too small to have a meaningful effect on the economy. The big stuff never materialised: no big tax reset, no brave welfare reform, no ambitious rapprochement with the EU. He talked about speeding up planning, but wavered as soon as he hit resistance.

Prime ministers need authority and clarity. Sir Keir, it turns out, has neither. He cannot articulate a vision. Nor is he grounded in one.

Twenty-first century policymaking is so complicated that voters want to be able to trust that the prime minister has the instincts to appoint the right people, weigh the evidence and make sensible decisions. Yet voters have sniffed out what Sir Keir is made of. A YouGov poll since this month's elections finds that only 29% of them want him to stay in office. Panicky Labour MPs have become a rabble.

Jettisoning a prime minister carries risks. As the Conservatives showed, it is [habit-forming](#). Labour could tack to the left, causing a panic in bond markets. If it learns the wrong lessons, a change in personnel alone could set Britain on an even worse path.

And yet the risks of Sir Keir staying on are greater—as the country could find if he sees off his challengers until the next crisis or the one after that. As a prime minister surviving against the will of many of his MPs, he too would be dragged left. In any case, whoever is prime minister, the scope for foolish left-wing policies will be limited by the bond markets, which have British borrowing on a tight leash. Labour leaders understand their party and the country need growth. A more important attribute today is the political skill to set that as a direction for the country and defend it. The promise of a leadership contest is that it will draw out the candidates who best meet that test.

Purrsonality test

Two paths now lie ahead: a chance of renewal or downward spiralling. Whoever takes over from Sir Keir will inherit an enviable majority, three more years in office and a loyal cat. The country's problems are fixable. British assets are cheap. Voters want change. True, Labour could succumb to more infighting, but this could also be the rock-bottom moment.

The alternative is dark. This weekend, a large crowd is expected in London's streets for [Tommy Robinson](#), an agitator who talks of

resisting an “Islamic invasion”. Britain’s deserved reputation as a tolerant, multicultural success story is showing cracks. Episodes of bigotry are growing, from antisemitism in the name of “Free Palestine” to Muslim-bashing in the name of “save British values”. If the centre does not hold, the snake-oil sellers will win the next general election. That might really make Britain ungovernable. ■

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In the eye of the storm

Oil prices could soon rise convulsively

The present tranquility will not last

5月 14, 2026 11:24 上午



THE LARGEST supply shock in petroleum history is getting larger fast. Some 2bn barrels, or 5% of the world's yearly oil supply, have already been lost because the Strait of Hormuz is shut. Every day it remains closed the deficit grows by 14m barrels. Since peace talks between America and Iran have stalled, a reopening still seems many days away.

Yet oil markets look strangely calm. Brent crude futures, at \$105 a barrel, have fallen from April highs of nearly \$120. They remain

below the peak of \$129 in 2022, after Russia invaded Ukraine. Spot prices have slid even more, implying that crude oil is more plentiful than it was earlier in the war. The surprising mini-glut is real—but do not take too much comfort from it. A full-blown energy disaster may be weeks away.

Dig deeper

- [How the world has avoided an oil catastrophe so far:](#)
- [The Gulf war will change Asia for good:](#)

Two unlikely saviours are shielding the world from catastrophe. One is America. Its exports of crude and refined products, net of imports, [have surged:](#) to 9m barrels per day (b/d)—nearly 4m b/d above the level at the same time last year. That reflects the agility of America's energy firms, which have harnessed their stocks, refineries and terminals to serve more high-paying customers abroad. It also confirms the usefulness of America's Strategic Petroleum Reserve, which the government began tapping in March. These extra barrels allowed shipments abroad to rise without crimping domestic supply.

The second accidental hero is China, which is importing 4.5m b/d less crude than a year ago. This reflects weaker consumer demand for dearer fuel. It also follows from the government's decisions. Early in the war it banned refiners from exporting products and authorised them to draw on stocks. This reduced refineries' demand for foreign oil.

US, net seaborne oil exports

Four-week moving average,
m barrels per day



Source: Vortexa

This, plus [demand-destroying rationing](#) in poor countries, explains the placidity of crude markets. Yet if Hormuz stays closed, a storm will come—and then governments must avoid policies that make it more destructive.

The world entered the war with oil stocks close to ten-year highs. As importers draw on reserves to offset lost Gulf supply, those could become emptier than ever by June. A buffer of near-record volumes of oil at sea—made available, in part, by higher Gulf exports before

the war—has now largely been exhausted. Even American and Chinese national reserves will not last for ever, let alone the thin stocks of poor countries.

Soon, therefore, private stocks in the rich world will start being bled. Prices could then rise convulsively—reflecting both the low absolute level of inventories and their geographically uneven distribution. Refined products will be hit first. Trapped Gulf exports and cuts to refinery output elsewhere have already drained diesel, petrol and jet-fuel reserves, driving prices up far faster than crude's. As stocks vanish, prices will have to rise still more to balance demand and supply.

The shock will intensify if China starts buying more crude. With nearly 1.2bn barrels in reserve it may, in theory, shun expensive imports for months. But it will also want to preserve a buffer, so it may return to the market.

The other risk is that Donald Trump loses his nerve. He and other America First populists will bridle at exports that soar while domestic stocks dwindle—especially if this pushes petrol above \$5 a gallon. In 2022 such price rises hurt both drivers' pockets and Joe Biden's approval ratings as president. Mr Trump's administration is already debating a possible export ban. Were it to enforce one, global prices would rise fast. America's coasts, which rely on imports, would be hurt by higher import prices and any retaliation from other exporters. Its refiners, seeing margins crushed, would cut output.

The world economy has found some calm in the eye of the energy storm. But it is far from harbour. A reckless decision by America could all too easily capsize it. ■

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Jeopardy in Jakarta

Indonesia, the biggest Muslim-majority country, is on a risky path

Prabowo Subianto is eroding its finances—and its democracy

5月 14, 2026 11:25 上午



INDONESIA'S PRESIDENT, Prabowo Subianto, has seen his country explode before. It was in 1998, during the Asian financial crisis. Then, an economic collapse led to mass protests and the toppling of Mr Prabowo's father-in-law, Suharto, a notoriously corrupt dictator. It also cast Mr Prabowo, who had hoped to succeed Suharto, into the political wilderness. It took him a quarter of a century to claw his way back, finally winning the top job in 2024. So you might think he

would be extremely wary of another fiscal crisis. You would be wrong.

The leader of the world's biggest Muslim-majority country has centralised power and surrounded himself with a flock of flatterers. He dumped a respected finance minister and replaced her with Purbaya Yudhi Sadewa, who has called the IMF "stupid" and who told *The Economist* in April that the president need not worry about "developments in the global economy [or] in the global oil price". Indonesian businessfolk are scared to speak out, perhaps because Mr Prabowo is a thin-skinned former general with a sketchy human-rights record, or perhaps because he has recently been bullying big business.

Dig deeper

- [Indonesia's president is jeopardising the economy and democracy](#):

Mr Prabowo appears to be [insulating himself from reality](#). So he may not listen to sober advice. Nonetheless, here is some. His pet projects are unaffordable. Before the Iran war, spending a projected 10% of the budget on just two of them—free school meals and a network of 80,000 village co-operatives—was merely wasteful. Now, the energy crunch has wiped out any room for error. Mr Prabowo must change course or risk a crisis.

He must cut spending on his pet projects, or on Indonesia's colossal fossil-fuel subsidies, or break a law that caps the budget deficit at 3% of GDP. Each option comes with risks. To cut his pet boondoggles would make him look weak. To let energy prices rise would invite unrest. So Mr Prabowo may take the third path: letting the deficit breach its legal limit.

That would be a mistake. True, the 3% limit is an arbitrary figure copy-and-pasted from Europe's Maastricht treaty. But since the crisis of 1998 it has signalled that Indonesia's government is serious about

fiscal discipline. Now investors are jumpy. Interest payments as a share of government revenue are surging. Credit-rating agencies are eyeing a downgrade. On Mr Prabowo's watch, \$6bn in foreign capital has fled and the rupiah has sagged by 11% against the dollar to a record low. Busting the budget cap would push borrowing costs higher.

Even as he makes the economy more precarious, Mr Prabowo is eroding Indonesian democracy. Legislative opposition has been all but neutered, and proposals to end direct elections for provincial governors do not bode well. Civil society is intimidated. There are few avenues for dissent, and little creative struggle between competing ideas. Far too much depends on the instincts of a single, badly advised ex-soldier.

He needs to hear unpalatable truths. Yes, cheap fuel is popular. But it encourages consumption at a time of shortages. Yes, people like free school lunches. But giving them to everyone is wasteful. Wiser to focus on pregnant mothers and toddlers in poor families, who need better nutrition to avoid stunting. Yes, Indonesian farmers were being ripped off by middlemen when buying fertiliser. But there are cheaper ways to tackle this than creating those 80,000 village co-operatives, which are likely to be graft-prone. And yes, the 3% deficit limit could well be lifted some day. But first Mr Prabowo must convince markets that Indonesia's finances are in safe hands.

A new crossroads

Indonesia has made great advances in the past quarter-century. Under a succession of reasonably pragmatic governments, income per person has more than doubled and democracy has put down roots. Mr Prabowo is not a kleptocratic despot like his late father-in-law, but he is chipping away at the progress his country has made since the bad old days.

The president must stop trying to squelch opposition in the legislature, media and civil society. Dissent that cannot find an outlet in politics will spill onto the streets, as it did during riots last year. His insistence that opposition should be “polite” is a recipe for it one day turning violent.

There is hope. Mr Prabowo cares about his legacy. So he needs to realise that a huge, sprawling multi-ethnic archipelago like Indonesia cannot simply be given orders as if it were an army unit. It needs a commander-in-chief who listens to many voices, rather than surrounding himself with yes-men. ■

Correction (May 14th 2026): An earlier version of this article misspelt the name of Indonesia’s finance minister. Sorry.

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The shocking lack of lactologists

Mothers who cannot breastfeed have been given terrible advice

Medicine has neglected mammary glands for too long

5月 14, 2026 11:24 上午



MEDICINE IS A neatly sorted discipline. From head to toe, all major parts of the body have a specialism: cardiology for the heart, urology for (male) genitals, neurology for the brain, even psychiatry for the embodied mind. All, that is, but one. Mammary glands, though possessed by one half of humanity and admired by the other, lack a dedicated field. Science, too, has neglected the body's milk-

making function. This lack of “lactology” is bad for infants and mothers.

More than 130m women give birth each year. Of the nearly 2bn women and girls alive today who have not yet done so, over 90% can expect to have a child at some point. Most mothers try to breastfeed, but two in five of those who do will encounter at least some problems. For some it hurts, like being bitten by a critter you can't swat away. For others, producing enough milk to feed their baby proves impossible. And often, the advice they receive is both painful and useless. Yet despite the vast unmet demand for better advice and treatment, scandalously little is known about the subject.

Dig deeper

- [Why many women cannot make enough breast milk:](#)

A search for “low milk supply” or “low milk production” returns a meagre 14,000 academic papers on PubMed, a database of 40m medical-research papers. “Erectile dysfunction”, which afflicts perhaps 300m men (mostly minimally), elicits 32,000 studies. This neglect matters. Mothers are free to choose not to breastfeed. But most want to try, because the benefits for their babies, such as helping ward off infections, are large. A study in the *Lancet*, a medical journal, in 2016 found that if all babies were breastfed, 823,000 deaths of children under five would be averted each year, partly because in poor countries formula is often made with dirty water.

Understanding why some women give up, and what can be done to reduce their number, is therefore of immense value. Instead, doctors often dismiss their problems, offer dubious guesswork as advice or tell mothers to switch to formula. In parts of Europe between 20% and 40% of newborns are fed powdered milk before leaving the hospital. Pregnancy care in some places scarcely mentions breastfeeding, perhaps on the assumption that it will be easy

because it is natural. So is childbirth, but that does not make obstetricians redundant. The gap left by medicine is filled by non-physicians on breastfeeding helplines and “lactation consultants” who in the absence of hard facts often base their counsel on hunches.

A better understanding of breasts would allow doctors to make important distinctions. Some mothers produce enough milk but have trouble releasing it. For them, the answer may be to stimulate the flow by putting the baby to a nipple more often, or by using a breastpump. For mothers who cannot produce enough, different approaches are needed. For years doctors assumed this problem was rare: that no more than 5% of mothers suffered from inadequate milk supply.

Recent research, by scientists who have bothered to look, suggests that the true figure is closer to [10% or even 20%](#). The causes of low milk supply are often linked to complicated biological pathways beyond a new mother’s control, as we explore in our “Weekend Intelligence” podcast. Some are genetic. Others may involve conditions like obesity, diabetes or autoimmune disorders, which expectant women cannot just wish away by willpower alone.

Mothers grappling with such problems deserve a rigorous diagnosis and proven treatment from a specialist medical lactologist. Instead the standard advice is to tether themselves to a breastpump at least eight times a day and all will be fine—though such a brutal regimen is not grounded in any research. When all is not fine, women are often made to feel that the fault is theirs for a lack of effort. In fact, they have not failed their children. Rather, medicine has failed them.

■

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Minerals and killing in Congo

Not all Donald Trump's peacemaking boasts are empty

But to end Congo's terrible war, America must remain neutral

5月 14, 2026 11:25 上午



WHEN DONALD TRUMP boasts about all the wars he has supposedly ended, he often mentions one in central Africa. In December he brought together the leaders of Rwanda and the Democratic Republic of Congo, whose on-again, off-again conflict has been one of the continent's bloodiest, and persuaded them to sign a peace deal called the Washington Accords. "They've spent a lot of time

killing each other and they're going to spend a lot of time hugging," he said.

But there is still a lot more killing than hugging. Most of the 8m or so Congolese who have fled from their homes are too scared to return. Over the past year the battlefield has expanded in the eastern Congolese provinces of South and North Kivu, leading to hundreds more civilian deaths. As we report, M23, a Rwandan-backed rebel group that controls most of the region, is building a statelet there and is eager to [cut its own deals with America](#).

Dig deeper

- [A Congolese militia wants to sell critical minerals to Donald Trump](#)

To its credit, the Trump administration has tried to enforce the Washington Accords. In March it put sanctions on Rwanda's armed forces to try to persuade Paul Kagame, Rwanda's president, to reduce support for M23. Yet it seems unwilling to exert similar pressure on his Congolese counterpart, Félix Tshisekedi. Many locals fear that Mr Trump cares more about getting his hands on Congo's abundant minerals than he does about peace.

Eastern Congo is as bewildering as it is blighted. The state's authority barely exists. More than a hundred armed groups thrive in its absence. M23 is the strongest of them. It is led by Congolese Tutsis who say they want to topple the government in Kinshasa, Congo's capital 1,500km away. It is also a tool used by Rwanda to create a buffer zone in Congo. Rwanda denies this, but also claims that any "defensive measures" it undertakes are justified because it is threatened by Congo—and by a militia known as FDLR whose origins go back to the ethnic Hutus who carried out the Rwandan genocide in 1994. The region's minerals give everyone a lucrative extra reason to fight.

So it is too soon to celebrate the Washington Accords. But they are a good foundation to build on. They reaffirm previous commitments by Rwanda to stop supporting M23 and to respect Congo's territory, and by Congo to end any support for FDLR and other armed groups that threaten Rwanda. Both sides have said they will make it easier for aid agencies to deliver humanitarian supplies in eastern Congo, which are desperately needed.

American sanctions on the Rwanda Defence Force (RDF) will influence Mr Kagame, who was once seen by Western governments as an enlightened autocrat with whom it was easy to do business. Having the RDF subject to similar restrictions as the armed forces of Iran and North Korea is not good for "Brand Rwanda". And since Rwanda's Ministry of Defence has huge interests in construction, agriculture and other sectors, the sanctions will also force foreign investors to rethink whether it is legally safe to do business in the country.

Pressing Rwanda is necessary to stop the war. But it is not sufficient, since M23 has a degree of autonomy. Talks between Congo and M23, brokered by Qatar with American support, have stalled. All parties to the discussions, including African governments, need to do more to persuade the sides to return to the table and agree on a ceasefire.

There is a risk that America is emboldening Mr Tshisekedi. When Mr Trump brokered the Washington Accords he also struck a "strategic partnership" with Congo. The upshot was that America would bolster Congo's president in exchange for preferential access to minerals. America has intervened in Congolese politics in ways that benefit Mr Tshisekedi; last month it put sanctions on Joseph Kabila, a rival and former president, ostensibly for backing M23.

To some in the Trump administration, backing Mr Tshisekedi is sensible realpolitik. But, like miners digging without a plan, they risk the edifice crashing down on them eventually. America's new deals with Congo are shockingly non-transparent—a criticism America once

made of Congo's dealings with China. Mr Tshisekedi became president with America's endorsement in 2019 after a fraudulent election. So long as he cuts mining deals with Americans, he may think he can shirk his obligations under the accords.

America should disabuse him of that idea. The Trump administration has done more than any other foreign government to try to bring a measure of peace to this war-scorched part of Africa. It is right to be tough on Rwanda, whose support for M23 is the proximate cause of the conflict. But America now needs to ensure that it acts as an impartial mediator, rather than as a cheerleader for one side. ■

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Letters

- [**Can Gwadar port compete with the port at Jebel Ali?**](#)

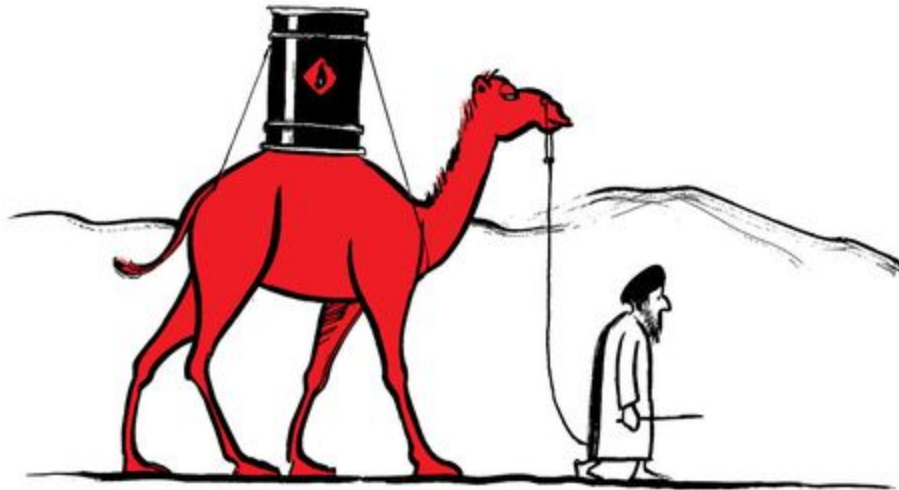
A selection of correspondence :: Also this week, antisemitism, epigenetic medicine, Jan Morris and Wales, family firms, heroic rodents, defence

A selection of correspondence

Can Gwadar port compete with the port at Jebel Ali?

Also this week, antisemitism, epigenetic medicine, Jan Morris and Wales, family firms, heroic rodents, defence

5月 14, 2026 11:25 上午



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Iran's logistical reality

"No way out" (May 9th), [an article about Iran and the American blockade, asserted that Iran's commerce with China is being re-](#)

[routed by land](#). It reported that Pakistan has opened six new border crossings (presumably with Iran). And it also mentioned that “traders are speaking” of the Pakistani port of Gwadar becoming an alternative to the United Arab Emirates’ vast port at Jebel Ali.

I would ask you to look at a map and stop quoting anonymous traders. There are two double-lane roads connecting Iran and Pakistan. They can open all the crossings they want but those are the roads available. Gwadar handled 8,300 TEUs (the standard shipping measure) in 2025, which means it can’t compete with the port of Karachi, let alone Jebel Ali, which handled 16.5m TEUs in 2025. Gwadar can service only two or three vessels at a time.

The idea that Gwadar will ever replace Karachi, let alone Jebel Ali, in our lifetime does not bear scrutiny. Nor does the notion that Chinese-Iranian commerce at any meaningful level can traverse through some of the most desolate deserts and highest peaks on the planet for thousands and thousands of miles. That includes going through Balochistan, which Pakistan does not keep secure by its own admission. And you throw in moving petroleum by train from Iran to China? At what magnitude? As I say, please look at a map.

DAVID HALE
Former American undersecretary of state
Washington, DC

Tackling antisemitism

[It is true that antisemitism caricatures Jews as “catch-all avatars for disorienting change”](#) (“High time to speak up”, May 9th).

Antisemitism is a mirror, not a window. Look into it and you’ll learn nothing about Jewish people and much about the anxieties and prejudices of the antisemite. And, like so many other prejudices, it does not depend on the presence of Jews, nor, as your leader notes, does it end with them.

All the more reason for non-Jews like me to say plainly and as often as necessary that a society cannot be free or flourish when our Jewish neighbours live in fear, and to stand up for their innate human dignity.

You are sceptical of “speech bans”, such as prohibitions on some of the slogans chanted at pro-Palestinian marches. This is not a matter of philosophy; the world needs practical answers. Reasonable, proportional limits on hate speech set by democratically elected governments are possible and widespread in free societies. No law has ever abolished hatred, but law shapes behaviour and signals what a society will and will not tolerate. Without such limits the loudest and most hateful voices set the terms, and that is no freedom worth the name.

ALEXANDER MCPHERSON
Toronto

Cancer research

[The promise of epigenetic medicine](#) (“Exercise and the epigenome”, May 2nd) is nowhere more desperately needed than in paediatric oncology. Adult cancers are overwhelmingly diseases of genetic wear and tear, the result of a lifetime of accumulated mutations to the DNA sequence itself. Paediatric cancers, by contrast, are remarkably quiet on the genetic front. Instead, they are frequently profound epigenetic crises, developmental software bugs where the wrong epigenetic tags leave embryonic growth signals permanently “switched on”.

By applying the blunt instruments of adult oncology, therapies that are designed to indiscriminately eradicate mutated cells, to paediatric patients we are in effect trying to fix a software glitch by smashing the hard drive with a hammer. This misunderstanding of the disease’s architecture helps explain why survival rates for several

brutal childhood cancers have stalled, and why those who do survive are left with the lifelong collateral damage of highly toxic treatments.

It is time we stopped trying to beat children's tumours into submission, and started learning how to reason with them instead.

DR JACQUES CORNWELL
Cambridge, Cambridgeshire

You rightly warn against crude genetic determinism, but risk an overcorrection. Epigenetics shapes how genes are expressed; it does not diminish inherited differences. Estimates that traits such as cognitive ability (about 50%) or autism (over 80%) are heritable are not "just because" claims. They already reflect the interaction of genes and environment, including epigenetic mechanisms. Imperfect though they are, they remain among the best guides to human variation.

There is a moral asymmetry. Overplaying genetics can excuse unfair generalisations; downplaying it can moralise outcomes. If success is credited only to effort, those who struggle risk being too readily dismissed as lacking resolve rather than facing different constraints.

NICOLAS GHEERAERT
Assistant professor of physics
Krea University
Sri City, India



Cymru am byth

[Jan Morris's reflections on Wales and Welsh independence](#) (Bagehot, April 18th) gain depth when set beside her own life. Raised as James Morris within the English establishment (Lancing College, Christ Church Oxford and the officer corps) she found, after her gender transition, a sense of ease and belonging in rural Wales that had eluded her in England.

Her remark that kindness is the most important thing, more important than love, captured the civic temperament she believed Wales embodied. That distinctive social character, which she chronicled in "The Matter of Wales", published in 1984, remains one of the country's strengths. It also bolsters the case for a constitutional settlement that reflects Welsh confidence rather than arrangements inherited from Westminster.

MEURIG WILLIAMS
Sarasota, Florida

Keeping it in the family

In my experience, the variable that most academic [studies of family businesses](#) (“Into thin heir”, April 11th) struggle to explain is “structural coupling”, or the degree to which the founding individual’s values, time horizon for the firm and implicit assumptions have become embedded in its decision-making. This shapes what the firm considers possible, legitimate and necessary, often long after the circumstances that formed those values have changed.

When the founders’ long-term orientation and instincts align with what the business genuinely needs, structural coupling is a durable competitive asset. When they diverge, for instance when the founders’ personal horizon shortens as retirement approaches, or when their risk tolerance no longer matches the company’s strategic requirements, this same coupling becomes a constraint. The business continues to behave according to values that are no longer adequate.

This is why succession is not primarily an ownership or governance problem, as you framed it. It is a structural one. The question is not only who takes the chair, but whether the decisions embedded through decades of founders’ influence can be made conscious, examined and where necessary revised. Otherwise the next generation inherits not only the business but its invisible architecture.

JEAN BETTINGEN
Partner
Bettingen, Dahl & Partners
Luxembourg City

Murine memorials

[The statue in Cambodia honouring a mine-detecting rat](#) is not the only tribute in the world to a life-saving rodent (“Putting the rat in commemoration”, April 11th). In Novosibirsk, Russia, stands the Monument to the Laboratory Mouse. The lab mouse has helped save and improve more lives than we will ever know. What I find particularly inspiring about this little creature is that it has done this without any fanfare or much acknowledgment. I keep a 3D-printed replica of the monument on my desk.

SID EFROMOVICH
Chief executive
Regeneration Group
Millburn, New Jersey

Rings of power

[Anduril and Palantir, two of the AI defence companies mentioned in your report](#) on how America is changing the way it wages war, have taken their names from J.R.R. Tolkien’s “Lord of the Rings” (“Shooting to prominence”, April 25th). Other firms somewhat related to defence or critical minerals, such as Durin, Mithril, Valinor and Valar, are also named after elements of Tolkien’s fantasy universe.

One would think that the Pentagon’s speechwriters would feel inspired to channel more Tolkien. One line from “The Two Towers” comes to mind. “I do not love the bright sword for its sharpness, nor the arrow for its swiftness, nor the warrior for his glory. I love only that which they defend.”

ALEX BRECHT
Alexandria, Virginia

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By Invitation

- [**How Israeli terror begets Palestinian terror**](#)
Lords of the land :: Settler violence in the West Bank undermines Israel's security, its moral fabric and its global standing, argues Nimrod Novik

Lords of the land

How Israeli terror begets Palestinian terror

Settler violence in the West Bank undermines Israel's security, its moral fabric and its global standing, argues Nimrod Novik

5月 14, 2026 11:25 上午



IN BIOLOGY CLASS we were taught that evolution takes generations. A genetic mutation, by contrast, can occur within a single generation. Last week, during a tour of the West Bank, I witnessed such a mutation taking shape. I saw a young Palestinian man—for his and his family's security, let us call him Ali—who had never concerned himself with politics, never joined any organisation, never demonstrated for national rights, never held a weapon. I saw a man

wholly focused on earning a living and providing for his family, now on the verge of becoming a fighter, perhaps even a *shahid* (martyr).

Even though nothing in his words or conduct betrayed any intention on his part to change course, hearing him speak—quietly, chillingly calm—and seeing the helplessness, I could not but fear for the next chapter of his life.

During the visit I met others too. It is quite possible that some of what I attribute to Ali, I heard from them. However, Ali is merely a parable for what is unfolding a 40-minute drive from home.

He is a young man in his late twenties, tall, athletic-looking, with a direct gaze and neither arrogance nor submissiveness. Someone who's straightforward, who doesn't beat around the bush—what we Israelis call *tachles*. The moment he opened his mouth, it became clear to me that he was also articulate, intelligent and sober-minded.

He was born ten months after his 13-year-old brother was shot and killed by our forces. Ali was named after him. The family lives on a plot of land they have owned for generations and makes—or, more precisely, made—its living from herding sheep.

There is no more precise Hebrew expression for their home and surroundings than *kivsat ha-rash*—a poor man's only lamb. It is half ruin, half tent, surrounded by ageing, dilapidated equipment. Electricity and water arrive—or rather, arrived—through improvised piping. And yet, until recently, they clung to their land without complaining about their bitter fate.

Then, a few months ago, the Israeli arrived. Equipped with a gleaming caravan and an SUV (a gift from Israel's far-right finance minister, Bezalel Smotrich, and the state budget), he raised a proud blue-and-white flag, established an "outpost" or "farm" just dozens of metres from Ali's house, and settled himself like a hand on their throat. From then on, the armed "Lord of the Land" has made Ali's family's lives miserable in every possible way.

This has included interference with water and electricity supply; theft of sheep and property; routine incursions—day and night—into their cramped living space, terrifying the women and children; demands to dismantle every “illegal” structure (in areas where Palestinians are never granted permits, whereas Israelis who violate the same law, like the neighbouring Lord of the Land, face no enforcement). It often includes terrifying “friendly advice” to vacate the area and move on “or else”.

The family’s fear of this man, backed by armed Israeli representatives of law and order, is paralysing. Every provocation is met with politeness lest it escalates into violence and arrest, as happened recently to Ali’s younger brother, who dared ask why he had to dismantle a shed he had built in his own yard.

The West Bank tour, one of many initiated by Major General (Res.) Mendi Or, a former Israel Defence Forces (IDF) regional commander, was made up of a group of former senior officials from Israel’s security and diplomatic establishments. Having devoted the best years of our lives to defending the state, we remain informed, connected and active in various frameworks, including Commanders for Israel’s Security (CIS), a movement of more than 550 retired senior military, security-agency and foreign-service figures with which I am affiliated. We were exposed to a single surprising finding: everything we thought we knew about the deeds of violent settlers pales in comparison with the reality on the ground. One cannot fully grasp the meaning, scope and damage of Jewish terror without seeing and hearing about it first-hand.

Even before these tours, CIS had warned all those responsible—within the government, the Knesset (parliament), the IDF and the Shin Bet internal-security agency—of the dangers of allowing or encouraging violence by Jewish settlers in their push to expand settlements and control land far beyond them. Hundreds of West Bank Palestinians have died at the hands of settlers or Israeli soldiers since Hamas’s attacks on October 7th 2023; thousands have

been displaced. The violence has escalated further since Israel and America went to war with Iran in February.

Failure to heed these warnings has helped create a Wild West Bank of terror, pogroms, looting and murder. These crimes are not just personal tragedies for those directly affected. They undermine the security of the Israeli state, its moral fabric and its international standing.

I have no way of predicting when something inside Ali will snap, when he will pick up a weapon, or whether he will join Hamas or act alone. I do not know whether he will murder the neighbouring Lord of the Land or a random victim.

Only one thing seems plausible to me: the day after something inside him bursts, the settler-trespassers and their enablers will declare, "We told you so. They are all terrorists." They will then mobilise for their distorted "Zionist response" and emplace an Eternal Lord of the Land on the soil of the *shahid* they created.

And the cycle of terror and subjugation will grind on until the explosion of violence. ■

Nimrod Novik, a former senior adviser to the late Israeli prime minister Shimon Peres, is a distinguished fellow with the Israel Policy Forum, a member of the leadership of Commanders for Israel's Security and a fellow with the Economic Co-operation Foundation.

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Briefing

- **[Indonesia's president is jeopardising the economy and democracy](#)**

Archipelagoing fast :: Prabowo Subianto is too spendthrift and too authoritarian

Archipelagoing fast

Indonesia's president is jeopardising the economy and democracy

Prabowo Subianto is too spendthrift and too authoritarian

5月 14, 2026 11:25 上午 | JAKARTA



FROM TIME to time Prabowo Subianto, Indonesia's president, evinces magnanimity towards his critics. "Am I really an authoritarian?" he asked last year. "I don't think so...Criticism is good. [We] must not be driven by anger or resentment." At other times a harsher side emerges. "Foreign powers", he fumed last June, "fund NGOs to sow discord among us. They claim to be upholders of democracy, human rights, freedom of the press, when in fact, those are their own

versions.” For a thuggish general who has refashioned himself as a cat-cuddling grandpa, a little ambiguity is inevitable. But Mr Prabowo’s temperament is so mercurial that even his allies fear for Indonesia’s macroeconomic stability and for its democracy.

Mr Prabowo is centralising power and, in keeping with his long-professed disdain for multiparty democracy, marginalising legislative opposition. He is spending beyond Indonesia’s means, installing close allies in senior economic posts and giving the armed forces a bigger role in public life. The result looks to some like an incipient reversal of the reforms that have underpinned Indonesia’s stability since the Asian financial crisis of 1997-98. That crash drove tens of millions into poverty and initiated an era of political instability, Islamist terror attacks and separatist insurgencies. Similar upheaval today would not only harm Indonesia’s 290m people, but also alarm neighbours such as Australia and Singapore, imperil exports of nickel and other commodities and undo 20 years of economic and political progress in the world’s biggest Muslim-majority country.

A tidy Sumatra

Mr Prabowo’s most obvious departure from Indonesia’s recent norms has been in his lavish spending. He has launched two massive populist projects: a free-school-meals scheme, meant to tackle stunting among schoolchildren, and a network of 80,000 village-level agricultural co-operatives, meant to displace middlemen who bilk farmers. A conservative estimate suggests the two initiatives alone could cost at least 320trn rupiah (\$18bn) this year, or 10% of budgeted revenue.

That may be understating the drain on Indonesia’s finances. Under Mr Prabowo budget forecasts have been unduly optimistic. Low prices for exports such as coal, nickel and palm oil have dented tax revenue, which fell by 3% in 2025, defying the assumed 7% rise. That has not stopped Mr Prabowo, who has paid for his schemes by slashing other spending and allowing the deficit to grow.

Last year's fiscal deficit, at 2.9% of GDP, was Indonesia's largest ever, excluding the pandemic. That puts it alarmingly close to the 3% cap imposed by law since 2003, in an effort to entrench fiscal rectitude. S&P, a ratings agency, may soon give Indonesian government debt its first downgrade since the Asian financial crisis. Aggrieved officials point out that the debt-to-GDP ratio, at just 40%, is quite low. However, debt is repaid from tax revenue and debt servicing is consuming a growing share of it. Last year 16% of revenue went on interest, up from 9% a decade ago, according to S&P. It says a "sustained" rise over 15% could justify a downgrade.

Curve Bali

The war in Iran is exacerbating the pressure. Although Indonesia is a net exporter of energy, largely in the form of coal, it is a net importer of crude oil. The government subsidises fuel and electricity, a measure it had expected to cost \$12bn this year (nearly 7% of budgeted revenue) before the oil price shot up. Revenue will rise somewhat, thanks to higher coal and nickel prices. The government is planning a windfall tax on exports. But oil and gas prices have risen by much more, so any boost to revenue will be overwhelmed by a ballooning bill for subsidies. The finance ministry thinks an extra \$5.7bn may be needed. It has forecast that, if oil averages \$97 a barrel this year, the deficit will rise to 3.5% of GDP, exceeding the 3% cap.

Officials in Jakarta, the capital, claim the cap is artificially tight and should be suspended. It was copied, somewhat arbitrarily, from the EU's debt rules, they note. Other South-East Asian countries have run bigger deficits without prompting crises. But in March Mr Prabowo, who during his campaign suggested the cap might be holding the economy back, told Bloomberg he would not suspend it "unless there's a very big emergency like covid".

Mr Prabowo has trimmed the free-meals programme from six days a week to five, saving around \$1.1bn. He has also limited purchases of

subsidised petrol to 50 litres per vehicle per day. In theory a cost-cutting drive will save \$7.4bn this year, through measures such as having bureaucrats work from home and reducing official travel. But that comes on the heels of a similar push last year, which failed to stop the deficit widening.

In all likelihood, Mr Prabowo will either have to cut fuel subsidies or curtail his spending programmes or jettison the 3% cap. Fuel subsidies were last trimmed after oil prices jumped following Russia's invasion of Ukraine in 2022. That sparked big street protests. Especially for a populist who campaigned on a promise to curb greedy elites and ensure the masses benefited more from Indonesia's resources, another increase in the petrol price is not an appealing option.

Instead the government seems to be in denial. For most of the past 20 years Sri Mulyani Indrawati, finance minister for all of the past three presidents, including Mr Prabowo, has instilled fiscal discipline. But in September Mr Prabowo sacked her, appointing in her stead the little-known and pugnacious Purbaya Yudhi Sadewa. Recent targets of his ire have included lazy customs officers ("I'll fire them"), the IMF ("stupid"), a local economist for Citigroup ("not a real economist") and *The Economist* (also "stupid"). Mr Purbaya insists everything is fine. "If oil prices increased to \$100 per barrel [on average during 2026] the deficit can be pushed down [to] around 2.3%" of GDP through spending cuts and revenue-raising, he told *The Economist*. "So we are safe. I told the president, 'Don't worry about developments in the global economy, in the global oil price'."

The finance ministry is not the only institution Mr Prabowo has overhauled. Management of state-owned enterprises (SOEs) has been handed to Danantara, a new sovereign-wealth fund answering directly to Mr Prabowo. The big SOEs have increased dividends, generating funds for Mr Prabowo's pet projects. Indonesia's state-owned banks have gone further, not only raising dividends but also

handing preferential loans to politically favoured projects. As of November three of the biggest had lent \$8bn to Agrinas, a state-owned firm managing Mr Prabowo's village co-operatives programme.

The nominally independent central bank, Bank Indonesia (BI), has launched a programme of "burden sharing", meaning that it pays higher interest rates on the government's deposits, with the explicit objective of supporting Mr Prabowo's co-operatives scheme and other projects. In January Mr Prabowo installed his nephew, Thomas Djiwandono, high up at the central bank. The appointment of the admittedly capable Mr Djiwandono has coincided with a debate in parliament about whether legislators should give themselves the power to dismiss BI's governor. That would compromise the governor's independence.

Mr Prabowo's government also seems to be trying to squeeze more revenue out of the private sector. Tycoons have been tapped to buy \$3bn in "patriot bonds" paying below-market interest rates, to finance a project backed by Danantara to convert waste to energy. The ethnic-Chinese bosses who run Indonesia's biggest private conglomerates have snapped them up, eager to signal political loyalty. They may be mindful of \$320m prosecutors are seeking from Nadiem Makarim, a former education minister and founder of Gojek, Indonesia's biggest tech unicorn, for alleged corruption. He says the case is spurious and that other entrepreneurs are now frightened, too.

Borneo conservative

The government has also confiscated millions of hectares of land from alleged rule-breakers in the palm-oil and mining industries. Few doubt that environmental rules are being flouted, but enforcement appears selective. Fines could yield \$8bn this year, according to the attorney-general. "It may be necessary to be a little authoritarian to

combat these corruptors,” Mr Prabowo said in February of those pillaging Indonesia’s natural resources.

To ensure his plans come to fruition, Mr Prabowo has been centralising political power. He has brought seven of the eight parties with members in the lower house of parliament into his coalition, accounting for 91% of seats. The sole holdout is wavering. Last year Mr Prabowo gathered the leaders of those parties at his ranch in the hills above Jakarta to suggest making their coalition “permanent”.

Mr Prabowo depicts this opposition-less politics as an expression of Indonesian values. In a speech shortly before he became president, he declared that Indonesians needed to co-operate, not argue. “Opposition”, he said, was “Western culture”, and there was no need to copy it. (He did not explain why he himself had been so energetic in opposition to the governments of the day from 2009 to 2019.)

The president, a former general, is also according the army a bigger role in public life. In 2024, soon after taking office, he flew ministers out to a military training academy, dressed them in fatigues and put them through marching drills and other team-building exercises. Even the urbane Ms Sri Mulyani stood to attention. Since then several thousand civil servants have been sent on similar courses to get a taste of military discipline and join the army’s reserves. The armed forces are also playing a big role in Mr Prabowo’s free-meals programme, operating at least 452 kitchens, and in building warehouses and shops for his village co-operatives.

Last year Mr Prabowo’s Gerindra party sought to formalise the armed forces’ expanded role by revising the armed-forces law to allow soldiers on active duty to serve in civilian posts. That has brought back memories of the army’s “dual function” under Suharto, Indonesia’s dictator from 1967 to 1998, in which it took on a big role running the country and staffing the bureaucracy. Activists challenged the law in court. On March 12th one of the activists working on the court case, a 28-year-old lawyer named Andrie

Yunus, was assaulted as he rode his motorbike home. Assailants threw acid at him, leaving him with excruciating burns. Mr Prabowo denounced the attack, and a military court on April 30th charged four officers in the military intelligence agency with perpetrating it.

Always wanting Timor

That episode, in turn, brought back memories of Mr Prabowo's own chequered past. As head of a commando unit under Suharto, who was his father-in-law, Mr Prabowo kidnapped dozens of activists protesting against the regime. After Suharto's downfall in 1998 Mr Prabowo divorced the ex-dictator's daughter and owned up to his role in the abductions. He said, however, that he had just been following orders and had released unharmed all those whom he had detained, even though about a dozen activists who had disappeared at the time were never heard from again. A military panel, convened by the reformist government which succeeded Suharto's, dismissed Mr Prabowo from the armed forces, but he avoided further punishment.

Critics argue that Mr Prabowo wants to take Indonesia back to Suharto's "New Order", reversing the democratic reforms of the past 28 years. They point in particular to Mr Prabowo's long-standing ambition to abolish direct elections for provincial governors, mayors and regents (the chief administrators of Indonesia's 416 counties), allowing local assemblies to elect local leaders instead. Direct elections, he says, are expensive and lead to corruption. His detractors, however, worry that he wants eventually to eliminate direct elections for president, leaving the job to parliament, as in Suharto's day. That would allow Mr Prabowo to skate to a second term with a nod from his huge coalition.



The cook was a corporal

Mr Prabowo's defenders insist that he is not a carbon copy of Suharto. Despite coming of age under the New Order, he has adapted to the rowdy democracy that Indonesia has become, and to the give-and-take that comes with it. After losing two presidential elections to Joko Widodo, his predecessor and bitter rival, he agreed in 2019 to serve as defence minister under Jokowi, as the former president is universally known. When he at last won the presidency in 2024, he did so with Jokowi's son as his running-mate.

At any rate, Mr Prabowo has shied away from some authoritarian steps in his 18 months in office. When protests against corruption and police brutality paralysed dozens of cities last year, with some rioting and looting, advisers urged him to declare martial law. Mr Prabowo refused, relying instead on civilian law enforcement and the courts. Police arrested thousands of protesters, but later released nearly all of them. And the amendments to the armed-forces law that have caused so much angst among activists were not nearly as far-reaching as many feared. Evan Laksmana of the International Institute for Strategic Studies, a British think-tank, says they were mostly intended to keep the bloated army busy.

Some of Mr Prabowo's policies are perfectly sensible. Natural-resource concessions have often been handed out or managed corruptly. Reviewing them is a fine idea, as long as it is done impartially. He is also keen to close underperforming SOEs—another long-shirked task.

Optimists argue that Mr Prabowo is driven less by a desire to restore the dictatorship of Suharto than by a quest to redeem his own reputation. In 1998 he was jockeying to succeed his father-in-law as president before his eventual dismissal from the armed forces. He spent years in self-imposed exile in Jordan, licking his wounds, before returning to Indonesia to re-enter politics. His ascent to the presidency crowns a 25-year slog for rehabilitation. He will not want to throw all that away.

Mr Prabowo's admirers say he has less in common with Suharto than with the man whom Suharto supplanted: Indonesia's charismatic founding president, Sukarno. Mr Prabowo's focus on governing not by diktat but by cajoling the elite into a consensus is reminiscent of what Sukarno called "guided democracy". Mr Prabowo's cabinet of more than 100 ministers is the biggest since Sukarno's day and reflects the same intention: to co-opt as many parties as possible. Mr Prabowo even dresses and speaks like the founding father.

It may simply be that Mr Prabowo's dark past is prompting potential critics to fall in line without any need for Suharto-like coercion. Indonesia had already become a less liberal place under Jokowi. Although his cheery demeanour made him seem more democratic, his administration eroded checks and balances, allowed corruption to flourish and politicised law enforcement. An acid attack in 2017 on an official from an anti-corruption agency at the hands of two police officers bore similarities to the attack against Mr Andrie.

Skin leaving the game

Indonesia, cumulative net foreign flows into stocks and government bonds, \$bn



Source: Bloomberg

Whatever Mr Prabowo's intentions, dangers loom. One is that fiscal profligacy further undermines confidence among foreign investors. As it is, they have gradually been withdrawing capital throughout Mr Prabowo's tenure (see chart). Mr Prabowo's tirades against local tycoons might also backfire, prompting them to stash their cash in Singapore rather than invest. The rupiah has sunk by 11% against the dollar during his time in office, to a record low. A credit downgrade would push up borrowing costs and pull the rupiah down

further. That could instigate a downward spiral of the sort that ultimately cost Suharto the presidency.

Another risk is that stifled opposition finds an outlet on the streets. Last August's riots began when an armoured police van killed a food-delivery motorcyclist weaving his way through a protest against corruption. As in 1998, the unrest was fuelled by lay-offs, inflation and other economic woes. Mr Prabowo's attempt to butter up his American counterpart, Donald Trump, by offering to send 8,000 peacekeepers to Gaza also risks alienating a public that is staunchly pro-Palestinian. (Mr Prabowo says the deployment is on hold.) Mr Prabowo's government is storing up problems that both Sukarno and Suharto would have struggled to contain. ■

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Collateral damage

The Gulf war will change Asia for good

Energy-shocked countries are determined never to be hostage again

5月 14, 2026 11:24 上午 | Dhaka and Singapore



WHAT NARENDRA MODI asks of Indians, he usually gets. During the pandemic India's prime minister exhorted them to stay inside and to bang pots and pans in support of health workers. The country obliged. On May 10th he asked Indians to replicate some of that covid-era discipline. He urged them to work from home where possible, and to cut back on foreign travel.

Mr Modi's plea comes amid a worsening energy shock caused by the war in Iran. For weeks the Indian government has kept fuel prices

constant, forcing state-owned oil firms to absorb a surge in the cost of imported crude. And India is just the latest of many Asian countries asking people to tighten their belts. But even those that moved early to control energy use, such as Thailand and the Philippines, are now entering dangerous territory. The effects of the war are threatening to upend the region's economies—and its politics.

Powering down

1

Fuel prices*, % change in \$ terms

February 23rd-May 11th 2026



*Includes effects after implementation of fuel-price caps

Source: GlobalPetrolPrices

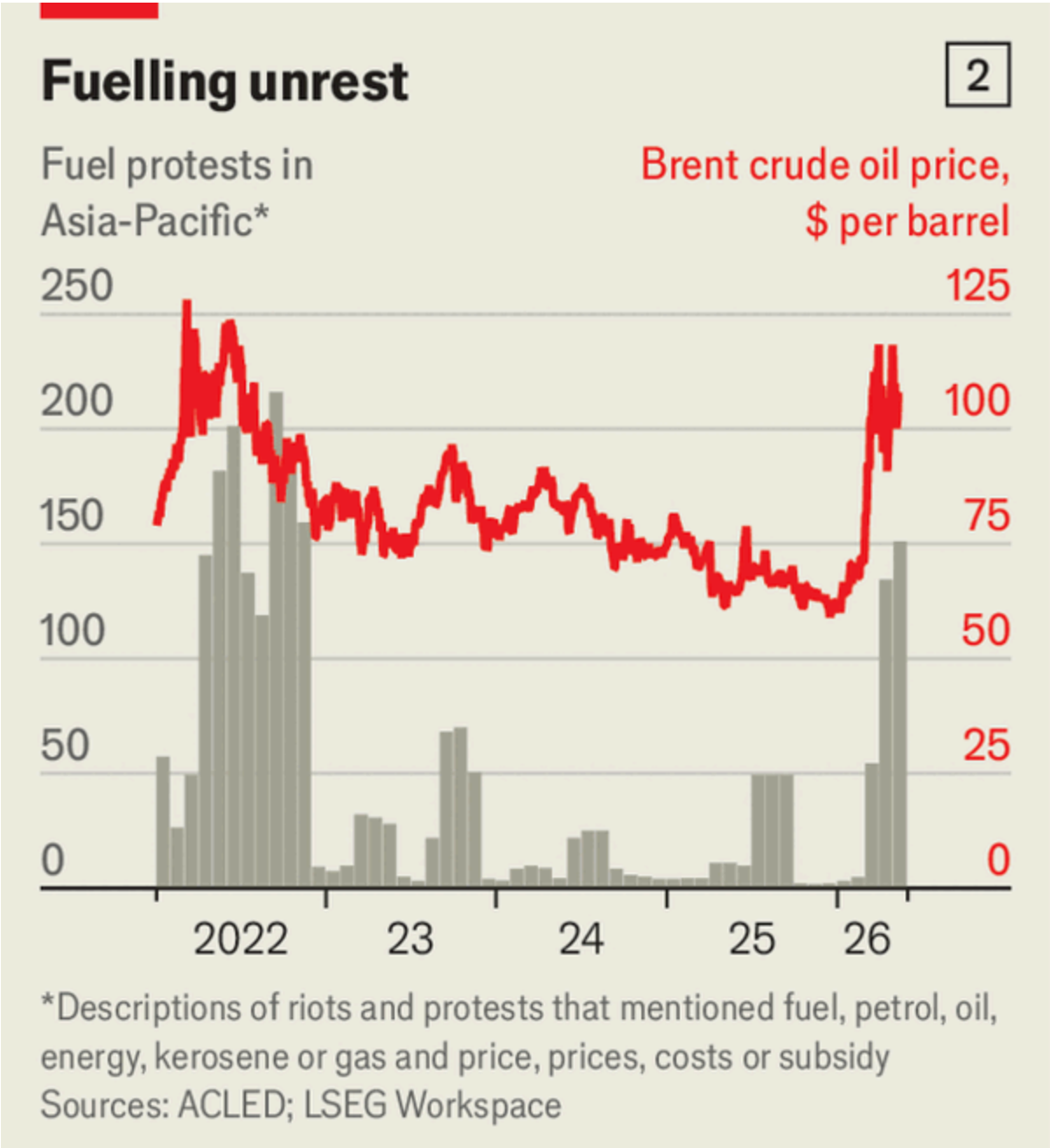
In places without fuel-price caps, such as Pakistan and the Philippines, prices have soared (see chart). But the rising concern, especially in developing Asia, is that supplies could simply run out. Indonesia is reported to have a buffer of three weeks' fuel; Vietnam has less than a month. People in Pakistan and Bangladesh, reliant on natural gas from the Gulf, have endured long blackouts. Petrol pumps in rural areas are running dry. "We wake up at 2am and often wait 24 hours just to get two litres of diesel," says Mizanur Rahman, a farmer in Bangladesh.

Mr Rahman's plight points to the pain being suffered by agriculture, in particular. As well as diesel, farmers are running short of fertilisers. The price of urea, much of which is made in the Gulf, is up 50% since the start of the war. Millions of rice farmers in Asia have begun planting paddy but are now scaling back plans because of the cost. "Right now rice is a profitability problem," says Dr Alisher Mirzabaev of the International Rice Research Institute in the Philippines. "But if the war continues, it becomes a food-security one."

Manufacturers are panicking, too. Textile factories in Bangladesh account for around 13% of GDP. Bosses say input costs are up by 10-15%, because of costlier diesel and petrochemical-based dyes. The country's overall factory output is down by around 30-40%, says an industry body. Calbee, a snackmaker in Japan, has rolled out black-and-white packaging to offset the rising cost of naphtha—a petrochemical feedstock largely sourced from the Gulf. The scarcity of naphtha has already forced several Asian plastics producers to declare force majeure on their contracts.

Inflation in the Philippines jumped to 7.2% in the year to April; GDP growth in the first quarter of 2026 slowed to 2.8%, the lowest since the pandemic. It is a harbinger. The UN thinks a prolonged war could shave up to 3.6% from GDP in South Asia. Food-price inflation in India, Pakistan and Sri Lanka this year could exceed 10%, says the Kiel Institute, a German think-tank.

All this is battering government finances. It is costing India roughly \$150m a day to keep fuel prices steady. The government may also spend around \$4.3bn on subsidies for fertiliser during planting season. Indonesia is spending around \$60m a day on energy subsidies. Holding pump prices flat with crude at \$100 a barrel would cost Asian governments around 1% of GDP a year, according to the Centre for Global Development, a think-tank in Washington.



Few Asian countries can keep this up. But letting prices rise is fraught. Farmers in India expect the government to keep subsidising fertilisers (despite Mr Modi's plea to cut usage in half). Previous attempts by Mr Modi to reform agriculture have been thwarted by mass protests. Across Asia, officials worry that rising prices will trigger disorder of the sort that toppled Sri Lanka's government in 2022. Since the war in Iran began, dozens of protests have erupted in Pakistan, Bangladesh, the Philippines and even in South Korea, according to ACLED, a monitor based in America (see chart 2).

As well as encouraging less use of fuel and other consumables, governments are hunting out alternative supplies. That could have consequences that last long after the war has ended. Thailand has been buying more oil from places such as Brazil and Libya. Asian countries are making more use of biofuels. Some, such as Singapore, are investing in renewables.

Some Asian countries are benefiting from this scramble. Australia, a big coal and natural-gas exporter, is stepping up purchases of refined fuels in exchange for shipping more of its natural resources. It has secured new deals with Brunei, Japan, Malaysia, Singapore and South Korea. Another relative winner could be China. It not only stands to sell more solar panels and wind turbines, but is also wielding influence through its fossil fuels. Despite being the world's biggest importer of crude, the country sits on vast oil reserves, giving it big buffers and diplomatic clout.

This month China allowed refiners to ship some petrol, diesel and jet-fuel cargoes abroad, easing a ban imposed earlier in the war. Reports suggest the first shipments will head to Vietnam and Laos, which have friendly relations with their northern neighbour. But even American allies have come calling. On April 29th Penny Wong, Australia's foreign minister, secured a deal for jet fuel on a trip to Beijing.

Indeed, plenty of Asian countries now see opportunity in drawing closer to one another. At a recent summit in the Philippines, South-East Asian leaders talked of creating a shared fuel stockpile. And on May 3rd the Asian Development Bank pledged to mobilise \$50bn by 2035 to help stitch together Asian power grids. This could cut prices and boost energy security. It “would have made the last two months a lot easier”, says Eugene Toh from Singapore’s Energy Market Authority.

Asian governments have long been wary of sharing their electricity, and fearful of any system that might give next-door countries control of their supplies. Yet now that they are hostage to events thousands of miles away, the squabbles that frequently break out between Asian neighbours no longer look quite such a threat. ■

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Debugging democracy

Meet Anno Takahiro, founder of Japan's hottest political party

The software engineer and sci-fi writer wants to use AI to reshape politics

5月 14, 2026 11:24 上午 | TOKYO



“CONTINUOUS INTEGRATION”, a prizewinning science-fiction story published in 2019, is about a figure skater who applies software-development methods and AI to optimise athletic performance. Its author, Anno Takahiro, a software engineer and serial AI entrepreneur, has since founded the hottest political startup in Japan: Team Future (Mirai), a techno-optimist outfit that broke

through in recent lower-house elections. Mr Anno hopes to bring the same engineering mindset to government.

Mr Anno entered politics in 2024 with a quixotic campaign for governor of Tokyo. He finished fifth but drew attention with his use of AI and social media to solicit feedback from voters. Last year he founded Mirai and won a seat in the upper house. Earlier this year, Mirai picked up 11 seats in the lower house. While still small—the ruling Liberal Democratic Party holds 316 seats in the lower chamber—Mirai has become a new force in Japanese politics. It is also one of the first political parties anywhere to run successfully on an explicitly AI-friendly agenda.

For Mr Anno, AI offers the solution to Japan's demographic challenges. With a shrinking, ageing population, the thinking goes, Japan needs to automate more, faster. Mr Anno believes Japan has several advantages. Fears of an AI jobs apocalypse are less acute than elsewhere, given labour shortages. Attitudes towards AI are relatively positive. When Japanese think of AI, many "see it as a partner", Mr Anno says: they think not of the Terminator, a rogue robot, but of Doraemon, a friendly robot helper in a Japanese anime series.

Mirai also wants to apply principles of software engineering to improve government itself. Drawing inspiration from Audrey Tang, a pioneering former digital minister in Taiwan, Mr Anno speaks of using technology to "create a new form of democracy". One element is digitisation to reduce paperwork and improve efficiency.

But the party is also experimenting with novel forms of participatory democracy. Mirai has launched a "broad listening" effort, which involves using AI tools to gather and process large volumes of citizen input. Mr Anno asks for feedback using his social-media accounts, which direct followers to an AI-based interview platform. The party uses AI tools to analyse the results. "We've started to gather feedback at a speed, breadth and depth never seen before," he says.

The party's appeal lies in its blend of future-oriented techno-optimism and pragmatic technocracy. Mr Anno calls himself "neither right nor left". Mirai looks and feels younger than competitors: the average age of its candidates this year was just 40 (the average age of Japanese lower-house members is 55). Mirai was the only party to oppose cutting the consumption tax, saying it would undermine Japan's future fiscal position.

Where populist upstarts can be combative, Mr Anno is a gentler kind of insurgent. He promises to upgrade the operating system, rather than tear it down. Such messaging has so far resonated mostly with a base of younger, urban professionals. "The politicians I've seen up to now have, inevitably, pitted 'us' against 'them', but with Mirai, the only thing they really value is the facts," says Aizawa Seiko, a 32-year-old in Tokyo.

To continue growing, Mirai will need to reach a broader constituency. The party plans to field candidates in local elections in early 2027, hoping to expand its base. Ultimately it will need to demonstrate that its new form of democracy can deliver better results than the old one. Debugging politics may prove harder than writing sci-fi or software code. ■

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Going downhill, literally

India's legendary hill towns are sinking

Overdevelopment threatens many Himalayan states

5月 14, 2026 11:25 上午 | Shimla



Clinging on

WHEN THE temperature rises, Indians head upwards. In the scorching month of May, many venture to famous hill towns—none better known than Shimla, a resort in the foothills of the Himalayas which British colonial rulers used as their summer capital. Urbanites chase fairy-tale scenes of pine forest, snow-capped peaks and mischievous macaque monkeys.

That is only part of what they find. On a recent visit to Shimla, your correspondent sat in a high-altitude traffic jam all the way into the centre. These days the city's Tudor-style town hall looks onto a branch of Domino's Pizza. Punters watch the sun set over the mountains from the terraces of bars that blare songs by Lady Gaga.

Under the British, Shimla housed around 25,000 people. Now it welcomes roughly 2.7m visitors each year. Much of its expansion was unplanned. The skyline is a maze of modest homestays—their sun-faded signs promising views that are often blocked by the building next door. Houses cling to 75-degree slopes, flouting both gravity and bylaws.

Shimla's carrying capacity—the population that its drains, roads and waste management can sustain—has been exceeded many times over. Lanes designed for horse-drawn carriages host up to 26,000 cars a day. Entire neighbourhoods have started sinking. Locals watch for newly uncovered tree roots and cracked walls—signs that the earth might give way.

Such problems are shared by many of India's other hill towns. Their troubles attest to overdevelopment that has occurred all across the Himalayan states, say worried observers. In recent years, places including Himachal Pradesh (of which Shimla is the capital), Uttarakhand and Sikkim have benefited from big centrally funded projects, such as hydropower stations and new roads. At the same time environmental matters "have not just gone downhill, it's been an avalanche in all the Himalayan states," says Avay Shukla, a former official in Himachal Pradesh.

Weather across the Indian Himalayan region is growing less predictable. Springtime seems to be shortening; dry winters become scorching summers. Environmental damage is increasing the harm that extreme weather events may cause. In the past decade, disasters such as landslides, flash floods and forest fires have killed 10,543 people in Himachal Pradesh alone. In August India's Supreme

Court said that if developers keep cutting into mountains, the state could “vanish into thin air”.

In Shimla, experts in conservation and disaster preparedness want fewer tourists to come. They want authorities to impose a tourist tax and withhold new hotel licences. They want steps to curb a building spree, including fresh efforts to enforce existing rules about construction.

Yet that would be at odds with the state government’s goal of tripling the number of tourists who visit Himachal Pradesh each year. Workers are expanding the main roads into Shimla. The Shimla Development Plan 2041—the town’s first master plan in four decades—overrides earlier construction bans. Tikender Singh Panwar, a former deputy mayor, is worried. He calls it “a disaster in the offing”.

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Higher education

India's pricey private universities want to take on the Ivy League

Billionaire founders are bankrolling their efforts

5月 14, 2026 11:25 上午 | AHMEDABAD



NINETY TYPES of tree sway in the arboretum at the heart of Ahmedabad University, in the western state of Gujarat. “Always be in Beta”, say motivational signs that hang in the institution’s wide halls. The university’s four thousand or so learners toil in smarter surroundings than the average Indian student—and that is not surprising. Each year of undergraduate study at this private non-

profit costs around 500,000 rupees (\$5,300), well above a typical Indian's annual wage.

Ahmedabad is one in a crop of young, elite private universities promising they can put Indian higher education on the map. The country's massive college and university system has quadrupled in size since 2001. It now has 45m students, the most in the world after China. Yet across India, teaching and research can be dire. Even at the creamy end, Indian outfits lag foreign peers. Not one Indian institution features in the top 100 of any of the most-respected global rankings.

Posh private outfits bent on changing this began setting up around 15 years ago. They take inspiration from their famous American counterparts, including when it comes to costs: annual fees at some can rise above 1m rupees. Already a handful rank "right up there with the very best institutions" in India for some subjects, reckons Pushkar, an author and academic in Goa (who goes by only one name).

This trend owes much to Indian billionaires, who have come to see higher education as a cause worthy of their philanthropy. O.P. Jindal Global University was set up near Delhi in 2009 using funds provided by Naveen Jindal, a steel tycoon. A few years later came Shiv Nadar University, named after its chairman, the founder of HCL, a technology firm, and Ashoka, opened in 2014 with support from a coalition of some two hundred big donors. Boosters make somewhat grand comparisons with America in the 19th century, when filthy-rich industrialists set up places such as Cornell, Johns Hopkins and Stanford.

The new crop of private universities set themselves apart in several ways. From the beginning they have sought to excel in research, not just in teaching. Many emphasise humanities and social sciences, says Eldho Mathews, an education researcher in Kerala—which in

other Indian institutions are often considered secondary to science-based subjects and also to training for the professions.



Too many elite Indian institutions produce automatons with a limited view of the world, says Pankaj Chandra, vice-chancellor at Ahmedabad. His university encourages students to learn across disciplines: to combine, say, a main degree in physics with a minor one in history. They must also complete a practical project (to show they can tackle real-world problems) and do voluntary work. Ten years ago his holistic approach might have scared Indian parents. "Not today," he reckons.

Lately some big global trends have begun to work in these universities' favour. English-speaking countries that attract a lot of well-off Indian students have started narrowing the gates for foreigners. Donald Trump's bashing of American universities is making it slightly easier for Indian ones to attract and retain staff. Indian academics who have well-established careers in America are not fleeing in great number. But those who are just completing their doctorates are becoming more open to moving home.

Cash for questions

Yet to take full advantage, the elite private universities will need to swerve home-grown obstacles. Though they are somewhat less trussed up in red tape than India's public institutions, regulation remains onerous. Just like America's posh colleges, they are under pressure to become more inclusive—though they lack endowments quite as bottomless as those American outfits can draw on to pay for scholarships. They are also about to face more competition: from foreign universities recently granted the right to set up campuses in India. British ones including Bristol, Liverpool, York and Southampton are among those already operating in India, or about to enroll their first cohorts.

A big worry is the Indian government's intolerance for research or opinion that it finds irksome. Self-censorship is rife in the social sciences in particular, says one academic. Publishing an inconvenient finding can easily "blow up in your face". Sensitive topics include religious freedom and the state of India's democracy.

Recent years have brought a number of cases in which academics who have fallen out with the government have been forced from posts in private universities, or prevented from taking them up. Young universities have much to lose from upsetting politicians. And irate officials are not beyond putting pressure on their rich founders, who tend to have interests outside education to protect. "We anticipated that private universities would enjoy more autonomy than public ones," says Christophe Jaffrelot, an observer of Indian politics at Sciences Po in Paris. "In fact it is the other way around." ■

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Clash of clans

Drama in the Philippines after the vice-president is impeached

Sara Duterte's political career hangs in the balance

5月 14, 2026 11:24 上午 | Manila



She won't back down

THE IMPEACHMENT of the vice-president of the Philippines, Sara Duterte, on May 11th marked the start of a dramatic week in Manila. The spectacle ramped up on May 13th when pro-Duterte senators holed up in the Senate building, claiming to be under violent siege by government law enforcers. The chaotic scenes, unusual even by the notorious standards of Philippine politics, speak to what is

currently on the line: the kind of leadership that will take over the country from 2028.

Ms Duterte, the daughter of Rodrigo Duterte, a former strongman president, represents one of the country's two most powerful political clans. In 2022 she hitched her fortunes to the leader of the other one, Ferdinand "Bongbong" Marcos, whose own father was a corrupt, violent dictator. Bongbong rode to the presidency on their combined ticket. Then the two fell out spectacularly.

For Mr Marcos's backers, with a solid majority in the House, the impeachment is a chance to finish off Ms Duterte and her clan (whose power and politics is rooted in gun-ridden Mindanao in the south, where feuding starts before breakfast). The Senate must now put Ms Duterte (pictured) on trial; conviction requires a two-thirds majority and would prevent her standing for president in 2028. Yet the president's sway in the Senate is tenuous. For now Ms Duterte is still the favourite to take the Philippines' top job in two years' time.

In 2024 Ms Duterte boasted that, should anything befall her, she had booked an assassin to kill Mr Marcos, his wife and the speaker of the House at the time. Yet insiders think that is the weakest of four articles of impeachment. The strongest, they say, are charges of corruption and unexplained wealth. The Anti-Money Laundering Council says it has uncovered at least 6.8bn Philippine pesos (\$110m) in suspicious transactions tied to Ms Duterte's and her husband's accounts.

Ms Duterte's allies are now attempting to prevail in the 24-member Senate. Just before the impeachment, Alan Peter Cayetano, a Duterte ally, secured the votes necessary to unseat the Senate president. He swiftly granted protective custody to Senator Ronald "Bato" dela Rosa, who was Rodrigo Duterte's police chief and overseer of his extrajudicial war on drugs, in which thousands died. Mr Duterte is now in The Hague awaiting trial before the International Criminal Court (ICC) on charges of murder, torture and

rape. In the Senate chamber on May 11th Mr dela Rosa reappeared from hiding to help vote Mr Cayetano president. Federal agents attempted, but failed, to serve an ICC warrant on him.

Then, in the evening of May 13th, gunshots were heard inside the Senate building. Pro-Duterte senators inside claimed to be under siege by government agents. On television, Mr Marcos denied any government operations. It smells of a manufactured crisis; the Senate's own forces, now reporting to Mr Cayetano, may have fired the shots—at whom, if anybody, remains unclear. (In the chaos, Mr dela Rosa appears to have slipped away.)

When it begins, Ms Duterte's Senate trial will be all about politics, not legal guilt. Conviction is not assured. Some senators are under the cloud of a huge corruption scandal involving funds for flood-control projects and may throw their weight behind Ms Duterte as a way to stay out of prison. Others will weigh the tides of public opinion when voting.

Ms Duterte's critics think that once details of the scale of her alleged corruption are laid out, public opinion will turn against her. That is why Mr Cayetano may delay or obfuscate the trial process.

For all the cronyism under Mr Marcos, who can serve only one term, the president bends towards the rule of law and away from violence. He sees himself as redeeming the Marcos legacy so tainted by his father. He will hope to see a successor with a similar vision. The dynastic image nurtured by Ms Duterte, who allegedly throws laptops at her staff and once punched a court sheriff in the jaw, is built on guns, violence and the politics of revenge. There are two very different directions the country might take. ■

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Dim Summitry

Trade or Taiwan? Trump and Xi struggle to set the terms

At a summit in Beijing, business deals may mask divisions on Iran, Ukraine and AI

5月 14, 2026 11:25 上午 | BEIJING



THE TEMPLE of Heaven in Beijing has long been a symbol of cosmological order and imperial authority. The complex, built in the 15th century, was designed to represent the relationship between the human and divine worlds, and the special role played in that by the Chinese emperor, as the “son of heaven”. At least once a year, emperors would process from the Forbidden City to the temple with a vast entourage to perform ceremonies praying for a good harvest, benevolent weather and harmony across the realm.

Stability and fruitful returns were also on the minds of Xi Jinping and Donald Trump when they toured the temple on the first day of a summit in Beijing on May 14th. China's leader greeted his American counterpart with a ceremony on Tiananmen Square, followed by talks in the Great Hall of the People. But then, unusually for a visiting leader, Mr Xi escorted Mr Trump around the Temple of Heaven in the afternoon, before proceeding to a state banquet. Mr Trump was scheduled to leave China on May 15th following more talks over tea and a working lunch.

The temple tour served both leaders' interests at the summit. It is their first in China since 2017 and is expected to focus on issues including trade, Taiwan and artificial intelligence. Mr Trump will no doubt portray the visit to the temple as a sign of respect. He had said that he wanted China to outdo his last visit to Beijing, which featured an unprecedented private dinner with Mr Xi in the Forbidden City. Overall, this visit falls a bit short. But the temple excursion (the first by an American president since 1975) will help Mr Trump sell it as a success back home. He hopes to prop up approval ratings weighed down by his war against Iran.

For Mr Xi, meanwhile, it was a glowing opportunity to project an image of personal authority and civilizational grandeur. That will play well with many Chinese who, despite an economic slowdown, see their country growing in international stature as Mr Trump embroils America in military adventures abroad. "I don't welcome him here to be honest: he likes to make trouble," says Gu Yeming, who works in a photography studio near the temple. "But at the very least the two countries should be able to talk and help make the world more peaceful."

The summit's choreography also helps compensate for an expected shortfall in progress on the big structural differences between the two sides. In public, both leaders sought to play down those differences as their talks began. "We're going to have a fantastic future together," said Mr Trump, calling Mr Xi a "great leader". The

American delegation also included Marco Rubio, the secretary of state, and Pete Hegseth, the defence secretary. Mr Xi suggested that common interests outweighed differences, and that stability in relations benefited the world. "We should be partners, not rivals," said Mr Xi, who was flanked by his chief of staff, [Cai Qi](#).

The two leaders' main goal, according to people involved, was to prolong the year-long truce in a trade war that was agreed when they last shook hands, in South Korea in October. (That is critical given that at their height last year, Mr Trump's tariffs on some Chinese goods reached 145%.) Scott Bessent, America's treasury secretary, who has been leading negotiations with China, held preparatory talks with He Lifeng, China's vice-premier, in Seoul on May 13th. One hoped-for outcome is a deal to establish new mechanisms which will better facilitate bilateral commerce, including a "Board of Trade" and "Board of Investment", although details are fuzzy.

Other pacts are expected too, particularly around China buying more American beef, soyabeans and Boeing airliners. Accompanying Mr Trump are more than a dozen American business leaders, including Elon Musk of Tesla, Tim Cook of Apple, Larry Fink of BlackRock and Kelly Ortberg of Boeing. Jensen Huang of Nvidia was a late addition, boarding Air Force One during a stopover in Alaska. That raised expectations of talks about China getting more Nvidia chips, craved by Chinese AI developers. On his way to the summit, Mr Trump said that his first request to Mr Xi would be for him to "open up" China to American business.

Mr Xi's top priority is Taiwan, the self-governed island that China claims. He warned Mr Trump in their meeting that mishandling the issue could bring China and America into conflict. China has been lobbying hard for Mr Trump to delay or reduce arms sales to Taiwan and to declare that America "opposes" the island's independence. Mr Trump alarmed Taiwan's government this week by saying (again) that he planned to discuss the question of arms sales with Mr Xi, in

apparent violation of longstanding American assurances to the island. White House officials have played down the prospects for a formal change in America's position, however, even if Mr Trump deviates from it in off-the-cuff remarks. And Chinese government advisers say they are hoping for progress over the course of the year (with three more Trump-Xi meetings expected) rather than just at this summit.

The two leaders may also struggle to find common ground over the wars in Europe and the Middle East. China has consistently rebuffed American appeals for it to stop providing economic and dual-use assistance for Russia's war in Ukraine. American officials had said in the run-up to the summit that Mr Trump would urge Mr Xi to curb Chinese purchases of Iranian oil, avoid providing military technology to the Islamic republic and pressure it to open the Strait of Hormuz. But as Mr Trump departed for Beijing, he suggested that Iran would not actually feature much in the discussions.

On AI, American officials want to establish a regular dialogue with China, and potentially a hotline, at the summit. A similar dialogue started under Mr Trump's predecessor, Joe Biden, and led to a declaration in 2024 that only humans should control nuclear weapons. Both sides still share concerns about AI security risks, such as its use by non-state actors to conduct cyber fraud or create pathogens. But even if they do re-establish a dialogue, meaningful co-operation will be hampered by strategic mistrust and intense competition to produce ever more powerful models.

Stability and profitable enterprise may indeed be common aspirations. Yet in most areas, both leaders now see their relationship as a zero-sum contest. And neither the show of unity at the Temple of Heaven, nor any other part of this summit, is likely to change that view of the new cosmological order. ■

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Boba boom

China's tea brands want to conquer America, Starbucks-style

A major competition is brewing

5月 14, 2026 11:24 上午 | New York



Hot stuff

BACK IN CHINA Emily Chang's job was to promote Starbucks. "We were nurturing coffee culture in a country that knows centuries of tea," says the former chief marketing officer of the American firm in the People's Republic. Now Ms Chang works for Chagee, a tea chain little known outside China, and is doing the opposite. Her task is to champion the Chinese brand and tea-drinking habit in coffee-centric

America (and to resist a tendency to mispronounce Chagee—the letter g is soft).

Last year the chain became one of the many firms trying to gain a foothold in America. Their outlets offer bubble tea, fruit tea and fresh Chinese tea, sometimes capped with milky foam. The Chinese newcomers are taking on the long-established competition from Taiwan which helped spread the word “boba” in the first place. (It was originally a Chinese slang term meaning “bustly”, as a synonym in English for bubble tea with its pearl-sized balls made of tapioca starch.) In America the coffee market is 28 times bigger than that of freshly made tea, reckons Huachuang Securities, a brokerage. This, it says, theoretically creates “vast substitution potential”.

The Chinese firms’ presence is still small. HeyTea, an upmarket brand, has led the way, opening more than 40 American shops since 2023. Just nine of Chagee’s 7,500-odd global outlets are in the States. Mixue, a giant bubble-tea and ice-cream seller, is the world’s largest food-and-beverage chain. But just five of its 60,000 outlets are in America. By comparison, Gong Cha, a Taiwanese brand, runs 2,200 outlets globally and more than 240 in America; Coco, another chain from Taiwan, has more than 5,000 franchises globally and dozens in America. The Chinese contingent wants to overtake them.

Partly this is because there is too much bubble tea brewing at home. The firms making it in China are eager to find new customers abroad, says Tom Chen of Kepler Mission Design, an American marketing agency. Some American customers see their fare, which includes low-sugar options, as healthier than dessert. “Sometimes I’m like I can’t eat ice cream right now. But I can go get myself a boba, that’s not so bad!” says Isabella Destio in New York’s Midtown. “They’re way better to have in the afternoon than coffee. They don’t give you the caffeine crash.” Down the street, Eric Li walks out of a bustling branch of Mixue, where Spring Oolong Milk Tea sells for \$3.99. As a Chinese-American, he says he’s happy to see many non-Chinese enjoying his culture. “There’s some tension right now,

internationally, but it's good that everyone can get together over a drink," he says. ■

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Tech bros

Can a Chinese EV-maker reinvent itself as a robot firm?

An interview with the boss of Xpeng

5月 14, 2026 11:24 上午 | Guangzhou



AT THE ANNUAL tech showcase of Xpeng, a maker of electric vehicles (EVs), the assembled crowd was surprised to see a female humanoid robot saunter along the catwalk. Speculation blew up online that the robot, known as IRON, was so lifelike that there must be a human inside. The head of Xpeng, He Xiaopeng, decided, to the dismay of his robot team, to cut open its synthetic skin on stage the next day to reveal the mechanical components underneath. "People don't dare to believe that such an advanced robot came from a Chinese startup," Mr He told the crowd. "It's like ten years ago, when many

doubted that Chinese electric vehicles could be made well and go global.”

It turned out that Chinese firms could make EVs well—too well and too cheaply for the comfort of foreign governments, which slapped tariffs on them. Now Mr He is revving up for the mass production of humanoid robots, flying cars and self-driving taxis after years of development.

He is bullish that he can achieve the same success. “By the time you and everyone else can see a trend, it’s already no longer your opportunity,” the baby-faced 48-year-old billionaire told *The Economist* at his headquarters in the southern city of Guangzhou. On April 1st Xpeng Motors changed its name to Xpeng Group to reflect its broader ambitions. “Think about Apple Computer when they changed their name to Apple Inc,” says Tu Le of Sino Auto Insights, a consultancy.

Can the darling of the EV industry really succeed with humanoids and flying cars? Mr He is not the best known of China’s tech bros, but he is one to watch. His early bet on giving EVs tech features that now define the Chinese market—including a highly capable autonomous-driving system—paid off. His polymath projects have drawn parallels with Elon Musk’s.

Mr He studied computer science in Guangzhou in the 1990s, and says his first goal was to make money, which he did after co-founding UCWeb, a mobile internet browser, in 2004. By 2012 UCWeb had 500m users. Alibaba, a tech giant, bought him out, making him a billionaire. Then he began fusing hardware and software in cars, convinced that they should be electric and smart. “It was a blind spot and an open window,” says Mr He, who co-founded Xpeng in 2014 and has run it since 2017.

His tech obsession led Volkswagen, the biggest foreign carmaker in China, to buy a 5% stake in Xpeng in 2023, for \$700m. VW now uses

Xpeng's AI chips and driver-assistance systems in some of its Chinese models. Appearances of the diminutive Mr He beside the towering boss of VW China, Ralf Brandstätter, aptly contrast the nimble Chinese upstart with the giant legacy carmaker. "We are quite confident that he will come out as one of the winners," says Mr Brandstätter.

Continuing to succeed in the cut-throat Chinese car industry will be hard enough; winning in the next round of innovation will be tougher still. Mr He will have to do three things. First, survive the "bloodbath" that he has long warned of in China's EV market, which still has some 100 sizeable brands. Few EV firms make money as they undercut rivals for market share. Xpeng turned a profit for the first time only in the fourth quarter of 2025. While others cut R&D spending, Mr He says Xpeng plans to invest \$1bn in AI this year. He wants to win by creating the best technology and then charging more for it. For reliable profits, Xpeng needs to sell more than the 429,000 EVs it did last year and hopes to do so through boosting higher-margin exports.

The second issue will be technical. Advancing from EVs to flying cars and robots represents a screeching change. Many Chinese carmakers are moving in the same direction, but flying cars and robots are still early in their development. Mr He knows already how to bring ideas from one industry into another. And there is overlap in what is needed by EVs and humanoids, for instance in motors, batteries, sensors and other components (Chinese EV suppliers already build parts for humanoids, including Tesla's Optimus).

But the overlap should not be overstated, argues Poe Zhao, author of *Hello China Tech*, a newsletter. There is a substantial difference between building an EV and building a robot in areas such as balance and safety, he says, "A humanoid robot is not simply a car with legs."

Third, the company must clear substantial commercial and regulatory hurdles. Mr He's humanoids will enter mass production later this year, and flying cars in 2027. Xpeng already has 7,000 orders for its flying cars, but they still need more regulatory approval, supporting infrastructure and a viable business model. Boosters predict humanoids will be transformative. Morgan Stanley, a bank, reckons the market could be worth \$5trn by 2050. But there are plenty of sceptics asking who will buy them and how firms will make money.

Turning cars electric and making them smarter is built on an established and growing market. There is no pre-existing demand for humanoids to build on (in China, the state is the biggest buyer). Robot-makers want humanoids to do laundry and cook and care for the elderly, but that still requires copious amounts of data collection and training. Analysts fear another bubble, as even state-owned carmakers pile into the humanoid hype.

Clearing all three of these hurdles will be much harder than the switch to making cars. Mr He has shown that he can dream big, and build popular products that others didn't believe in. But the attempted transition will be his biggest gamble yet. Recent decades suggest that no one should bet against Chinese innovation and determination. But the pace of transformation in these sectors may be slower and less stunning, and the profits more distant. Mr He says he wants to deploy his first humanoid robots in Xpeng showrooms, already open in about 60 countries. Their job? To greet prospective buyers of his EVs. ■

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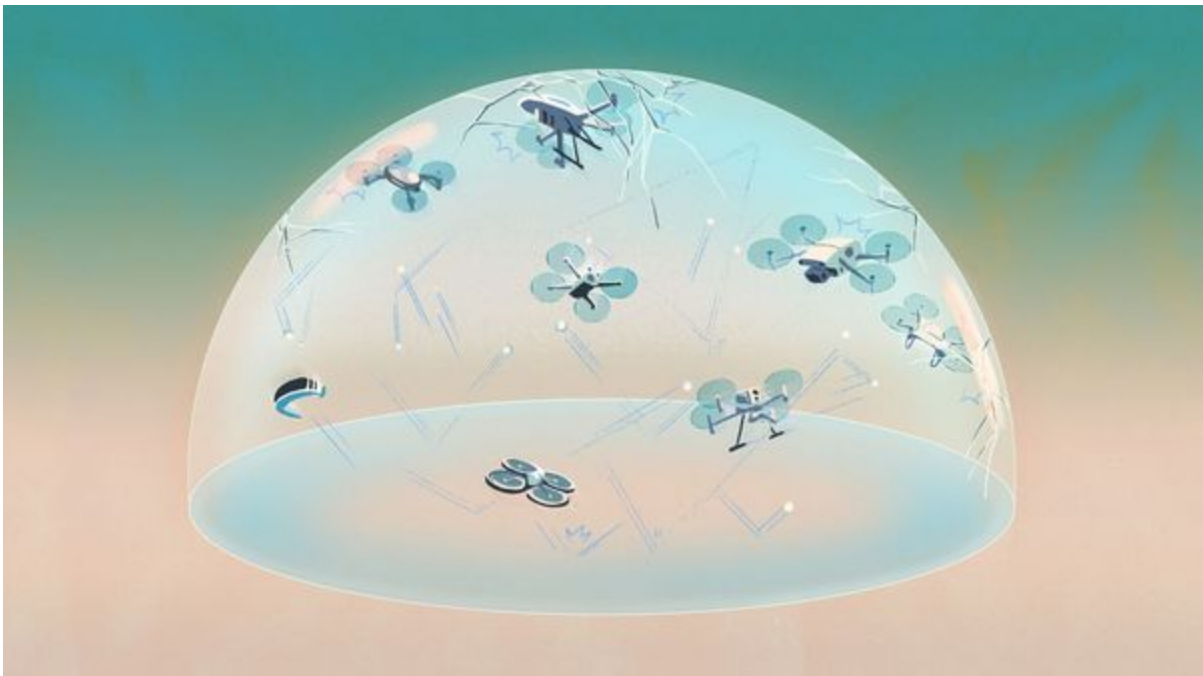
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Chaguan

China knows that governing new tech can be harder than inventing it

You need enough freedom for innovation, but enough control to prevent disaster

5月 14, 2026 11:25 上午



THE DRONE training centre has everything a budding pilot needs: an open field for mastering the basics, an obstacle course for refining precision and computers for learning to program distant flights. But its most important feature is where it is. This month Beijing banned drone sales within the city because of security concerns. The Shenghang centre is across the border in Hebei province, where

restrictions are looser. “Activity is beginning to move out here,” says Bai Jiantong, its director.

Looser, though, does not mean loose. Every morning the school checks with air-traffic control whether its drones can fly. Its permitted airspace extends upwards exactly 50 metres. And its students must train for nearly three months and pass a tough test before receiving certification.

China’s effort to corral its drones mirrors a debate now consuming officials the world over: how tightly to grip a technology before it runs wild. The dilemma—enough freedom for innovation, enough control to prevent disaster—is the central regulatory challenge of the age, repeated across autonomous driving, artificial intelligence and much else. China’s approach matters, because in many of these fields it is at or near the frontier.

Confusingly, two opposing narratives dominate discussions about China’s tech regulations. One is that it is unusually permissive: an under-developed legal system means companies are not bound by red tape; local governments vie for investment by letting entrepreneurs experiment; and the country as a whole has an “authoritarian advantage” in that it need not be troubled by inconveniences such as ethics or privacy. The other narrative is that China cannot help but strangle its own tech champions, because it is unwilling to let private companies get too powerful and wants guardrails around disruptive technology.

Each narrative has some truth. The tension between them is captured by *baorong shenshen*, a term that Chinese officials use to describe their overarching goal in tech regulation: “inclusiveness and prudence”. In principle that means an openness to all manner of new inventions, dovetailed with caution about applications. In practice, China persistently struggles to meet both objectives.

Take autonomous driving. China looks like a natural candidate to lead it. It already makes about 70% of the world's electric vehicles and churns out the sensors needed for robo-cars. But in draft rules that go into effect next year, regulators are tapping the brakes. "Level 3" cars, in which technology controls everything but drivers must remain alert, will be required to come to a safe stop if drivers fail to respond promptly to warnings. The rules emerged after two notorious accidents involving self-driving cars.

Historically prudence often triumphs in China. It was once the Wild West for cryptocurrencies; now they are banned. Regulators cracked down on internet giants when they muscled in on bank-style lending. And they enforce time limits to prevent children from becoming addicted to online games. The pattern is clear. When in doubt, China embraces caution, even nannying.

The latest area in which China is trying to get the balance right is artificial intelligence. Many observers used to think the government was so determined to lead the world in AI that it would even tolerate mass job losses caused by the technology. But China is now showing a more conservative streak. Last month a court ruled that companies [cannot fire employees in order to replace them with AI](#). After a brief frenzy of people downloading AI agents—models that can make decisions themselves—the government announced in recent weeks that these agents will require human oversight, and that it will create a national registration system for them. Whether that reflects wisdom or timidity may depend on how fast foreign rivals move.

Age-old Brummie wisdom

Chinese scholars have turned to a somewhat obscure concept to make sense of this stop-start pattern: the Collingridge dilemma, named after David Collingridge, a late professor at Aston University in Birmingham, England. In the 1980s he observed that when technologies are young, it is impossible to foresee how they will develop, so they cannot be well regulated; but as technologies

spread, they can quickly reach a point where it is extremely difficult to regulate them. Although the Collingridge dilemma pops up in Western discussions every now and again, its fame is now greater in China. Since the rise of generative AI, scores of academic papers have asked whether it is possible to escape the dilemma. In March, Fudan University, one of China's leading universities, hosted a forum devoted to the dilemma in AI governance, which put Collingridge, or "*Kelingeliqi*", in news headlines.

Credit to the Chinese academics for highlighting such a pithy way to think about regulation of new technologies. But identifying the dilemma is not the same as solving it. At the Fudan conference, scholars reached something of a consensus: regulation was bound to lag behind the technology. That certainly has been the experience of China in multiple domains. And when officials do belatedly wade in, they tend to over-correct for previous laxity.

Back in the world of drones, enthusiasts hope that the flying and buying rules in Beijing are an outlier, reflecting security worries in the capital. They believe that by establishing clearer rules around low-altitude airspace, regulators are readying the skies for a brave future in which drones zip goods and even people across cities and over fields. Conversely, anxiety about public safety is hardly unique to Beijing, so a more security-obsessed China could also mean a more constrained horizon for drones, especially in cities. No one is certain which vision will prevail. Chinese officials are often lionised for their far-sighted plans, but when it comes to new tech they, like so many others, are fumbling in the dark. ■

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Discipline and punish

Donald Trump's midterm strategy: purge the Republican Party

A case study in two bitter primaries for safe Republican seats

5月 14, 2026 11:25 上午 | Metairie, Louisiana and Burlington, Kentucky



ASK A REPUBLICAN in Washington behind closed doors what Donald Trump's midterm strategy is and they will probably give you a shrug. "When I hear it I'll let you know, but there doesn't appear to be one," a prominent party strategist told your correspondent. In the midst of a hugely unpopular war abroad and soaring grocery and petrol prices at home, Republicans have no positive message to take

on the road as the summer campaign season heats up. Nor have they settled on how to attack the Democrats.

To faraway observers in America's heartland, the White House appears to be focused instead on two things: bullying state lawmakers into redrawing maps that are more favourable to Republicans, and going after unlucky incumbents. The first is working and could give the party a boost in November. The second, even if it succeeds, will not help them hold Congress.

Bill Cassidy, a senator from Louisiana, and [Thomas Massie](#), a congressman from Kentucky, could hardly be more different—one is an old-school institutionalist, the other an anti-establishment populist. Yet on May 16th and 19th respectively, they each face the toughest primary fights of their careers in some of America's most Republican states. The offence that brought them both here is crossing Mr Trump, who even as his [approval ratings](#) collapse into the mid-30s remains fixated on what he does best: exacting revenge.

Mr Cassidy's original sin was voting to impeach Mr Trump after January 6th, in 2021. At the time, he called storming the capitol "an act of sedition" and said that "the president clearly got people stirred." Since Mr Trump was re-elected—an awkward surprise for the senator, presumably—Mr Cassidy has desperately tried to win back favour. As a doctor who chairs the health committee, he has balked at the rise of anti-vaxxers. Yet in an astonishing nod to the president he nonetheless voted to confirm Robert F. Kennedy junior, their leading crusader, to the cabinet.

It was not enough. In January Mr Trump propped up a challenger in Julia Letlow, a congresswoman and self-described "mama bear" who has the profile of an obedient soldier. The two are now locked in a tight three-way race with John Fleming, the more radical state treasurer. Mr Cassidy and his establishment friends are spending more than \$20m on it.

At a campaign event at Drago's Seafood just north of New Orleans, Mr Cassidy pitched himself to locals gulping garlicky charbroiled oysters. "They are focused on something in the past and I'm focused on our present and our future," he said, leading the room through a call-and-response chant of "past" and "future" like a Little League coach firing up his team. His flyers boast that he is "Louisiana first"—not "America first"—and that he now votes with Mr Trump 100% of the time. Asked whether he regrets the impeachment vote, Mr Cassidy is equivocal. People think he sits around "like Lady Macbeth washing her hands because she can't rid herself of a stain", he says. "That's not life...you make a decision based on facts and you move on."

Two years ago Louisiana's legislature changed the rules so that voters can only take part in their own party's primary. Then, a fortnight before election day, the governor suspended the other congressional races on the May ballot to redraw the map after a new Supreme Court ruling. Both moves will shrink turnout and make the electorate more hardline. That hurts Mr Cassidy, who has limited appeal beyond country-club, *Economist*-reading Republicans (who should count double).

His response has been to court Democrats instead, calling on them to switch their registration to "no party" and vote for him. At an event in St Mary's Parish in early April he reportedly claimed that 6,000 people had done so. But Democrats have little reason to rescue a conservative who, in their view, abandoned his principles to become a "yes man", says Robert Mann, a political historian in Louisiana. Liz Cheney tried something similar in Wyoming four years ago. It failed.

Huddled Massie, yearning to breathe free

Mr Massie's predicament is completely different. The northern Kentucky congressman is an MIT-trained engineer who lives off the grid on a cattle farm and has built his political brand around being a

maverick. His snubbing of Mr Trump is both more recent and more persistent. In the president's eyes his worst offence was leading the charge that forced the government to release a trove of files related to Jeffrey Epstein, a convicted sex-offender and a former buddy of Mr Trump's.

But Mr Massie was a thorn in the side of the Republican leadership before that too, voting against last summer's "Big Beautiful Bill" so as not to add to the deficit and introducing a bipartisan war-powers resolution to try to block the administration from striking Iran without Congress's approval. What makes him different from his Republican colleagues, he says, is that he reads the fine-print and votes against bills he thinks are unconstitutional.

Mr Trump, who has called Mr Massie both a "smart cookie" and a "third-rate grandstander", responded by recruiting and endorsing Ed Gallrein, a failed state-Senate candidate and navy SEAL, to run against him. On March 11th, less than two weeks into the war in Iran, Mr Trump left Washington to campaign against Mr Massie in Hebron, Kentucky, a town of 6,000 people. "Massie is a complete and total disaster as a congressman and frankly, as a human being," he told loyalists in red-white-and-blue outfits. So far the best ad in the race is an AI-generated video that depicts a traitorous Mr Massie in a "throuple" with Alexandria Ocasio Cortez and Ilhan Omar, two left-wing Democrats. The president's top donors have poured \$14m into attacks like it to oust the congressman, helping to make it the most expensive House primary on record.

Mr Massie has a clearer message and, perhaps, a weaker opponent than Mr Cassidy, giving him better odds of surviving Mr Trump's ire. At a Boone County Republicans meeting in the town's red-brick courthouse one week before election day, he was received as though he were the party's messiah. But after he had rattled off a list of wonky policy accomplishments, an older man stepped up to the microphone and asked why voters should back him over "the one person in the whole United States, and maybe the world, that

understands everything”, referring to Mr Trump. Mr Massie asked what information the president had that made him reverse course and keep the Epstein files sealed after promising not to during the campaign. The man insisted that Mr Trump must have had good reasons that he couldn’t share. “I don’t give anyone but God that kind of trust,” the congressman said firmly. The crowd roared.

Conservative supporters of both incumbents reckon that Mr Trump has better things to do than “punch down”. Sarah Longwell, a political strategist, says that in focus groups Trump-voting independents are fed up with the president’s inattention to prices, something he posts about less than his personal vendettas these days. Although Mr Trump has not yet tapped into his \$330m MAGA INC war-chest, party operatives worry that his revenge tour is taking donor money that could be used down the line to help Republicans beat Democrats in actual swing districts. “They’ve piled up \$30m of Republican money and burned it here in northern Kentucky,” Mr Massie says. “I think there is going to be a hangover after this race. Whether I win or lose they’re gonna be like, wow, was the blood-letting worth it?”

The good news for Republicans is that it is only May, and the party still has time to refocus before the general election. Getting down to business on Capitol Hill and passing policies for everyday Americans should help.

But if the president wins this week’s battles that could soon become harder, too. Republicans need Mr Cassidy’s vote in the Senate, and if he loses re-election he will have no incentive to continue placating the president or the party before his term ends in January. That is perhaps why months ago John Thune, the chamber’s majority leader, tried to persuade Mr Trump not to endorse against precious incumbents. Too bad he didn’t listen. ■

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The uncanny valley

Lessons for Democrats from a candidate who sings and shoots

It's good to be charming and unconventional. It's really good to be famous

5月 14, 2026 11:24 上午 | Edinburg, Texas



Call the candidate

USUALLY WHEN a politician speaks to an auditorium full of children, neither party wants to be there: the kids can't vote, and listening to an adult drone on is boring. But when Bobby Pulido, the Democratic nominee for Congress in Texas's 15th district, showed up at Beethoven Elementary, the children cheered and held up his picture.

The school's teachers, caretakers and lunch ladies filled out the sides of the auditorium and lined up for selfies after the speech. That was not because they were wonks or ardent Democrats.

Before Mr Pulido entered politics, he won two Latin Grammy awards. In the Rio Grande Valley (RGV), Texas's southernmost tip, he is so famous that walking with him from a restaurant's front door to a table takes a while because of all the people who stop him. Polling is scant, and Donald Trump won this district by 18 points in 2024. But even if Mr Pulido loses (as our forecast model strongly suggests he will), a good showing in TX-15 would offer lessons for future Democratic candidates.

First, candidate and district match well. Mr Pulido was born, brought up and still lives in Edinburg, one of the RGV's bigger cities. Like most of his constituents, he is Latino and bilingual, and lacks a college degree; like many of them, he does not have health insurance, and must cross the border to see a doctor. His two uncles were long-serving local elected officials.

This biography affords him an advantage in a region where politics is less partisan than personal: people already know him. His opponent, Monica De La Cruz, tried to dismiss him for it, saying in March that the race "isn't about who you want performing at your niece's *quinceañera*". Since then, in a nifty bit of political jiu-jitsu, Mr Pulido has performed at dozens of *quinceañeras* (girls' 15th birthday parties) in his district, taking payment in earned media: hundreds of family members have livestreamed and posted his performances.

Mr Pulido's moderation also helps. He is an avid hunter and competitive long-distance shooter who has "lost count" of the number of guns he owns. He believes Democrats' focus on social issues rather than economics cost them the district. "Down here," he says, "people don't consider themselves poor, they consider themselves broke...they think, you know, I'm gonna make it tomorrow. I don't think people here want charity, they just want an

opportunity.” This echoes the leading Latino presidential hopeful, Ruben Gallego, Arizona’s senior senator, who says that Latinos want a *troquita*, or “big-assed truck”—they want a pathway to material success.

The RGV may be ancestrally Democratic, but it is also conservative: gun ownership is common and church attendance is strong. Barbecues feel like parties anywhere else in rural Texas, with lots of beer, boots and guns, except that everyone speaks both English and Spanish. Mr Pulido says the most effective political ad in 2024 was the one claiming “Kamala is for they/them; Trump is for you.” The message worked: in 2024 Mr Trump won all four of the RGV’s main counties.

Some of his voters have buyers’ remorse. Mario Guerrero, who owns a construction firm and heads the South Texas Builders’ Association, voted for Mr Trump three times. But today tariffs have increased his input costs, ICE raids have reduced his labour force, petrol prices have eaten into his budget and all this, combined with rising costs, means that fewer people can afford the homes he builds.

Under Joe Biden, the border, just half an hour’s drive from Edinburg, was chaotic, and Mr Guerrero welcomed Mr Trump’s vow to control it and get the bad guys out. But, he says, “When I would hear that the rapists and the murderers were gonna be taken out, I never thought that you were gonna go and pick up Juan that does cabinets, that has a family here, that has two sons in the air force.”

An improved showing for Democrats in the RGV would not mean Latinos are coming “home”, argues Mike Madrid, a political strategist and author of “The Latino Century”. They “are moving away from both parties, [and] the same reasons these voters turned against the Democratic Party is why they’re now moving away from Republicans”. Yet there are, he suggests, lessons for the party here.

First, he says, “start moving toward the Latino working-class base instead of holding onto false hopes of recapturing the white working class in the rustbelt...The future relevance of the Democratic Party is the sunbelt.” Second, be opportunistic and unconventional: if your opponent sniffs that you’re nothing more than a *quinceañera* singer, sing at as many as will have you.

Finally, it really helps to be famous. Unlike most first-time candidates, Mr Pulido has no problems with name recognition. The tendency of Democrats to defend institutions often makes them seem like rule-following scolds. They could use a few more candidates who know their way around a guitar, a ballad and a gun.

■

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Abundant progress

New York looks set to lower a big barrier to building

Sex and the environmental-review process

5月 14, 2026 11:25 上午 | NEW YORK



Sex and the environmental-review process

GETTING A NEW building project through New York's state environmental approvals can feel like a bureaucratic game of snakes and ladders. Even though projects are also signed off locally, the state process requires an analysis of their effects. After about two years of study, if a builder is lucky, he can hop up a ladder towards the end of the game. Others must go through a more-exacting report, moving one square for a public hearing and then another for each of the 20 technical analyses that must be done in New York

City. This takes closer to three years. If the plan changes in that time, the builder lands on a snake (or a chute, in the American version) and goes back to the start. A lawsuit can create a whole second round.

Now New York is on the brink of throwing away the game. The state is set to pass the first big reform of its environmental reviews for housing in 50 years. Even though many developments are found to have little environmental impact, the convoluted process slows building and becomes a blocking tool for would-be-neighbours. Scrapping it “is going to be a real transformational moment” boasts Kathy Hochul, New York’s governor. But the Empire State is not alone: in an effort to get building, Democratic states across the country are rethinking their environmental reviews.

In 2024 New York state ranked fifth in the nation for cost burdens for housing, with more than a third of residents spending more than 30% of their household income on it. The state’s population has fallen, and it is projected to lose one or two congressional seats in the next reapportionment in 2030. For Ms Hochul, this is a crisis. “We’re losing residents to neighbouring states that have more ambition and willingness to not be thwarted by the NIMBY culture,” she says, referring to Not In My Backyard campaigners.

Her solution is to reform the 1975 law that governs environmental review in the state. Although theoretically it is just a fact-finding exercise, any project requiring a special permit or a zoning change must go through the painstaking process. The state reckons it costs \$82,000 per unit of housing in New York City and has little environmental benefit.

A change to the state budget would scrap the reviews for projects of up to 500 units in the busiest parts of New York City and 300 units in other urban areas in the state, as long as they are on a plot of previously developed land. Although the final language is yet to be seen, wonks are jubilant. “This is a major step forward,” says Josh

Berman of the Regional Plan Association, a local think-tank. “It allows municipalities that want to build to go forward and actually build.” “It’s a big deal,” echoes Steven Fulop, the head of the Partnership for NYC, a business group.

If the final legislation is as expected, there should be more permits issued by the end of the year, says Carlo Scissura of the NY Building Congress. There are hitches: local governments would keep their say over development, so places that are not keen on new housing would not have to embrace it (Ms Hochul attempted to nudge building in 2023 and was shut down). But advocates cheer how warm the reception for environmental reform was. “It is really, really notable that we are finally seeing just everyone sing the same tune that we need to build more housing,” says Annemarie Gray of Open New York, a YIMBY (the antithesis of NIMBY) group.

Plenty in New York attribute this to Ms Hochul’s vigour. But Democrats across the country have embraced the idea that the party needs to be more friendly to growth. In recent years California, Massachusetts and Washington have all made efforts to reduce the burden of climate reviews. State legislators are “all definitely trading notes”, says Charlie Anderson at Arnold Ventures, a research and advocacy group. “They’re also competitive.” This is a better game than snakes and ladders.■

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The war on error

America's new counter-terrorism strategy is a partisan polemic

It does not seem designed to make the country safer

5月 14, 2026 11:24 上午 | Washington, DC



Mr Gorka reflects

SEBASTIAN GORKA, America's counter-terrorism tsar, is abrasive. Critics of the Iran war are "testicularly challenged". Journalists are "scumbags" or "punks". As for terrorists, they must be vapourised into "red mist" and their bodies stacked "like cordwood". Mr Gorka takes pride in his work. "I pinch myself everyday," he enthused on a podcast last year. "I've been waiting about 25 years for this job."

It should therefore come as little surprise that America's new counter-terrorism strategy—hailed by Mr Gorka as his "life's work"—is more polemic than policy. For a magnum opus, it is short: just 16 pages, including covers and pictures. It is also light on detail. The strategy identifies three "major types of terror groups": narco-terrorists and transnational gangs; Islamist terrorists; and violent left-wing extremists. It says nothing about threats stemming from the war in Iran or the long-standing menace from right-wing extremists. Described as "apolitical", the document is anything but. Donald Trump's name appears dozens of times in a nominally non-partisan memo. "It's not a strategy," says Matthew Levitt of the Washington Institute for Near East Policy. "It's an ideological, political document that fails to analytically assess the counter-terrorism threat."

There is little new inside. The document largely spells out what the Trump administration has already been doing. The priority, it says, is going after drug cartels. For eight months, America's armed forces have struck alleged "narco-terrorist" boats in the Caribbean and Pacific. To date, it has carried out 57 confirmed strikes, which have killed at least 192 people. The document boasts that sea-borne drug trafficking has decreased by 90%. The campaign's dubious legality aside, experts say the document betrays a lack of focus. "If every criminal group is also a terrorist group there's no distinction anymore," warns Colin Clarke of the Soufan Centre, a non-profit. "It takes finite resources away from fighting actual terrorist organisations."

The government also vows to keep tabs on "legacy Islamist terrorists" like al-Qaeda and ISIS. It boasts of loosening rules of engagement, which has led to a surge in air strikes. In Somalia, for example, strikes since the start of 2025 have risen to 190—a nearly four-fold increase on the Biden years. Some of the strategy's sharpest barbs are reserved for Europe. The old world has become an "incubator" of terrorism stemming from its "open borders". It warns the continent must "act now and halt its wilful decline".

Strikingly, the document does not mention the impact of the Iran war. A spate of attacks in recent months, some of which appear to have been inspired by the conflict, have raised questions about America's counter-terror apparatus. Thousands of federal agents have been dragooned into immigration duty. And in the days before the Iran war began, the FBI fired a dozen staff, including agents who worked in a unit monitoring threats from Iran. "The Iran war is a gaping hole in this document," points out Mr Clarke.

The strategy's focus on left-wing extremism is similarly hazy. Political killings by left-wing types, such as the murders of Charlie Kirk or Brian Thompson, the CEO of UnitedHealthcare, are a real and growing issue. But it is not clear whether these killings actually constitute terrorism. The administration has nonetheless designated amorphous, left-wing militant groups as "terrorist organisations". Worryingly, violence perpetrated by right-wing extremists has been expunged from the document. "The people in charge are taking something that has traditionally been apolitical and non-ideological and weaponising it for ideological purposes," laments Mr Levitt. "We're less safe for it."■

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Order on the border

Asylum in America is all but over. It may never come back

How Donald Trump fulfilled a campaign pledge

5月 14, 2026 11:25 上午 | Phoenix



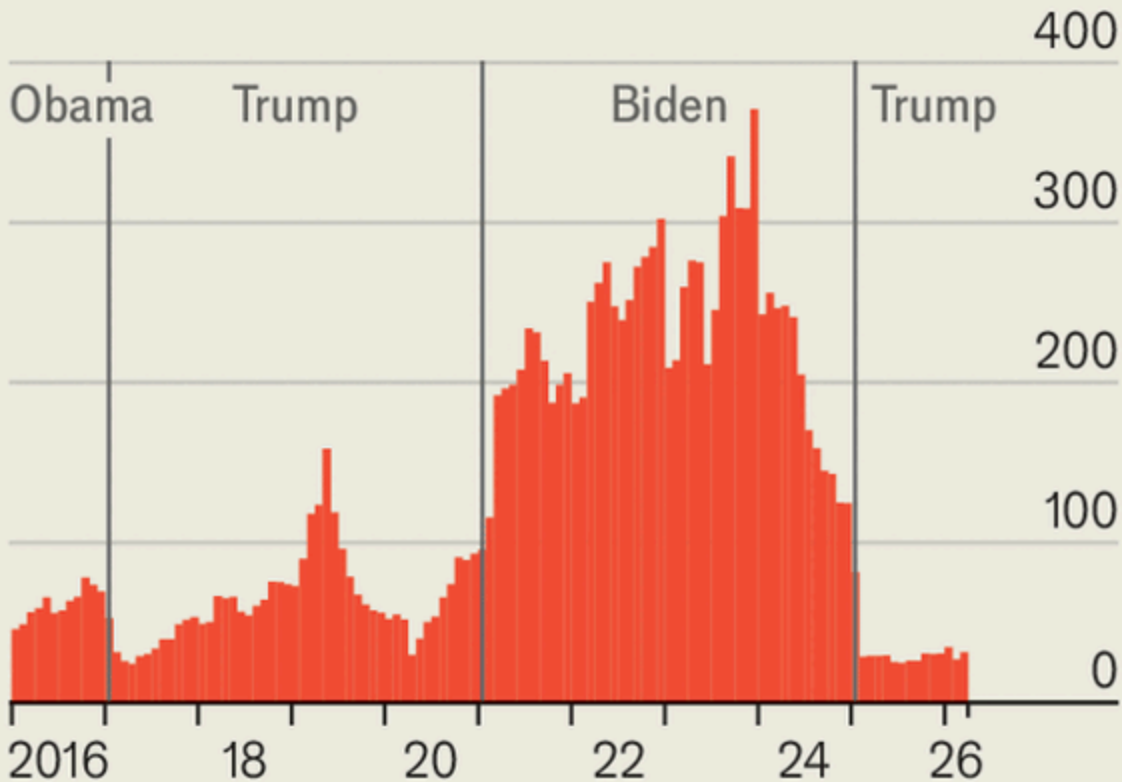
WHEN TOM HOMAN, Donald Trump's border tsar, addressed the Border Security Expo in Phoenix on May 5th, he had an upbeat message. "We have the most secure border in the history of the nation," he crowed. The audience was filled with besuited industry types who were hoping to sell the federal government tech and tools to deter migrants and smugglers. Besides the "men and women of Border Patrol", Mr Homan had one person to thank: "God bless President Trump."

Mr Trump has been promising to close America's southern border for more than a decade. In his second term, his method for doing that has been muscular, multifaceted and, ultimately, successful. His border security posture includes finally building his big beautiful wall, hiring more Border Patrol agents, and detaining and deporting migrants with showy cruelty in order to convince others to stay away. But underpinning all of that are his administration's restrictions on asylum, which are being litigated in the courts. The president is testing how much he can restrict asylum without violating America's laws and its treaty obligations. If he succeeds it will be partly because the legislation that governs asylum is vague and outdated.

Bordering on sealed

1

United States, monthly migrant encounters*, '000



*From March 2020 to May 2023 monthly encounters include apprehensions and expulsions. Other dates are apprehensions only
Source: US Customs and Border Protection

The Refugee Act of 1980 borrowed heavily from the 1951 Refugee Convention and its 1967 extension. America signed the latter. Most of the statute was devoted to creating a programme for resettling refugees who demonstrate a “well-founded fear of persecution”. Lawmakers were reacting to the cold war, and were focused on eastern Europeans and Vietnamese fleeing communism. Territorial asylum—claims made by people already in America or at the border—was an afterthought. “Our immigration experience was one of people who needed protection coming from far away,” explains Doris

Meissner, who oversaw immigration policy at the Justice Department (DoJ) at the time.

It didn't take long for policymakers to realise they had a problem. Weeks after the bill was signed more than 100,000 Cubans set sail for Florida during the Mariel boatlift. "You couldn't just release all those people," recalls Ms Meissner. All of a sudden America had to decide what to do when needy people arrived at its borders. It wasn't until the 1990s that the Clinton administration finally standardised the asylum-application process and hired more asylum officers and immigration judges to shrink a mounting backlog of cases. That worked—for a while. But the pressure on America's asylum system increased until, under Joe Biden, Customs and Border Protection recorded roughly 300,000 migrant encounters at the southern border in one month alone (see chart 1). Some migrants were fleeing persecution, others were escaping gang violence or troubled economies. Asylum wasn't assured, but applying was a way to come to America and work for a while. It was a loophole.

Joe Biden's legacy

[The backlash to border disorder](#) powered Mr Trump's second coming. Now, his asylum restrictions are "the key deterrent" discouraging migrants, argues Andrew Arthur, a former immigration judge and Capitol Hill staffer who supports the administration. Two pending court cases will either reinforce or weaken the president's policies. In *Mullin v Al Otro Lado* the Supreme Court will soon decide whether "metering", or turning away migrants at the border, violates America's asylum commitments. Barack Obama was the first president to try this, but the practice was standardised by the first Trump administration. Any migrant who is "physically present" or "arrives in" the country can apply for asylum under the law. During oral arguments, the justices seemed inclined to agree with the Trump administration that a non-citizen hasn't arrived until they

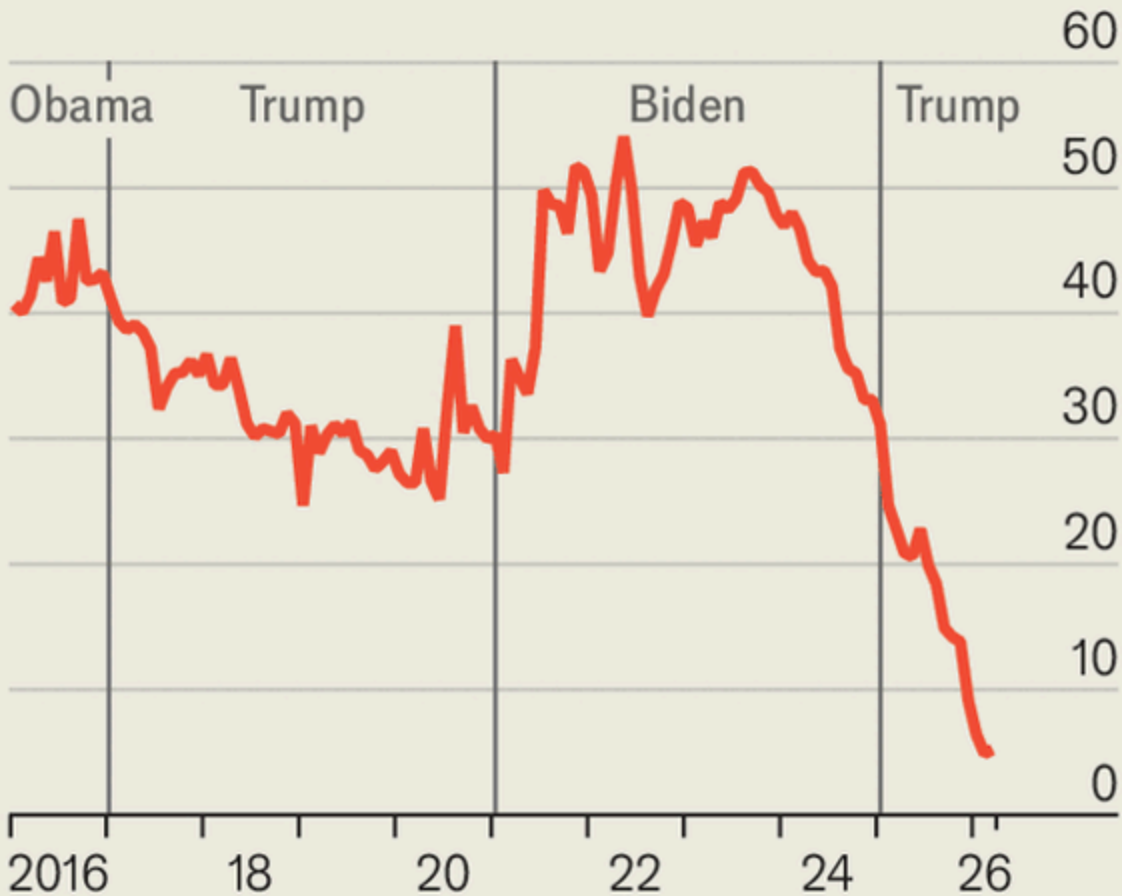
have fully crossed the border. That interpretation would allow metering.

The more important case is *RAICES v Mullin*, which seems destined to wind up at the Supreme Court. On his first day in office Mr Trump declared that border chaos amounted to an "invasion", which allegedly allowed him to "suspend the entry of all aliens", including asylum-seekers. In April a federal appeals court in Washington, DC, struck down Mr Trump's proclamation, arguing that "Congress did not intend to grant the executive the expansive removal authority it asserts". The Supreme Court, if and when it takes up the case, has been deferential to the president when he has claimed that a certain immigration policy is a matter of national security.

River of denial

2

United States, % of asylum applications granted



Source: TRAC Immigration

If the courts find that Mr Trump has overreached, it will damage, but not destroy, his asylum blockade. Migrants who cross the border to seek asylum would still end up in immigration courts filled with judges doing Mr Trump's bidding. (America's [immigration court system](#) is run by an arm of the DOJ, not an independent judiciary.) Just 5% of asylum applications were approved in March, down from 31% when Mr Trump took office (see chart 2). Depending on where those migrants come from, their applications could also be frozen

indefinitely. In the meantime they will wait in overcrowded detention centres where at least 18 people have died this year.

Asylum-seekers may try to wait Mr Trump out. Yet there is no guarantee that a future administration would be lenient. Democrats are scarred by Mr Biden's failures on immigration and have been talking tougher about border security. The Laken Riley Act, passed last year, makes it easier for state attorneys-general to sue the federal government over its immigration policies. Texas, for example, would not hesitate to sue a President Newsom or Ocasio-Cortez should they start releasing border-crossers from detention. Finally, a sneaky clause in the One Big Beautiful Bill Act limits the number of immigration judges to 800, preventing the court system from expanding to handle more asylum claims. "It's not a recommendation I would have made," admits Mr Arthur. "But I'm not on Capitol Hill any more." ■

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Lexington

What Donald Trump could learn from the UFC

Maybe the fighters he has invited to the White House will supply some moral uplift

5月 14, 2026 11:25 上午



AND SO IT HAS come to pass, here in the end times for satire, that on his birthday, June 14th, Donald Trump plans to preside over the brutal hand-to-hand combat of the Ultimate Fighting Championship on the south lawn of the White House. Those aghast at the prospect of such a gladiatorial spectacle at 1600 Pennsylvania Avenue have reason to be upset. Yet they are wrong about whose image is in danger. The White House, and America, will be OK. It is the UFC that risks being dragged down.

After all, who can argue with a straight face that this president lives up to the standards the UFC demands of its fighters, let alone the qualities the fighters respect in each other? Yes, Mr Trump has repeatedly shown he can take a political punch. He has displayed admirable resilience. But true UFC champions are supposed to stand for much more than that.

In advance of a much-hyped middleweight championship fight in Newark, New Jersey, on May 9th, Sean Strickland, the challenger and an infamous trash talker, dumped abuse on the undefeated champion, Khamzat Chimaev. The harshest thing Mr Strickland said—or at least the accusation that the UFC, with its acute sense of its fans' sensitivities, chose to emphasise in its marketing—was that Mr Chimaev was a bully who loved to train by fighting the “smallest, lowest-level pro” he could find. As president, Mr Trump has shown he is willing to use all the power at his disposal—including some the constitution does not allow him—to crush perceived adversaries. Yet the weaker the adversary, the more aggressive this president has proved to be. When Mr Trump has been surprised to find himself picking on someone approximating his own size, he has quickly backed down.

Mr Trump's 145% tariffs on China did not survive China's reciprocal rates and its embargo on the export of rare earths, and he fell mute about seizing Greenland after it turned out the Europeans he so disdained could band together against him. Even in the case of Iran, when a feeble opponent managed to trap Mr Trump in the kind of smothering fighters' clinch that Mr Chimaev has perfected, the president's response has been, so far, to suspend what the UFC would call “high-volume striking” (Mr Strickland's stock-in-trade) and instead sue for peace.

And is there anyone who thinks Mr Trump, like the UFC, believes in a fair fight? It is true that in its early days in the 1990s, the league was so permissive that fighters had to reach a gentlemen's agreement not to pull each other's hair. That was back when Senator

John McCain, a Republican from Arizona, crusaded against the sport as “human cockfighting”. It was banned in some 36 states and even on pay-per-view television, unlike pornography. But as the league cleaned up its act, it forbade not just hair-pulling but eye-gouging, head-butting, “groin attacks of any kind” and “stomping a grounded opponent”. You might cavil that it is only at the level of metaphor that, for this president, these are all classic moves. But he has a real-world record of other UFC violations, such as disregarding a referee’s instructions and “using abusive language in the fighting area”. So great is his contempt for rules that he kept trying to overturn the citizens’ electoral decision in 2020 even after dozens of courts concluded the contest was fair.

Mr Trump is a true fan of combat sports. He played an important role in legitimising the UFC, hosting fights at his Taj Mahal casino in 2001 as the league was struggling for regulatory approval. The UFC also enhances what has always been Mr Trump’s own most effective mixed-martial-arts move, borrowed from judo: turning the weight of the establishment against itself. To the extent elite tastemakers disgorge their piety upon his White House fights, they will serve his populist politics.

The league’s president, Dana White, has campaigned for Mr Trump and embraced his transgressive politics. The UFC code of conduct bans “insulting language”, including with regard to religion and gender, and in 2013 the league suspended a fighter for transphobic remarks. But Mr White now calls hate speech “probably the most important free speech to protect”. He did not penalise Mr Strickland for any of his trash talk, such as disparaging Mr Chimaev, a Muslim from Chechnya, as a terrorist. (Some have noted that, as with Mr Trump, Mr White’s celebration of free speech does not extend to criticism of his own enterprise.)

If you can talk with crowds and keep your virtue...

But the league's alignment with Mr Trump can only go so far. The audience for the UFC is mostly male and, compared with other American sports, enviably young. Yet like the fighters the fans are diverse in other respects, and that pluralist reality sits uneasily with lockstep devotion to any politics. So does the ethos of the sport, which places real weight, in the end, on character. Mr Chimaev and Mr Strickland battered each other for the full five rounds. But when the fight was done, before the decision was announced, the two exhausted, bloodied men embraced. "Hey Chimaev," Mr Strickland gasped, as their foreheads rested together, "whatever happens, I wanna apologise."

When the narrow split decision went the challenger's way, Mr Chimaev did not denounce the judges or claim the fight was rigged. He kissed Mr Strickland's shaved head and then fastened the championship belt he had just lost around the victor's waist. Joe Rogan, the popular podcaster, stepped up to interview Mr Strickland before the crowd. When asked how happy the outcome made him, Mr Strickland did not boast or preen. He repeated his apology to the entire arena. "I respect all you guys," he said. His divisive behaviour was meant to help sell the fight, he explained, but he had gone too far. And then Mr Strickland voiced a sentiment that every American leader should try repeating each morning in the mirror: "I should be a better fuckin' example," he said. ■

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Essay

- [**The cold war, Vietnam and a fractured America**](#)

America at 250 ::

- [**The architects of the Vietnam War knew it was doomed**](#)

America at 250 :: Kennedy, Johnson and McNamara were private realists but chose the path of least resistance, writes Fredrik Logevall

America at 250

The cold war, Vietnam and a fractured America

5月 14, 2026 11:24 上午



1950s-1970s

Peace without peace

At the end of the second world war two great powers eyed each other across a ruined Europe. America and the Soviet Union, once allies, were now ideological rivals. The cold war had begun. Under the doctrine of containment, America not only resisted Soviet expansion but sought to anchor a liberal order abroad, backing western Europe's reconstruction through the Marshall Plan and binding the region into NATO.

The Soviet Union consolidated its grip on eastern Europe, installing loyal regimes and suppressing dissent. The sense of danger deepened in 1949, when the Soviets tested an atomic bomb, ushering in a nuclear arms race that produced arsenals capable of destroying the planet many times over. Confrontation shifted to the periphery, where the superpowers fought by proxy in wars on the Korean peninsula and in Vietnam.

This rivalry defined the next four decades, creating a permanent state of tension. It was a new kind of conflict—ideological, global, yet without direct war thanks to deterrence by the too-apt acronym MAD, or mutually assured destruction.

The revolution was televised

There may be nothing more American than the notion that America did not really become “America” until it was televised, like a product. That happened in the 1950s and 1960s, when television became a common good. In 1954 the leading face of America’s “red scare”, Senator Joe McCarthy, was humiliated on a live nationwide broadcast when an Army lawyer asked him, “Have you no sense of decency, sir?” In Birmingham, Alabama, in 1963 Bull Connor’s use of high-pressure firehoses and police dogs against black children protesting against segregation shocked millions of viewers nationwide, galvanising the civil-rights movement. In 1968 Walter Cronkite, the country’s best-known news presenter, declared that America was “mired in stalemate” in Vietnam, a turning point in that war.

Meanwhile, entertaining shows like “Bonanza”, “Perry Mason” and “Leave it to Beaver” beamed an idealised (although mostly white Protestant) vision of American liberty, progress and moral justice into countries around the world. It was a lavishly produced vision, for truly there was nothing more American than the advertisements that came with—and paid for—all this news and entertainment.

1961-63

The days of Camelot

The first televised presidential debate pitted a youthful, smiling senator from Massachusetts against a tired-looking vice-president who melted under the hot lights. John F. Kennedy went on to win narrowly over Richard Nixon in 1960. Just 43, Kennedy was the youngest person ever elected president (and the first Catholic). Appropriate to the television age, his brief presidency was a triumph in image-making, beginning with his inaugural address. "Ask not what your country can do for you," he told Americans. "Ask what you can do for your country." Overseas he projected a benevolent vision of America as protector of the free world. "Ich bin ein Berliner," he declared in front of the Berlin Wall.

His years in office were shaped by America's communist neighbour to the south, Cuba. In his first year a botched attempt to overthrow Fidel Castro, known since as the Bay of Pigs fiasco, embarrassed him. But in 1962 Kennedy managed the most serious nuclear showdown of the cold war, the Cuban missile crisis, with a cool head and deft diplomacy, averting potential catastrophe. He died by assassination, in November 1963, an almost mythical figure, with a sense of promise unfulfilled. Much like his country.

He had a dream

In 1954, in *Brown v Board of Education*, the Supreme Court ruled 9-0 that segregation of public schools denied black Americans equal treatment, violating their rights under the 14th Amendment. By overturning the "separate but equal" ruling in *Plessy v Ferguson* almost 60 years earlier, the justices struck a first blow to the Jim Crow era, energising the civil-rights movement. The next year Rosa Parks was arrested for refusing to give up her seat on a bus in Montgomery, Alabama. In 1957 President Dwight Eisenhower enforced the *Brown* decision by ordering federal troops to escort nine black students into a school in Little Rock, Arkansas.

Martin Luther King led non-violent demonstrations, but he was long unpopular among white Americans, who viewed him and the movement as divisive even after his "I have a dream" speech in 1963. It was repeated television footage of violence by police against protesters that helped shift white opinion decisively in favour of the cause. Congress passed a Civil Rights Act in 1964 and a Voting Rights Act in 1965. In 1968 King was assassinated while campaigning for economic justice for poor Americans of all races to match the newly won legal rights for black people.

Guns and butter

The assassination of Kennedy thrust Lyndon Johnson into the Oval Office. He quickly set about trying to make America not just "the rich society and the powerful society" but "the Great Society". Some policies he nicked from Kennedy. But Franklin Roosevelt's New Deal was his greater influence. Johnson declared a "war on poverty", providing health insurance for the old and the poor and setting up programmes to boost employment and education.

Johnson saw through the elimination of draconian immigration quotas that had been in place for decades, and cajoled Congress into passing historic civil-rights legislation that finally ended the Jim Crow era. But Johnson's presidency, and America's image in the world for years to come, would be defined by his greatest foreign-policy failure, or "practising 'escalatio' on the Vietnamese", as Tom Lehrer, the period's top satirist, put it.

One giant leap

July 20th 1969 was the apogee of the American century; the day the *Eagle*, Apollo 11's lunar module, set down two astronauts in the magnificent desolation of the Sea of Tranquility. The plaque they left there said "We came in peace for all mankind", and if "in peace" was a stretch—Apollo was a creature of war, even if the war in question was a cold one—"for all mankind" had a certain truth to it. A

remarkable nation was doing a remarkable thing, and the claim to be doing it for everyone was more a generosity, less an arrogation.

The space age was to deliver much more, and much of it mattered more: eyes in the sky for arms control and spying, monitoring the environment and fighting wars; satellites for telecoms, broadcasting and internet access; positioning systems that have done for “where am I?” what the watch did for “what time is it?”; pictures of the furthest reaches of heaven; echoes of the earliest moments of time. But nothing resonated like the delivering of that plaque to that dusty plain.

1965-75

The unwinnable conflict

America came to see communist expansion as a global threat. If one country fell, others might follow. This “domino theory”—and a fear by successive presidents of appearing weak—underpinned America’s intervention in Vietnam. What began with a handful of military advisers to the non-communist government in Saigon escalated into full-scale war with Ho Chi Minh’s communists in the north. By 1969 America had deployed more than half a million troops to Vietnam and was bombing North Vietnam as well as neighbouring Laos and Cambodia. Officials cited enemy body counts and kill ratios as evidence of progress.

But America’s conventional superiority proved ill-suited to a guerrilla war rooted as much in nationalism as in ideology. Its support for an unpopular authoritarian regime further weakened its cause. A war fought to “save” Vietnam relied on tactics that devastated it, from the destruction of villages to the use of chemical defoliants such as Agent Orange. When America withdrew—having lost more than 58,000 soldiers and having contributed to the deaths of more than 1m Vietnamese—it was left questioning its power, its purpose and its liberal values.

Make love, not war

As the war in Vietnam grew, so did opposition to it. Dismissed early on as a fringe cause of leftist university students, anti-war protests eventually attracted the support of millions of Americans. Students, clergy (including civil-rights leaders) and disillusioned veterans spoke out. A secretive government, prone to spin (and lies), eroded public trust. Outside the Democratic convention in 1968, police clashed with protesters in scenes broadcast nationwide. In 1970 the National Guard killed four students at Kent State University in Ohio, shocking the country.

Anti-war feeling became the heart of a broader counterculture that rejected hierarchy, authority and materialism while embracing personal liberation—sexual, spiritual and psychological. But many older Americans were repulsed by people they saw as lawless, drug-addled, naive and unpatriotic. Twice American voters elected a man who promised to restore law and order, and who would become the counterculture's most despised figure of authority, Richard "Tricky Dick" Nixon.

1972-74

A crisis of trust

In June 1972 two nose-y journalists—Bob Woodward and Carl Bernstein of the *Washington Post*—began looking into a break-in at the Watergate complex, home to the Democratic National Committee. Gradually, inexorably, the trail of evidence they uncovered led to the White House. Their reporting sparked congressional hearings which revealed that Nixon kept a secret "enemies list", sabotaged rivals and secretly recorded his conversations in the Oval Office. Nobody proved Nixon ordered the crime, but Americans came to see he was behind the cover-up.

Dirty tricks are as old as the republic. But Nixon's prevarications caught up with him. Americans were glued to nightly broadcasts of the Watergate hearings. Nixon's ratings sank and in August 1974,

facing certain impeachment, he became the first president to resign. The saga made journalists into heroes—Robert Redford and Dustin Hoffman portrayed Mr Woodward and Mr Bernstein on screen. And it badly damaged Americans' trust in government. It has risen to pre-Watergate levels only once since, after 9/11. (We will let you know in a future chapter how *that* goes.)

1973

That time the Supreme Court legalised abortion

If *Brown v Board* marked the beginning of a historic, progressive era for the Supreme Court, *Roe v Wade* was the blockbuster bookend. The 1973 ruling struck down abortion bans across the country by establishing that women had a right to autonomy over their own bodies without government intrusion, unless the government could establish a compelling public interest to the contrary. The court ruled that the government had no such interest in the first trimester of pregnancies, and that even late in pregnancies, restrictions on abortion could not take priority over the health of the mother.

The ruling was a triumph for feminist politics, entrenching (so it seemed) for women a constitutional right to privacy, which had been established by the court in 1965 to protect the use of the contraceptive pill. But *Roe* provoked an angry backlash, fuelling the rise of a Christian conservative movement that was determined to elect anti-abortion candidates, change the political character of the court and overturn the decision.

A religious revival: the new right

The abortion issue was just one catalyst for a political and cultural reaction to the emergence in the 1960s of a progressive and (some would say overly) interventionist state. Conservatives chafed at affirmative action, the women's-rights movement and the regulatory state. Nixon's talk of a "silent majority" struck a chord with those who felt disregarded or looked down upon by elites. The mood

spread among suburban white voters. They were joined by religious conservatives mobilised by battles over federal authority—not least moves against racially segregated Christian schools, seen as intrusions into church affairs.

Evangelical leaders such as Jerry Falwell and organisations like the Moral Majority brought new energy and structure to the movement. Phyllis Schlafly campaigned against the Equal Rights Amendment, rebranding feminism as a threat to women—who, she said, would be herded into unisex bathrooms and made eligible for the military draft. The religious right was an upstart at first, consigned to the fringes of mainstream politics. But it quickly became ascendant.

1973-79

A real shock

In the 1950s and 1960s a consensus formed around the Keynesian idea that governments could manage the economy by increasing government spending when private demand slacked off and increasing taxes when inflation threatened to take hold. Then came the oil shocks of the 1970s. America had become dependent on imported energy. When Egypt and Syria attacked Israel in 1973, Arab oil producers imposed an embargo on countries supporting the Jewish state, while cutting production to drive up prices. The effects rippled through America's economy. Price controls on domestic oil and petrol worsened shortages. Queues formed at filling stations.

As energy costs surged, firms raised prices. Higher costs reduced output and dampened investment. The result was "stagflation"—simultaneous stagnation and inflation. A second shock came with the Iranian revolution in 1979, disrupting global supply. This was a crisis that politicians could not wish away with Keynesian principles, but they tried: raising taxes worsened stagnation; boosting spending worsened inflation. President Jimmy Carter, a Democrat, came to represent America's feeling of malaise and fecklessness. A new

president, a charismatic standard-bearer of the new right, was about to enter the picture, championing a different model.■

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America at 250

The architects of the Vietnam War knew it was doomed

Kennedy, Johnson and McNamara were private realists but chose the path of least resistance, writes Fredrik Logevall

5月 14, 2026 11:24 上午



IN HIS SPRAWLING, captivating 1972 masterpiece, “The Best and the Brightest”, the journalist David Halberstam asked the central question about America’s war in Vietnam: “What was it about the men, their attitudes, the country, its institutions and above all the era which had allowed this tragedy to take place?” They were “the best and the brightest”, after all. Why did it happen?

Halberstam's answer, repeated by countless authors since, contained two parts: hubris and ignorance. American planners, presiding over the greatest military and economic power in the history of the world, believed that with the resources at their disposal, as well as their intellectual prowess and deep experience, they could wage and win the conflict. They were "swept forward" by faith in their own and their country's invincibility. But they lacked a sense of history, as well as an understanding of their adversary and the obstacles that stood in the way of victory.

Robert McNamara, who as secretary of defence was one of the architects of the war, later offered substantial endorsement of Halberstam's thesis. Writing in his 1995 memoir, "In Retrospect", he lamented that he and other leaders were ignorant of Vietnamese history and of Ho Chi Minh's nationalist motivations. They saw a monolithic communist threat where none existed, and in their arrogance failed to fully examine the stakes of the struggle and whether success was truly achievable at a reasonable cost. "If only we had known" became a kind of mantra for the latter-day McNamara.

It's a tantalising notion, but one that is not supported by the evidence now accessible to historians. Even Halberstam's and McNamara's own accounts reveal a more complex picture than their overarching claims suggest: a picture pointing not to an overweening confidence on officials' part, but to a bleak realism. America's decision-makers were hardly experts on Vietnam and its history, but among themselves and behind closed doors they acknowledged that they were entering a deeply challenging environment, in which triumph was far from assured.

The extensive internal record is clear on this score. It shows the private misgivings of senior Washington officials throughout the years of heavy escalation. The sceptics included McNamara himself, and the two presidents he served: John F. Kennedy and Lyndon B. Johnson. From the time then-Congressman Kennedy visited Vietnam

in 1951, during the height of the French-Indochina War, until his death in Dallas in 1963, he expressed doubts that Ho Chi Minh's revolutionary nationalist cause could be subdued by military means. Johnson—who ordered the "Americanisation" of the conflict in 1965, involving the commitment of major ground forces and sustained air power in order to preserve a non-communist South Vietnam—regularly wondered if the struggle could be won, and indeed whether the outcome really mattered.

"I don't think it's worth fighting for and I don't think we can get out," Johnson confided to McGeorge Bundy, the national security adviser, in a phone call in May 1964. "What in the hell is Vietnam worth to me?" In February 1965, at the start of Operation Rolling Thunder, which in due course would drop more bombs on North Vietnam than were dropped on Europe in the second world war, Johnson was downbeat: "Now we're off to bombing these people," he told McNamara. "I don't think anything is going to be as bad as losing, and I don't see any way of winning."

A few days later, as the first American ground forces were set to disembark, a morose Johnson told Senator Richard Russell of Georgia: "[A] man can fight if he can see daylight down the road somewhere. But there ain't no daylight in Vietnam. There's not a bit." To be sure, master politician that he was, Johnson could say different things to different people; he did not always use such despairing tones. But overall, it can fairly be said that Johnson's position on Vietnam, from day one to the end, was one of doubt.

And McNamara? In June 1965, as the American military effort in South Vietnam ramped up, the defence secretary acknowledged to a senior British official that "none of us at the centre of things talk about winning a victory."

This brings us back to Halberstam's question: why did these men "allow the tragedy to take place"? Why did Kennedy, though he drew the line on ground troops, expand American military involvement in

Vietnam substantially during his thousand days in the White House? Why did Johnson, when he could temporise no longer, take the plunge into a large-scale war?

A key part of the answer is that for both men, maintaining the course, through escalation if necessary, offered the path of least immediate resistance. They and their advisers had offered repeated public affirmations of South Vietnam's importance to American security, and of the certainty of ultimate success. It made sense that they would be tempted to hang on, in the hope that the new military measures would work. It was about credibility—their nation's, their party's, their own. Though this posture speaks poorly for their political courage, it has a certain logic behind it. Then again, so did the sceptics' reply: the credibility would face greater damage if, as seemed likely, America became entangled in a long conflict of questionable geostrategic value in far-off South-East Asia.

And so it would be. As more and more ground forces arrived in South Vietnam, North Vietnam answered with further deployments of its own. Escalation beget escalation.

Not until 1973, under President Richard Nixon—who maintained his own pattern of public bullishness and private foreboding—would America's war in Vietnam finally draw to a close. More than 58,000 Americans lay dead, along with an estimated 3m Vietnamese, 2m of them civilians. Only later would the grim reality become fully clear: just because "the best and the brightest" could issue vows of the struggle's importance, and of corners about to be turned, did not mean they believed them. ■

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The Americas

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Bolsonaro and the banker

A bombshell leak threatens Flávio Bolsonaro's election bid

Text and voice messages show a close connection between Flávio and Daniel Vorcaro, a disgraced banker

5月 14, 2026 11:25 上午 | Rio de Janeiro



ON MAY 13TH *Intercept Brasil*, a left-leaning investigative outlet, published messages exchanged between Flávio Bolsonaro, the leading presidential candidate of the Brazilian right going into the general election in October, and Daniel Vorcaro, a disgraced banker at the centre of Brazil's largest-ever bank fraud. The messages show Flávio asking Mr Vorcaro to complete payments related to the financing of a film about his father, Jair Bolsonaro, Brazil's right-wing

populist former president, who is serving a 27-year prison sentence for attempting to mount a coup in 2022.

Right-wing parties immediately started talking about fielding an alternative candidate. On betting markets, where Flávio had been favourite to win the presidency, he plunged into second place by ten points. The Brazilian real and the main stock index both fell 2% as the prospect of victory rose for President Luiz Inácio Lula da Silva, the spendthrift left-wing incumbent.

Mr Vorcaro has become radioactive in the past year. Trouble began when he tried to sell his bank, Banco Master. He couldn't find a buyer. Banco de Brasília (BRB), a lender owned by the local government of the capital district, offered to step in. Yet when the regulator studied the merger, it found that Banco Master was essentially a Ponzi scheme. Mr Vorcaro was arrested in November as he tried to board a private jet to Dubai. The former president of BRB was also detained after evidence emerged that he had received bribes worth \$30m from Mr Vorcaro. The central bank has liquidated Banco Master. Brazil's deposit-insurance fund is reimbursing investor losses of \$11bn, about half of the fund's total assets.

As investigations into Mr Vorcaro have deepened, few in Brasília have been spared. Mr Vorcaro was more focused on running an influence-peddling scheme than a bank, building close ties with Supreme Court justices, politicians of all stripes and some officials at the central bank. He bought favours for years by splashing out on parties for politicians, flying in prostitutes from Russia, Ukraine and Venezuela on private jets. In one text message to his former girlfriend, Mr Vorcaro explained that he had hosted parties with 300 sex workers because it was part of "business". As his fortunes turned, he prodded underlings to spy on government officials and smear adversaries. Brazil's voters hate it. As the scandal unfurls, corruption has become their primary concern.

Oh, those links to the banker

For months Flávio has publicly denied any links to Mr Vorcaro. In March he was questioned about the fact that the largest private donor to his father's re-election campaign in 2022 had been Fabiano Zettel, Mr Vorcaro's brother-in-law and financial front man. Flávio told reporters that the donation was made "without strings attached, without quid pro quo, and without any personal contact whatsoever" between the Bolsonaros and Mr Vorcaro. As late as the morning of May 13th Flávio denied links to the banker. The messages were published a few hours later.

In one message sent in September last year Flávio says to Mr Vorcaro: "I feel bad about constantly nagging you, but this is a very critical moment in the film, and since we're so far behind schedule, everyone is worried." In another text, sent the day before Mr Vorcaro was arrested, Flávio wrote: "Brother, I am and will always be with you; there's no beating around the bush between us. I just need you to give me a heads-up! Hugs." By that point, Banco Master's dealings were well-known.

Flávio denies any wrongdoing. In a statement after the leak, he finally acknowledged his ties to Mr Vorcaro, but said that "What happened in our case was a son seeking PRIVATE sponsorship for a PRIVATE film about his own father's life." This did not appease his supporters. On Instagram, many *bolsonaristas* fumed. "Fuck, man, go home. Everything's fucked now, damn it," exclaimed one. Other right-wing candidates could hardly believe their luck. Romeu Zema, a technocratic former governor of Minas Gerais who intends to run for president, released a video scolding Flávio: "Hearing you ask for money from Vorcaro is unforgivable. It's a slap in the face of all decent Brazilians."

According to the documents published by *Intercept*, Mr Vorcaro had agreed to pay \$24m to finance the production of "Dark Horse", a biopic about Mr Bolsonaro due to be released weeks before the general election. Around \$10.6m had been paid out before Mr Vorcaro's troubles began. Some of the money flowed through

accounts owned by a lawyer for Eduardo Bolsonaro, Flávio's brother, who moved to the United States last year to lobby Donald Trump to block his father's criminal case.

Flávio's allies hope continuing Banco Master investigations will ensnare more politicians from the ruling Workers' Party. The bad news has been piling up for the right. On May 7th Lula, as Brazil's president is known, met with Mr Trump at the White House for three hours. Afterwards Lula talked up their "chemistry" and said their relationship was like "love at first sight". On a phone call before the meeting, Mr Trump reportedly told Lula "I love you". This sits uneasily with the Bolognaros, who have boasted of being pals with Mr Trump.

While Lula was at the White House, police in Brazil raided properties owned by Ciro Nogueira, a powerful senator and Jair Bolsonaro's former chief of staff. Mr Nogueira had introduced an amendment in Congress that would have helped Banco Master's business. Mr Vorcaro paid him a monthly allowance of up to \$100,000. Mr Nogueira denies wrongdoing. Mr Vorcaro had described him as "a great friend" in text messages. In texts to Flávio, he preferred the term "big brother". ■

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Spotty vaccine coverage

Why measles is returning to the Americas

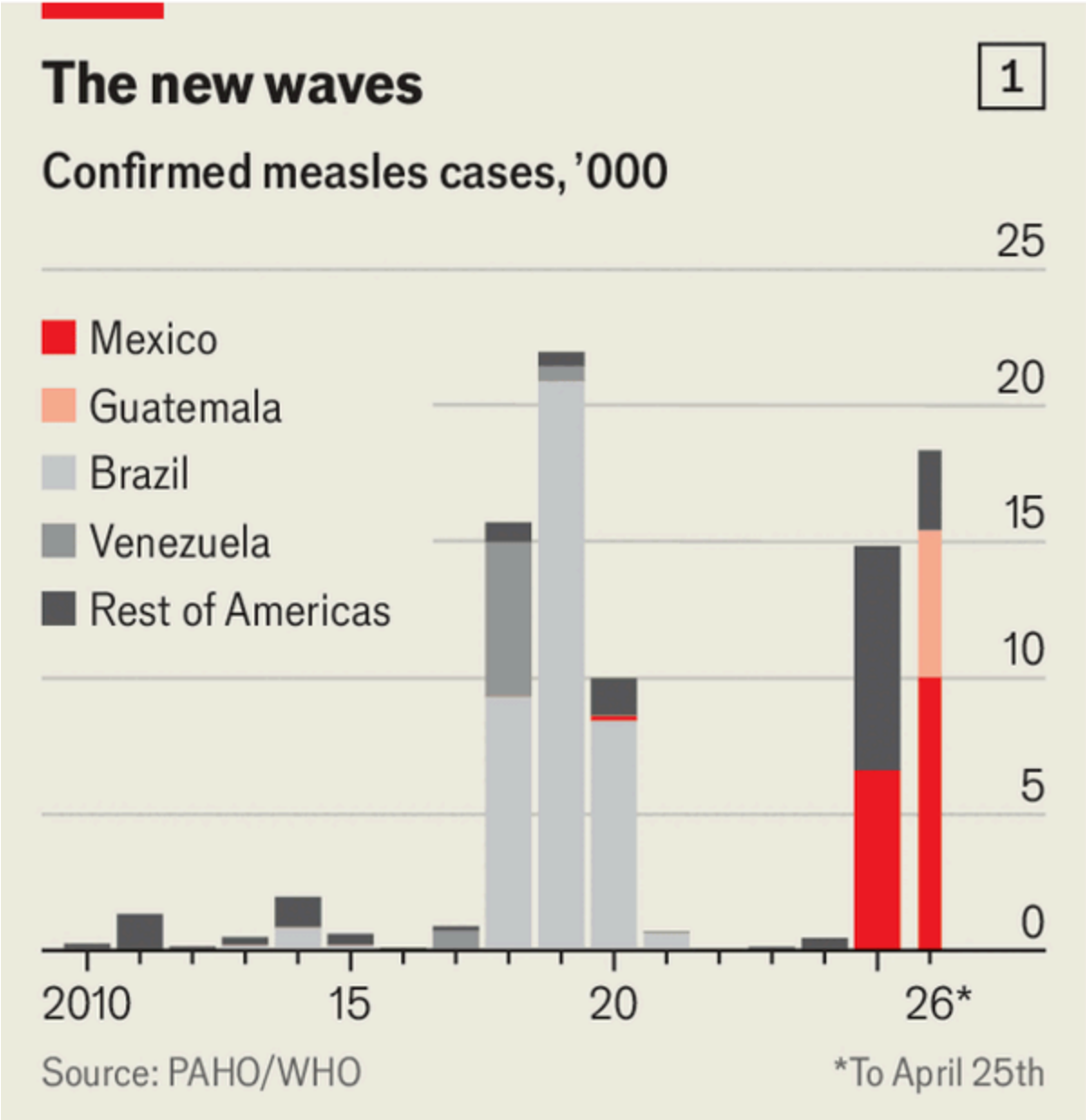
Falling vaccination coverage is letting a deadly virus back in

5月 14, 2026 11:24 上午 | New York



THE ELIMINATION of measles from the Americas in 2016 was spectacular. No other region of the world had ever managed to go a year without sustained transmission of the disease, the UN World Health Organisation's bar for elimination. But it did not last long. In 2017 cases flared in patchily vaccinated Venezuela. Migrants fleeing hyperinflation and regime brutality carried measles over the border to Brazil. It tore through the deprived Amazon area before finding its way to the densely populated state of São Paulo. By the time covid-19 arrived three years later, with lockdowns and masks curbing

transmission, measles had infected at least 30,000 people and killed more than a hundred, mostly young children or infants. It was the worst period for measles in the Americas for 22 years.



The current outbreak is set to be worse (see chart 1). By April 25th the Pan American Health Organisation (PAHO), an arm of the WHO, had recorded 18,352 confirmed cases across the Americas in 2026. The virus is spreading, having infected 14,503 people last year. At least 45 people have died in the outbreak so far, mostly children.

The majority of cases are in Mexico and Guatemala, but the virus has got a foothold in Bolivia and Peru too.

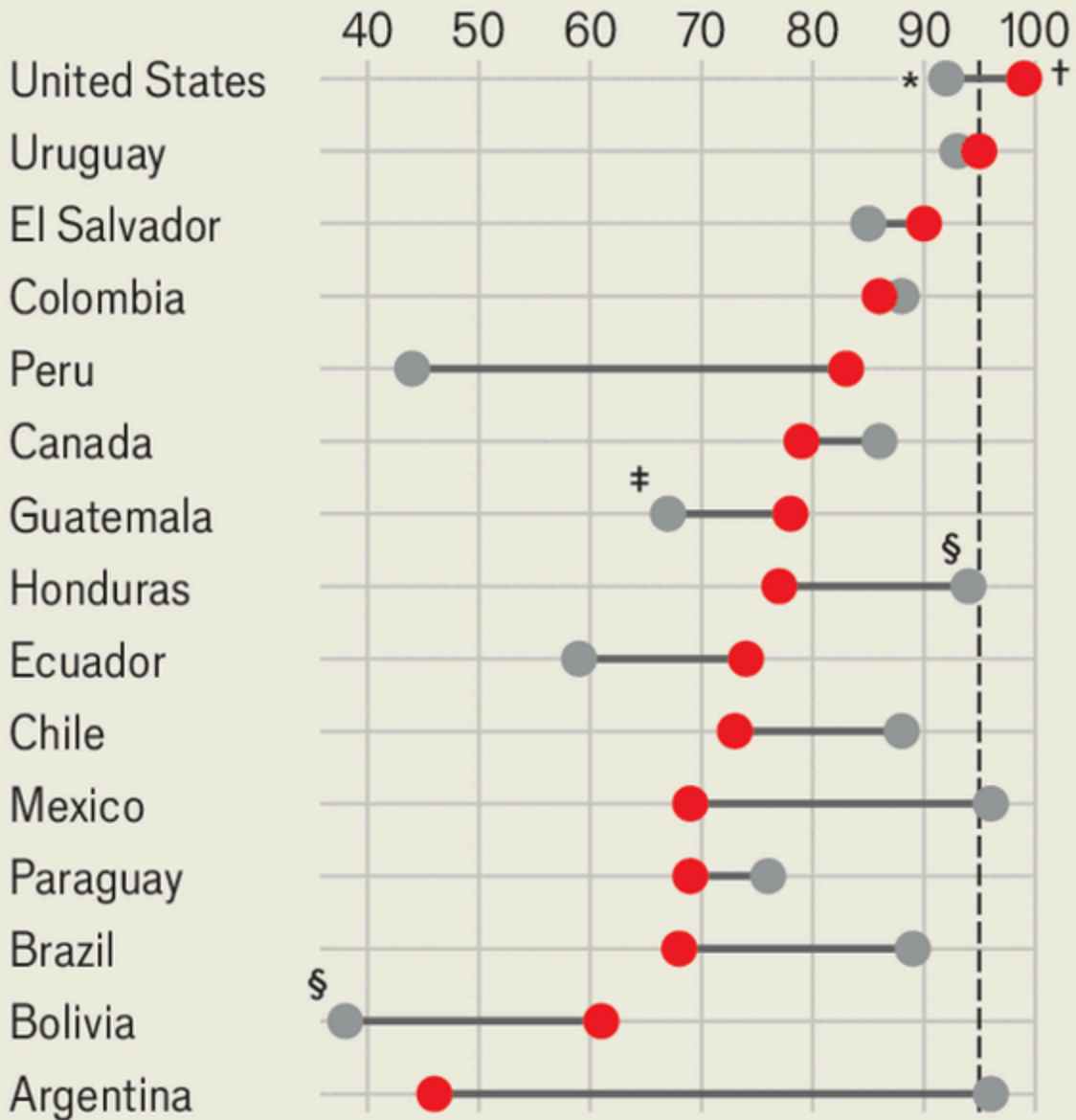
Measles is still nowhere near as prevalent in the Americas as it was in the 20th century, before vaccination efforts began; 200,000 cases a year was the norm. Hantavirus, a pathogen found in rodents that is prevalent in South America, is the disease in the news recently after it infected people on a cruise in South America. But measles is far more infectious, and far more dangerous if not contained with vaccination programmes. Rolling outbreaks suggest efforts to do so are faltering. Most vulnerable are babies before their first jab, who risk brain damage, blindness or death.

The latest outbreak started at a wedding in Canada in October 2024, attended by Mennonites, a close-knit Christian group who often eschew vaccination. One guest travelled from Thailand carrying measles. Others were infected, and carried the disease back to their homes and communities. By early 2025 the virus had spread to Mennonites in Texas and Mexico. "It is unprecedented how [its spread] has been related to a socially isolated group with connections throughout the hemisphere, from Argentina up through Canada," says Jon Andrus of PAHO.

A nasty regression

Measles vaccination rate, second dose, %

● 2014 ● 2024 --- Herd-immunity target



Source: PAHO/WHO *Survey data †Estimate ‡2016 \$2018

In Canada and the United States the outbreak has been largely confined to Mennonites. But in Mexico and other poorer places in the Americas, slipping vaccination programmes have exposed the general population to infection. In 2014 some 96% of Mexican children received a second dose of measles vaccine, above the 95% required for a population to benefit from herd immunity. By 2024 that number was less than 70%. Many other Latin American countries moved in the same direction over that period (see chart 2). Latin America has gone from having one of the world's highest rates of childhood vaccination to one of the lowest.

The outbreak prompted Mexico's government to start an emergency immunisation drive. Between January 2025 and March 2026 it gave out some 30m doses. Nurses have been going door to door offering the jab, and setting up vaccine centres in shops and at bus stations. Cases appear to have peaked, for now, says Dr Andrus, but a new challenge looms. On June 11th Mexico will begin hosting the football World Cup, together with the United States and Canada. FIFA projects that some 5.5m fans will attend the tournament. PAHO is urging host countries to start actively looking for measles infections so as to detect any new cases promptly and curb the spread of the disease.

While cases may have peaked in Mexico, they are still rising in Guatemala. Some 5,399 people have been infected, with at least four children killed. The outbreak began late last year at a religious gathering of more than 2,000 people which drew visitors from the United States, Mexico and Central America. More large religious events are planned. The health ministry is concerned. It is organising workshops to educate people about vaccines.

The backsliding which is allowing measles to spread through the Americas once more has several causes. Covid-19 damaged health-care services across the region, pulling staff off vaccination programmes. Populist leaders in Mexico, Argentina and Brazil have all cut their budgets for vaccinating children in recent years. Rising

vaccine hesitancy, driven in part by unfounded concerns spread on social media about the safety of jabs, plays a larger role in rich countries. In Canada the childhood vaccination rate has dropped from 86% to 79% over the past decade. "I am terribly worried," says Dr Andrus.

Against this weakening wall of immunity, the virus arrives constantly from places where measles is still rife, creating the risk of an outbreak. The lower the vaccination rate, the more likely the virus is to spread. When rates in the Americas were high, groups like Mennonites enjoyed the protection of the herd. As overall rates have fallen, groups with particularly low rates endanger themselves and others.

What can be done? In the midst of an outbreak, contact tracing can prevent further spread, while vaccination drives often get a high uptake from worried parents. In the longer run, Daniel Salas of PAHO says modernising immunisation infrastructure is important. Today only 19 of the 35 countries PAHO covers have some form of electronic immunisation registry that can alert parents when their children are due for vaccines. Outreach using culturally sensitive and faith-based vaccination instructors may prove most effective.

Political will is critical. The Americas' role model is Uruguay, the first country in Latin America that had a vaccine register. "They have good surveillance, and they have a political commitment that has never wavered from prioritising prevention of preventable diseases," says Dr Andrus. Argentina, where vaccination rates have dropped precipitously under the austerity policies of Javier Milei, risks an explosive outbreak without a timely and determined effort. Measles, says Dr Andrus, does not allow countries to drop their guard. ■

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Unfair lawfare

Guatemala, once Latin America's rule-of-law beacon, has new hope

But a new attorney-general may not be enough to revive the fight against corruption

5月 14, 2026 11:25 上午 | GUATEMALA CITY



A DECADE AGO, the Mariscal Zavala prison in Guatemala City was a symbol of Latin America's fight against corruption. Dozens of politicians and businessmen, caught taking bribes or laundering cash, awaited trial in austere cells guarded by baby-faced soldiers. The most notorious inmate was Otto Pérez Molina, Guatemala's president until 2015, when a UN-backed anti-corruption commission

revealed his role as the mastermind of a massive kickback scheme. Protests forced him out of office and into the justice system, which for the first time was showing an independent streak.

Guatemalans idolised the commission, known as CICIG, along with the judges and prosecutors who dared to put powerful people behind bars. Guatemala became the poster-child for the rule of law in a region known for impunity. But progress was short-lived. Mr Molina's successor, Jimmy Morales—who was also accused of corruption—kicked the UN commission out of the country in 2019. He appointed a new attorney-general, María Consuelo Porras (pictured), who proceeded to dismantle many of CICIG's cases. Ms Porras has since continued to assail prosecutors, judges, civil society leaders and journalists who had led the fight against graft. Some were imprisoned, others forced into exile.

Some saw Ms Porras as a necessary corrective to CICIG's overreach. Even the commission's fans admit that it made errors: filing more cases than it could process and flaunting them in the media; prosecuting a president, Mr Morales, whose support was needed for crucial judicial reforms. But others were horrified as legal instruments created to fight against corruption were turned against it: a budget that became larger than that of most ministries; an "anti-impunity" task force that began persecuting its former members; a law, passed in 2016 to protect Ms Porras' predecessor, that made it practically impossible for the president to get rid of the attorney-general. In 2022 the United States put Ms Porras under sanctions for corruption. Her spokesperson calls accusations of political persecution "totally false".

Today Mariscal Zavala is half empty. Among its remaining inmates are Luis Pacheco and Héctor Chaclán, indigenous Guatemalans who led protests in 2023 against Ms Porras's extraordinary efforts to prevent Bernardo Arévalo, the winner of the presidential election, from taking office. Mr Arévalo, the leader of a center-left party, Semilla, ran on an anti-corruption platform. Ms Porras and her allies

raided polling stations, accused him of fraudulent voter registration, and tried to pressure the electoral court into annulling his victory. Mr Arévalo took office, but Ms Porras, who remained in her powerful post, charged the protest leaders with sedition, unlawful association, and terrorism. Their case, which is sealed, is yet to appear before a judge.

Now her term is over; her efforts to cling on failed. A new attorney-general, Gabriel García Luna, will take office on May 17th. He is more independent by all accounts. But relief at Ms Porras's departure is mixed with trepidation. Her allies remain entrenched in the justice system, while her eight-year reign laid bare the depth of the rot in Guatemala.

Mr García Luna's appointment is Mr Arévalo's long-awaited chance to move the country on. It follows tense battles earlier this year for control of Guatemala's top courts, which ended up split between respected jurists and figures denounced for their ties to organised crime and corruption. One reform-minded member of the Constitutional Court had to be sworn in before dawn because prosecutors were threatening her with an arrest order.

The president has avoided confrontation with Ms Porras, insisting instead on obeying the law that empowered her—and every other law. This drew criticism from his allies. "Diplomacy is for developed countries," says Mr Chaclán, the indigenous leader. "You have to use the instruments of power, and he decided not to," says Samuel Pérez, a congressman who left the president's party in 2025.

The new attorney-general has had a mostly quiet career as a judge and law-school professor. In his testimony to the nominating commission, he spoke about restoring public confidence in the attorney-general's office and "avoiding arbitrary decisions and groundless persecutions". Some want him to go after the powerful actors Ms Porras protected; it seems more likely he will start with less divisive tasks, like strengthening prosecutors' response to

organised crime, extortion, and violence against women. The quip going around Guatemala is that he is Mr Arévalo in the form of an attorney-general.

Many doubt he will have the backbone for high-profile corruption cases or controversial reforms, such as a new system for choosing high-court judges. Anti-corruption work is getting harder, in part because its advocates can no longer count on support from the United States. Previous administrations in Washington viewed democracy and the rule of law as key to combatting drug-trafficking and illegal migration in Latin America. Donald Trump takes a more brute-force approach, and cares little for such high-minded diagnoses.

Anti-corruption advocates now hope that an ally of Mr Arévalo's will win the next presidential election in 2027. That could create a stronger mandate for reforms. But they worry that Guatemalans will follow the lead of their Central American neighbors and vote in a populist authoritarian. To forestall this, José Carlos Sanabria, a lawmaker from the president's party, says Mr Arévalo should make everyday needs his priority: healthcare, security, roads, education. "It's not enough that he's not corrupt," Mr Sanabria says. "We have to give the population concrete reasons to say that it was worth it."

■

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Kicking off

Mexico's daft plan to cut the school year for the World Cup

Does Claudia Sheinbaum really want to improve education?

5月 14, 2026 11:24 上午 | Mexico City



THE FOOTBALL [World Cup](#) is still a month away. But in Mexico the planet's biggest sporting event has already spawned its first political row, ending with an own goal for the education ministry.

On May 7th Mario Delgado, the education minister, said the school year would end on June 5th rather than July 15th, cutting it by 15%. He cited extreme heat and the "issue of the World Cup", which Mexico is co-hosting with the United States and Canada.

The backlash was immediate. Parents asked what they were supposed to do with their children while they worked. Think-tanks noted that the burden would fall disproportionately on women, who spend roughly twice as much time as men on unpaid domestic work. Others wondered why a nationwide change was required when only three cities are hosting matches. Some suspected the government wanted to clear Mexico's snarled streets. Others argued that if the heat was the problem, the government should spend money on cooling systems instead.

At first the government defended the plan. President [Claudia Sheinbaum](#) said that education authorities in all 32 states had agreed to it. Mr Delgado, not known for tact, made matters worse by suggesting that after grades are given out in June schools do little teaching and children's time there is "dead time".

The reversal came on May 11th. After meeting state education officials, the ministry said that classes would end on July 15th after all, but that states could request adjustments. (The governor of Jalisco, one of the states hosting World Cup games, says schools there will close only on match days.) The retreat made it look as though the ministry was freestyling one of the most basic parts of its job.

The affair is a blot on Mexico's education system, which has several serious problems. Teachers' unions were not responsible for this fiasco, but education policy in Mexico is rarely just about the children, because the unions wield unusual power. For decades the SNTE, the main teachers' union, had a major role in deciding who entered the profession, where teachers were posted and how they were promoted. A reform in 2013 tried to return control to the government through evaluations and centralised payrolls. Andrés Manuel López Obrador, Ms Sheinbaum's predecessor, reversed it.

He made matters worse in other ways too. During the covid-19 pandemic his government kept schools shut for longer than almost

any other country, even while bars and restaurants re-opened. That hurt already poor results. In the 2022 round of PISA, an assessment across the OECD, a club mainly of rich countries, only 34% of Mexican 15-year-olds reached basic proficiency in maths, half the OECD average of 69%. Then, in 2023, Mr López Obrador overhauled the curriculum and textbooks, introducing errors and political bias. Poor Mexicans, who depend on state schools, suffer most from the decline.

Ms Sheinbaum says she wants to improve education. But her government's preference, as revealed by the World Cup fiasco, seems to show little real concern. Instead of cutting teaching time, it should be running summer schools and extra classes to help children catch up. Mexico cannot afford to treat school like a football. ■

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Middle East & Africa

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Kivu take

A Congolese militia wants to sell critical minerals to Donald Trump

The pitch by M23, exclusively revealed to The Economist, belies the rebels' weaknesses

5月 14, 2026 11:24 上午 | GOMA



BEFORE YOU interview the leaders of M23, the Congolese rebel group that has taken over swathes of Africa's second-largest country, prepare for some unusual preliminaries. Men with machineguns frisk you for weapons. A secretary flicks through your notebook, page by page, "in case there is poison". Devices and watches must be left

outside the meeting room, lest they prove to be trackable or explosive.

Once inside, however, M23 wants to project a businesslike approach. A social-media team takes photos. There is corporate merch: flags, banners and desk calendars. *The Economist* is given, exclusively, a slide deck about why America should cut a deal with the group over the rare earths and 3T metals (tin, tungsten and tantalum) under its control. Corneille Nangaa, leader of M23's political arm, says: "Those minerals are in our region...Come, let's discuss."



Mr Nangaa's chutzpah reflects M23's hold on much of South and North Kivu, provinces in eastern Congo that together hold 15m people and span an area the size of Greece or Mississippi (see map). Diplomatic talks have failed to stop the front line of its [war with the Democratic Republic of Congo](#) from lengthening. From Goma, North Kivu's capital, M23 is building a parallel administration.

Yet the pleas are also a sign of concern that the Trump administration is increasingly siding with M23's enemy. In December America signed a "strategic partnership" with Congo. In March it imposed sanctions on the army of Rwanda, the neighbouring country that supports M23; on April 30th the target was Joseph Kabila, Congo's president from 2001 to 2019, whom America accuses of aiding the rebels. There have been talks between America and Congo over military training and intelligence-sharing. Erik Prince, an American military contractor hired by Congo, helped its army retake a city in South Kivu earlier this year, according to Reuters.

Exactly how the war will end is unclear. A military victory for one side is unlikely; a comprehensive political agreement will take huge effort. The longer the conflict goes on, the more likely it is that the Kivus will become, like rebel-held parts of Yemen, Sudan or Libya, a state within a state.

Think of the conflict as both a civil war and a proxy war. It is a civil war because M23, led by Congolese Tutsis, is fighting a Congolese state that it says discriminates against minorities. It is a proxy war in that Rwanda, itself led by a Tutsi elite, sees M23 as a way to project power. It says it is threatened by the Congolese army and the FDLR, a group of ethnic Hutus whose presence in the Kivus dates back to the Congo wars fought in the aftermath of the Rwandan genocide of 1994. Abundant mineral resources provide extra reasons to fight.

Two main initiatives are intended to curb the violence. The first, led by America, is between Congo and Rwanda. (Mr Trump often cites ending war in Congo as a reason why he deserves the Nobel peace prize, but the fighting continues.) The second, mediated by Qatar, is between Congo and M23. There are concerns that the conflict will spread to Katanga, the copper-rich region to the south. M23 has ramped up recruitment and cut deals with allied militias; it may have 38,000 fighters, notes a report by the Congo Research Group (CRG), an institute at New York University. Congo is hiring more

mercenaries and using more drones. In March a drone strike killed a UNICEF worker in Goma; the blast was next to a Kabila family house.

M23 is also creating its own de facto government. “We are activating a new administration,” says Mr Nangaa. Since late 2021, when the group began its latest assault on the Kivus, it has replaced hundreds of civil servants. Chiefs who wield influence in rural areas, especially over land, have been swapped. Officials receive training in M23 “ideology”.

City of beauty and menace

Goma is undergoing what might be called, after the Rwandan capital, Kigalification. Every Saturday residents participate in *salongo*, a forced city-beautification exercise. Motorbike-taxi riders have been made to wear helmets and join a new association. A new police force has a near-identical uniform to its Rwandan counterpart.

People on the streets reckon petty crime is down. Women selling vegetables say they stay open later. At a mosque Muslims say they feel safer attending the last prayer of the day. But there is still fear. Several women say their sons or nephews have been forcibly recruited by M23. NGOs are understood to be under pressure to minimise reporting of sexual violence. (Amnesty International has documented gang rape by all sides in the conflict.)

The economic situation is dire. Banks remain closed, leaving locals without access to credit or savings. The airport—a source of cash and imports—is shut, which makes it hard for aid workers to reach remote areas. Fewer expats and tourists means fewer shoppers. Fighting in the Kivu hinterland has left people unable to farm or to reach markets.

“We are selling in a cleaner city but we don’t sell as much,” says a market trader. “There is no money in Goma any more because we are isolated,” adds an electrical shop’s manager, who says her

average daily revenues have fallen from \$800 to \$150. “More tax, less money,” is a money-exchanger’s pithy summary. “Regarding security, life is good,” a motorbike-taxi driver says. “Economically life is not good.”

Freddy Kaniki, deputy co-ordinator of M23’s political wing, agrees that local people face a “medieval” situation. But he says that Félix Tshisekedi, Congo’s president, is engaging in “collective punishment” by refusing to reopen banks. He claims that M23 has eliminated dozens of taxes imposed by the Congolese government while better enforcing the remaining ones.

The group is also trying to build an alternative financial system. A small building next to a launderette on a side street is, in effect, the central bank of the Kivus. Inside, Cédric Fiéma Punduyange, a dapper man with high-waisted black trousers and books by Joseph Schumpeter on his desk, presents two formula-filled papers with plans to manage exchange rates and boost the money supply. “Sometimes financial regulation here can be more complex than military strategy,” he says. He claims new lenders—one called IMF Kivu (no relation to the one in Washington, DC)—show some are willing to upset Congo’s government in Kinshasa, its capital, by setting up financial institutions.

Mr Fiéma Punduyange declines to say who these entrepreneurs are. But the business elite in Goma has changed. Trade with Rwanda, always robust, seems to have strengthened. Supermarkets stock more Rwandan cheese and less of the Gouda-like Congolese stuff. One Rwandan tycoon says he has “a huge interest” in seeing M23 succeed “from a DNA perspective but also from a business perspective”.



Mines for the taking

The militia has seized around 45 mining assets, according to the CRG report. The most important is Rubaya, a town north-west of Goma, with deposits amounting to 15% of current global tantalum supply. Congo has put the mine on a list of assets for potential American investment, even though it is under M23 control.

“Ever since they [Congo and the Trump administration] signed the mineral deal, we don’t feel the same reception,” says Mr Kaniki. “We realise the game has changed; it’s now transactional.” So he hands out the pitch deck listing the five main mining assets under M23 control that he wants to discuss with America. In a line that is more MBA than M23, the deck says the group’s plan “represents a more deliverable pathway to the same US supply-chain objectives” than Congo’s. Mr Kaniki adds that some assets Congo is offering away from the Kivus are privately owned or under litigation. “America is making the same mistake they are making in Iran: going in without an end-game strategy.”

There are problems. M23’s leaders (though not Mr Kaniki) are under American sanctions. It does not run a sovereign state. Congo thinks

it can retake Rubaya with the help of mercenaries. What happens in the war will depend in part on whether American pressure exacerbates tensions within M23. Military leaders are not always aligned; generals compete over business as well as strategy. The military and political wings diverge, too. The latter cares more about gaining power in Kinshasa; the former about control of the Kivus.

America hopes its sanctions on the Rwanda Defence Force will prompt Rwanda to distance itself from M23. Westerners have already cancelled or paused investments in firms owned by the Ministry of Defence. Paul Kagame, Rwanda's president, may struggle to pitch his country as Africa's Singapore when his army joins North Korea on America's naughty list.

After M23 previously took Goma, in 2012, Rwanda eventually withdrew support under Western pressure. Mr Kagame has also in the past cut deals with Congo over the heads of M23. Yet there is still genuine concern in Kigali that, with Mr Tshisekedi emboldened, Congo and the FDLR represent an enduring threat. Eventually, there will have to be a political deal. For all their flaws, the two diplomatic tracks are keeping the sides talking.

While that goes on, M23 will become more embedded in the Kivus. "This is home," says Mr Kaniki. "If it takes 20 years, we will wait." ■

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France and Africa

Macron turns to English-speaking Africa

Why France is betting on business to shake off its colonial baggage

5月 14, 2026 11:25 上午 | NAIROBI AND PARIS



HE COOKED WITH a Kenyan influencer and ran with Eliud Kipchoge, a long-distance runner. He even danced to a live performance of *Jerusalema*, a South African hit. Emmanuel Macron's trip to Kenya from May 10th to May 12th certainly felt different. Indeed it was the first time France has held an Africa summit in an English-speaking country. After bruising recent setbacks in Francophone Africa, the French president is trying to shape a different link between France and the continent.

The English-speaking African leaders present seemed happy to join the club. For Kenya the summit offered a chance for William Ruto, the president, to play regional leader. He pushed, as usual, for a permanent seat for Africans on the UN's Security Council and for credit reforms to encourage investment in Africa. Mr Macron has invited him to the G7 summit next month in Evian.

Instead of focusing on aid, the summit put business at the centre of what Mr Macron and Mr Ruto called a "partnership of equals". They signed over \$1bn in bilateral deals, including an \$820m joint venture to revamp a port terminal in Mombasa, on the Kenyan coast. Accor, a French hotel chain, is backing ten Nigerian hotels. Eutelsat, a French satellite company, is expanding broadband in 20 African countries.

Other African leaders also went to talk business. Bola Tinubu, Nigeria's president—who has visited France 12 times in the past three years—brought along leading entrepreneurs. Aliko Dangote, Africa's richest man, hinted at plans for a giant oil refinery in Kenya. In total €14bn (\$16.5bn) of French public and private investment and €9bn of African investment were signed off. That includes pledges that may not come to pass and plans that were already public. But it is still significant. The UN puts foreign direct investment inflows to Africa at just \$59bn in 2025, despite increasing interest from China and the Gulf.

Since he was elected in 2017, Mr Macron has tried to move away from an Africa policy weighed down by post-colonial baggage and widely criticised by a younger African generation. On his watch, France has returned cultural artefacts from museums to Senegal and Benin, reset relations with post-genocide Rwanda and reformed its role in running a currency shared by west African countries. Anglophone alliances seem to be paying off. A new Ipsos poll suggests that 93% of Kenyans and 90% of Nigerians have a good image of France, far more than in French-speaking countries.

Yet the shift has been halting, and at times a fiasco. Mr Macron has presided over a [forced retreat](#) from the Sahel, where France used to conduct a long-running counter-terrorism operation. After coups had installed hostile regimes that turned to Russia for security instead, France was kicked out of Mali, Burkina Faso and Niger (none of which were invited to the summit).

In Nairobi Mr Macron claimed that France had felt “no offence”, but that Mali’s coup leaders had “not taken the best decision for their country”. Jihadists recently [took control](#) of swathes of the north from Malian and Russian forces. Yet few seem to regret France’s departure. “It’s not because the Russians have failed that the image of France has improved,” says Ladjji Ouattara, head of Observatoire du Sahel, a research body.

Mr Macron’s trip this week was about charting a new path. But it also felt like a farewell tour. He cannot constitutionally stand for re-election in 2027. In some African quarters he, and his tendency to scold, will not be missed. But his successor could be Marine Le Pen or Jordan Bardella from the populist right. Talk of partnership could swiftly give way to diktats limiting visas and migration. ■

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No war, no peace

Gulf states fear irreversible fallout from the Iran crisis

If there is no deal by the end of the summer, long-term economic harm is likely

5月 14, 2026 11:25 上午 | Dubai



Dubai, city in crisis

WHAT BEGAN as a temporary ceasefire has now lasted almost as long as the fighting that preceded it. America and Iran are in the sixth week of a truce announced on April 8th. Many in the Gulf had hoped it would bring a swift end to the war, and to the economic disruption it has caused. Instead they find themselves in limbo. The war is paused, despite skirmishes in the Strait of Hormuz and Iranian

attacks on the United Arab Emirates (UAE). But there is no lasting peace—and thus almost no traffic through the strait.

As the talks continue, some Gulf residents are starting to ask the unthinkable: what if this drags on for months? The Gulf Co-operation Council (GCC), a club of six petro-monarchies, has managed the crisis well, spending tens of billions of dollars to support their economies. Officials sound confident that they can weather a bit more disruption and bounce back quickly when it ends. As weeks turn into months, though, the risk of lasting damage grows.

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

On May 10th Iran offered its latest proposal for a permanent ceasefire. The text is not public. But diplomats in the region say key issues remain unresolved. The parties have yet to agree on the duration of a moratorium for uranium enrichment; what to do with Iran's stockpile of highly-enriched uranium; and whether Iran will have to dismantle some nuclear facilities, among other things. Donald Trump called the proposal "TOTALLY UNACCEPTABLE".

It is easy to see the consequences of a prolonged stalemate for America and Iran. Motorists in America are now paying an average of \$4.52 a gallon for petrol, up 52% from before the war. In Iran, one official estimates that more than 1m people have lost their jobs. Quantifying the damage in Gulf states is harder, given that they are desperate to project an image of normality.

The clearest hit is on the oil and gas industry, which accounts for roughly a quarter of the region's GDP and most of its export revenue. Saudi Arabia's oil exports have fallen by around a third since the war began, and the UAE's by half. Bahrain, Kuwait and Qatar have exported almost nothing. "If trade and shipping remain curtailed by more than a few weeks from today, we anticipate...the market to normalise only in 2027," Amin Nasser, the boss of Saudi Aramco, the kingdom's state-run oil giant, said on May 10th.

A tanker loaded with Qatari liquefied natural gas (LNG) did manage to pass through the Strait of Hormuz on May 10th, the first Qatari one to do so since the war began. The vessel, bound for Pakistan, took a route through Iran's territorial waters, where the Islamic Revolutionary Guard Corps (IRGC) has tried to levy tolls.

A source familiar with the arrangement denied that any such fees were paid, however. They described a deal between Iran and Pakistan, which has been the central mediator between America and Iran—and is also desperate for gas. Yet Iran is unlikely to allow many more such transits.

The energy sector is not the only one desperate for a lasting deal. Take travel and tourism, which accounted for more than 11% of pre-war Gulf GDP (and an even larger share in the UAE). Though few tourists are arriving in the Gulf, transit traffic has kept airlines in business. Emirates, the largest of the bunch, moved a total of 4.7m passengers in March and April. That is only around 50% of the Dubai-based carrier's usual load—but still better than one would expect from an airline whose hub has been repeatedly bombed. On recent flights to Doha, Dubai and Riyadh, your correspondent found cabins nearly full.

Step outside the airport, however, and things look bleak. Hotels are empty enough to let receptionists greet arriving guests by name, because no one else is checking in that day. In Bahrain the value of credit-card spending at hotels was 64% lower in March than in February. Moody's, a ratings agency, estimates that hotel occupancy in Dubai will be just 10% this quarter, down from 80% in February. Tens of thousands of workers have been furloughed or fired from service-sector jobs.

Shops are still well stocked, despite the closure of Hormuz. Saudi Arabia has emerged as a lifeline, with goods delivered by ship to its Red Sea ports and then hauled overland to neighbouring countries. Wartime shortages seem trivial: restaurants apologise for running

out of Australian Wagyu beef or Italian burrata; the lone liquor store in Riyadh has periodically exhausted its stocks of white wine. But the cost has been eye-watering, both for governments and retailers.

Gulf countries have varying abilities to cope. The Qataris say they can manage for a few more months despite the near-total loss of export revenue from LNG, helium and other commodities. Banks in the UAE still look well capitalised. They have deferred loan payments and waived fees for thousands of businesses, part of a relief package worth more than 6bn dirhams (\$1.6bn). Bahrain, by contrast, has already signed a \$5.4bn currency-swap agreement with the UAE; it may need further bail-outs if the crisis drags on.

Many officials and executives point to the end of summer as a deadline. In the next few months, scorching heat would anyway put off visitors and residents alike. By September expats ought to be back and firms should be preparing for millions of tourists and conference-goers. If America and Iran have not reached a deal that reopens the strait and removes the spectre of war, a temporary downturn could turn into something much more serious. ■

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Rough justice

Bashar al-Assad's henchmen start to go on trial in Syria

Some observers worry that the process is too rushed to be credible

5月 14, 2026 11:25 上午 | DAMASCUS



Atef Najib in the dock

FIFTEEN YEARS ago Atef Najib, then the security chief of Deraa, a city in southern Syria, epitomised the cruelty of the regime of Bashar al-Assad, the dictator who was toppled in 2024. When the parents of children arrested in protests in the city in 2011 came to Mr Najib to beg for mercy, he told them to forget about their sons, go home and make new ones. The brutality in Deraa morphed into nearly 14 years of nationwide repression and bloodshed.

Now Mr Najib sits in a cage in a court in Damascus, the capital, wearing a black-and-white prison uniform. He is on trial for murder, torture and orchestrating massacres. "We have been waiting for this moment since the beginning of the revolution," says Maram Abazeid, who in 2011 was a teenager in Deraa forced to watch her friends' arrests. Now she is one of the lawyers representing Mr Najib's victims in Syria's first trial of Assad-era officials. As his name was read out alongside those of his victims during a hearing on April 26th, she scrutinised his features. "He knew exactly who he was facing," she says. "He knew which children he had arrested."

On May 10th Mr Najib denied all charges against him and blamed the repression in Deraa on Syria's other security agencies. A first cousin of Mr Assad, he was captured in a raid in January 2025. He is the most prominent figure in the old regime in the custody of the government of Ahmed al-Sharaa, the rebel leader who overthrew Mr Assad and is now Syria's president.

Mr Najib's case illustrates the difficulties that the new government and the lawyers sympathetic to it have been having in holding people like him to account. Last year Mr Sharaa announced a transitional-justice commission, to some fanfare. Yet many Syrians feel its performance so far has been lacking. Some had hoped justice would be applied to all sides, including to rebels who perpetrated atrocities.

That would have included holding to account some of Mr Sharaa's comrades. The government's approach has been more selective. Apart from not looking too closely at its own ranks, it has on occasion found it expedient to recruit some of those implicated in Mr Assad's crimes.

As the commission has foundered, the pressure on the government to achieve accountability has grown. Sectarian violence and lethal reprisals have been spreading in rural areas outside Damascus that are home to Mr Assad's acolytes. "People feel the government has

no interest in transitional justice, so they take matters into their own hands,” says a lawyer.

The trial of Mr Najib is an attempt by the government to stem such trends by doling out swift justice. It was brought by the Ministry of Justice, using the pre-existing legal system in Damascus, rather than a new transitional-justice law being prepared by the commission.

Yet it is unclear what sort of justice the trial will bring, if any. Five decades of the Assads’ rule ruined Syria’s justice system. Its statute book has no provision for crimes against humanity, or for assigning command responsibility or indirect responsibility for crimes. Judges say they will be able to draw on treaties that Syria has signed, notably the Geneva Conventions and the Convention against Torture. Even so, convicting the likes of Mr Najib will not be straightforward.

Some lawyers are troubled that the trial has started before the legal framework has been publicly debated and agreed upon. Such haste risks undermining the legitimacy of the trial, says Nousha Kabawat, a specialist in transitional justice who attended the first hearing. Because of the rush to get the process over with, not enough time is spent ensuring that “investigations, prosecutions and eventually these trials must be consistent with due process and meet the standards of a fair trial”.

Given Syria’s recent history, achieving justice was always going to be complicated. For Ms Abazeid, it is important that the trials are happening, regardless of legal imperfections. “These trials represent a historic moment, not just legally but humanly,” she says. “It acknowledges the victims’ suffering and sends a clear message that Syrian blood is not cheap.” ■

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Turning the tide of war

Russia is stumbling on the battlefield

As casualties soar in Ukraine, Vladimir Putin looks ever more beleaguered at home

5月 14, 2026 11:25 上午



THIS YEAR'S Victory Day parade in Moscow on May 9th involved nothing triumphal. For the first time in two decades tanks and other military vehicles did not rumble through Red Square in celebration of the Soviet Union's role in defeating Nazi Germany. Russia's authorities deemed it too great a risk to cram armoured vehicles and missile-carriers into nearby staging areas—they would have made far too juicy a target for [Ukraine's](#) increasingly effective drones. In the run-up to the big day, mobile internet services in Moscow and St

Petersburg were cut off for security reasons. Large numbers of air-defence systems were redeployed from remote parts of the country.

Rubbing in the insult Ukraine's president, Volodymyr Zelensky, issued a decree to "permit" the parade to proceed, saying that Red Square would not be attacked. This came shortly after Ukraine and Russia agreed to a three-day ceasefire brokered by America, though by May 10th both sides were accusing the other of having violated it. Vladimir Putin, Russia's president, speaking after the parade, said he thought the war was "coming to an end".

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

The symbolism of the diminished parade is hard to overstate. A day that was meant to epitomise the military might of Mr Putin's Russia instead signalled its vulnerability and weakness. In this, at least, it was an accurate reflection of Russia's battlefield setbacks, and of Russia's fear of the growing effectiveness of Ukraine's long-range strikes. For the first time in nearly three years the initiative in the war appears to have shifted in favour of Ukraine. Having got through a harsh winter, when its cities and energy grid were pummelled almost nightly by massed Russian drones and missiles, Ukraine is now turning the tide. It is imposing increasing costs on Russia by almost every measure.

Not only has Russia's expected spring offensive been a flop, but in April Russian forces suffered a net loss of territory for the first time since August 2024 (when Ukraine seized territory in Russia's Kursk oblast). The Institute for the Study of War (ISW), a think-tank in Washington, recently listed contributing factors to Ukraine's successes: ground counter-attacks and mid-range strikes by Ukraine's forces; the end of Russia's illicit use of Starlink terminals in Ukraine; and the Kremlin's paranoid throttling of the Telegram messaging app at home. By our calculations, based on ISW maps, Russia has lost control of 113 square kilometres over the past 30 days.



● Ukrainian air/drone strikes in Russia, 2026*
 ■ Russian-controlled, May 12th 2026
 Sources: ACLED; Institute for the Study of War; AEI's Critical Threats Project
 *To May 8th

“Overall, it feels like an inflection point in the war,” says Sir Lawrence Freedman, an emeritus professor of war studies at King’s College London. “If the Russians have nothing to show for their efforts I would not be surprised if in some places things start crumbling.” Losses of soldiers, running at 35,000 a month, exceed the pace at which Russia can recruit replacements. And behind the raw numbers—nearly 1.4m killed and seriously wounded since Russia’s invasion—is a grimmer new development. Until last year, the ratio of killed to wounded Russian soldiers may have been between 1:2 and 1:3, poor by modern standards but roughly [in line with past conflicts](#). In March Mr Zelensky said that Russia was suffering almost two dead soldiers for every one wounded. “The stoicism and fatalism of Russian soldiers must be wearing thin,” says Sir Lawrence.

The dead-to-wounded ratio appears to be rising because so many casualties—perhaps as many as 80%—are now caused by so-called first-person view (FPV) drones. Loaded with explosives, these drones hunt enemy soldiers and imperil attempts at medical evacuation, which in any case has never been a high priority for the Russians. “They simply leave their wounded on the battlefield,” says Seth Jones, a senior military analyst at the Centre for Strategic and International Studies in Washington.

Russian soldiers complain that Ukraine’s new autonomous drones are inaudible until they dive. They use artificial intelligence and are controlled with fibre-optic cables to thwart jammers. Alexy Chadayev, the director of a drone-development and testing facility in the Russian city of Veliky Novgorod, wrote on April 7th that Russia had “lost leadership” over the past six months to Ukraine and was struggling to move units close to the front. “We have enormous problems with last-mile logistics,” he said. “Up to 90% of our [drone-team] losses are currently occurring there.” Russia has been forced to impose restrictions on the size of convoys in Donetsk to make them harder to detect. Only two lorries are allowed to move together.

A drone “kill zone” of some 20km between the front lines is being extended far to the Russian rear, Sir Lawrence argues. This has a greater impact on Russian operations than Ukrainian ones because the Russians are trying to advance. For Ukraine it is far more effective to take out the supporting infrastructure for an offensive than it is to kill the few troops who now lead attacks.

The Ukrainians face similar problems in the drone-saturated killing zone, but they place a much higher value on the lives of their soldiers, and so make greater use of unmanned ground vehicles (UGVs) for evacuation and carrying supplies close to the front. And in most places they are not trying to advance.

Farther back from the front line, Russia is suffering mounting losses to Ukraine’s mid-range drones (with ranges of 50km to 300km). Mr Zelensky recently claimed that procurement of such systems so far this year is five times greater than in all of 2025. Targets include ammunition depots, drone warehouses, command-and-control posts, surface-to-air-missile launchers, radars and deployment points where armoured vehicles and troops are concentrated.

Added to the battlefield setbacks is the increase in the scale, range and intensity of Ukraine’s deep-strike operations in Russia. In March, for the first time, Ukraine surpassed Russia in the number of long-range drone attacks it launched. Economic and military targets almost 2,000km from the Ukrainian border are regularly being hit. That brings 70% of Russia’s population within range of Ukrainian drones. “The attacks have caused psychological damage to Russia,” says Mr Jones.

On April 25th four of Russia’s best combat aircraft were damaged in a strike on Shagol airfield deep in the southern Urals. An oil refinery and pumping station at Perm, in the Urals, was set ablaze in early May. Oil infrastructure across multiple regions and oil-export hubs are being hit with increasing frequency. In April attacks on ports and refineries forced Russia to cut production by as much as 400,000

barrels a day, Reuters reports. On April 29th Mr Zelensky claimed that internal Russian reports indicated that the ports of Novorossiysk and Ust-Luga were operating at respectively 38% and 43% below capacity. However, overall Russian oil exports only fell by 7% in April and its revenues nearly doubled thanks to the Iran war.

Russia's size and the systematic year-long Ukrainian campaign to degrade its air-defence systems makes protecting even valuable assets almost impossible. "They can't defend against drone attacks with area defence," says Mr Jones. "And they don't have point defence at many of the locations where they need it." Whereas Ukraine has developed several types of interceptor-drones that are now shooting down about 95% of Russia's Shahed-type attack drones, Russia has been slow to produce its own versions.

The crucial question is whether Russia's various setbacks—on the battlefield or through the destruction of economic infrastructure—are indicators that Mr Putin's opportunities in Ukraine are shrinking. Sir Lawrence says much depends on the next few months, and in particular on whether Russia can counter Ukraine's advances in drones. Another concern is whether Russia is husbanding its forces for a big offensive in the summer. "The reality is that they are struggling at the front and not much is going right for them," he says. Mr Jones agrees: "It's hard to see how things can improve for Russia. If you're briefing Putin, it's a pretty bleak picture." ■

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Big promises

Peter Magyar takes office pledging to clean up Hungary's mess

EU funds blocked because of corruption under Viktor Orban are his priority

5月 14, 2026 11:24 上午



Mr Magyar's moment

MAY 9TH WAS a day of symbolism in Budapest. In the morning Peter Magyar was sworn in as prime minister in Hungary's majestic neo-gothic parliament. For his inauguration he had picked "Europe Day", which the European Union celebrates as its notional anniversary, to mark Hungary's renewed commitment to the bloc. Members of

parliament sang along to four anthems: the Hungarian one; the Szekely anthem of the Hungarian minority in Romania; "Ode to Joy", the anthem of the EU; and the unofficial anthem of the Roma, performed by children in white shirts and bow ties. In the afternoon tens of thousands gathered for a "Regime Change" party on Kossuth Square.

Mr Magyar thanked the crowd for delivering a Hungary "that is democratic once again", and promised a "system change" after 16 years of Viktor Orbán's illiberal rule. It is a hugely ambitious project. Mr Magyar must re-establish the rule of law, hold Mr Orbán and his corrupt cronies accountable for their deeds and, perhaps most important, repair Hungary's relationship with the EU.

Rebuilding ties with Brussels is particularly urgent. Because of Mr Orbán's violations of the rule of law, the EU has blocked the disbursement of funds amounting to around €18bn (\$21bn), nearly 10% of Hungary's GDP. The biggest pot of aid is from the union's post-covid recovery plan, which will expire at the end of August. "Magyar is prioritising the two conditions for the receipt of those funds, putting in place an anti-corruption programme and a plan to restore judicial independence," says Kim Lane Scheppele, an expert on Hungarian law at Princeton University.

Mr Magyar made a start by announcing that Hungary will create a programme to recover misappropriated assets, and will join the European Public Prosecutor's Office, which prosecutes crimes involving the EU's budget. Judicial independence can be achieved by simply enforcing the laws that Mr Orbán refused to, says Ms Lane Scheppele. For example, the Supreme Court must allocate cases randomly; under Mr Orbán, cases involving the government were assigned to friendly judges.

Mr Orbán liked to concentrate power in a few big ministries. Mr Magyar's cabinet, by contrast, has grown to 16 ministers, mainly experienced outsiders who have not served in government. Anita

Orban (no relation of Viktor), a diplomat and energy expert, is the foreign minister. The economy minister is Istvan Kapitany, a former executive at Shell. Romulusz Ruszin-Szendi, the armed forces' chief of staff until Mr Orban ousted him for his pro-Western views, takes over as defence minister.

Perhaps the most popular choice is Zsolt Hegedus, the health minister, whose dance moves amused crowds on election day and at the inauguration party. But Mr Magyar made his first big misstep by announcing he would nominate Marton Mellethei-Barna, his brother-in-law, as justice minister. He may have felt he needed a loyal lieutenant in the post. The move drew accusations of nepotism, and Mr Mellethei-Barna withdrew his candidacy. After Mr Orban's cronyistic rule, Hungarians have had enough of family connections. ■

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Patron quest

Armenia's election will test its leader's pivot to the West

Let down by Russia, Nikol Pashinyan wants to make up with Azerbaijan and join the EU

5月 14, 2026 11:24 上午 | YEREVAN



IN 2023 ARMENIA finally lost a decades-long intermittent war against neighbouring Azerbaijan over a bit of territory known as Nagorno-Karabakh. Since then Nikol Pashinyan, Armenia's prime minister, has been trying to wrest a diplomatic victory from the jaws of military defeat. Let down by Russia, Armenia's longtime patron, he is pivoting to America and Europe and working on a peace treaty with Azerbaijan. On June 7th voters will give their verdict on his efforts in a general election. Opinion polls suggest he will probably win.

European leaders have lent their support. On May 4th Yerevan, Armenia's capital, hosted a meeting of the European Political Community (EPC), a group of countries in and around the European Union. The next day the EU held its first bilateral summit with Armenia. The bloc is offering Armenia up to €2.5bn (\$2.9bn) in infrastructure funding—more than 10% of its annual GDP. Armenia hopes to become a member one day.

Plenty of Armenians dislike Mr Pashinyan. Murals of fallen soldiers dot Yerevan, reminders of his failures during the war. Outside the EPC summit, protesters waved the flag of Artsakh, the erstwhile ethnic-Armenian statelet in Nagorno-Karabakh. Some refugees from the territory wanted their relatives' bodies to be transported to Armenia; others called for Azerbaijan to free prisoners-of-war. Several demonstrators predicted that the pro-Western pivot would backfire. "He is turning Armenia into a playground for geopolitical games," says one young man who fled Nagorno-Karabakh in 2023.

Nationalist politicians are stoking discontent. Samvel Karapetyan, a Russian-Armenian oligarch who leads the most popular opposition group, is under house arrest for calling for the government to be overthrown (he denies the charge). When your correspondent visited him in his swanky mansion, Mr Karapetyan accused the government of kowtowing to Azerbaijani demands. Mr Pashinyan, he says, is "attempting to trigger" a war with Russia.

Such views are not uncommon in Yerevan, a stronghold of the old elite. But they are rarer in the countryside, where the government has built roads and schools. Residents of border regions might benefit most from peace. Mr Pashinyan's Civil Contract party polls at around 30%, well ahead of Mr Karapetyan's outfit.

Mr Pashinyan has flaws. The anti-corruption drive of his first term has waned, and he has a populist streak that riles his opponents. "You get a lot more monologue than dialogue from Pashinyan," says Thomas de Waal of Carnegie Europe, a think-tank. In March the

prime minister was filmed arguing with a Karabakh refugee who refused to accept a Civil Contract campaign badge. He later apologised.

The Kremlin could meddle, too. Russia provides 85% of Armenia's gas and maintains an army base there. Russian companies own vital infrastructure, a legacy of debt-relief deals made by previous Armenian leaders. Russia recently banned the sale of some batches of Jermuk, an Armenian water brand, on dubious sanitary grounds. Such tactics will probably deepen Armenians' distrust of their old patron.

"The Armenian political mind is very prone to look for saviours around the world: Moscow, Brussels, Washington," says Maria Karapetyan (no relation of Samvel), a Civil Contract MP. "My party thinks we don't need to look for saviours." Armenia's dependence on Russia proved toxic. Now it is trying to play the field. ■

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Bunker mentality

The world's best-sounding nightclub is in an unexpected place

Why DJs are flocking to an obscure town in west Germany

5月 14, 2026 11:25 上午 | WUPPERTAL



Connoisseurs of techno

AS YOU APPROACH the dancefloor, you feel the bass before you hear it. Enter the throng, and you are bathed in a sound so clean it seems to reorganise the air around you. Since opening in late 2023, Open Ground, based in a reconstructed wartime bunker in the west German town of Wuppertal, has earned a reputation as one of the best-sounding nightclubs in the world. It is another universe from

the lavish fleshpots of Las Vegas or Ibiza. But for a certain sort of nightlife connoisseur, this post-industrial town has become an essential stop.

Open Ground is the brainchild of Markus Riedel, a local who set up the club with financing from his brother, an entrepreneur. Sick of clubs with terrible sound, Mr Riedel and his business partner, Mark Ernestus, veterans of the Berlin music scene, recruited acousticians to turn their concrete shell into an aural delight. Polyester-lined panels absorb auditory “reflections”, leaving a crystalline sound that brings out details lost in muddier spaces. This wizardry is complemented by speaker technology custom-made for the space. “It’s a temple for music,” enthuses Darren White, aka dBridge, a DJ who performs at the club.

An eclectic approach to genre expands the appeal. Mr White says his circles are abuzz with talk of Open Ground. As word spreads, DJs approach the club seeking bookings. “Everyone who has played wants to play again, and everyone who hasn’t wants to,” chuckles Arthur Rieger, its programming chief.

Open Ground has helped nudge Wuppertal, Germany’s 17th-biggest town, onto the map. Some youngsters studying in nearby cities like Cologne base themselves here in part to be nearer the club, says Mr Riedel. One local, encountered in the unexpectedly calm lobby during a dancefloor break, enthusiastically reels off a litany of trivia about the town’s history. All of it—surprisingly, for the ranting of a bug-eyed raver at 3am—turns out to be true. (Wuppertal spawned Friedrich Engels and heroin, among other claims to fame.)

As rents soar and an abstemious Gen Z displaces its hedonistic elders, many clubs in Germany and beyond are confronting *Clubsterben*, or “club death”. A midsized venue in Wuppertal cannot reverse that tide. But it has lifted spirits, quickened pulses—and provided a haven for clubland’s most discerning ears.■

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| [章节菜单](#) | [主菜单](#) |

No direction home

To understand European voters' anger, look at their rent bills

Rent-control policies are making Europe's housing shortage worse

5月 14, 2026 11:25 上午 | Amsterdam and Barcelona



WHEN BOURGEOIS FINCAS, a property agency in Barcelona, lists a flat for rent on the internet, it gets 200 enquiries within an hour or so and it is let within a day. "It's been like this since last year," says Jaume Cortes, who works there. "The change is brutal." The agency is based in the Eixample, a leafy grid of elegant 19th-century streets that stretches north from the city's historic Gothic heart. In many cases the new tenants are digital nomads or other foreigners

seeking a second home in the sun. But at the bottom of the market the competition is just as fierce. In poor suburbs of Barcelona and Madrid agents report individual rooms being fought over, some rented by the hour by shift workers who take turns sleeping there.



All across Europe, cities face housing shortages. Average house prices in the EU surged by 60% between 2015 and 2025, well ahead of household incomes. In many places rents take up much more than 40% of average salaries, a threshold that can imply financial

difficulty (see chart). Housing is an urgent political issue: some link the populist right's rise to the difficulty of finding a home, especially for the young. In Spain and the Netherlands polls find it is the top public concern. The EU talks of a "housing crisis"; its 27 national leaders are due to discuss this at a summit this year. In 2024 the European Commission appointed a housing commissioner for the first time (shared with energy). It plans to tweak rules to allow more public investment and let governments limit tourist flats.

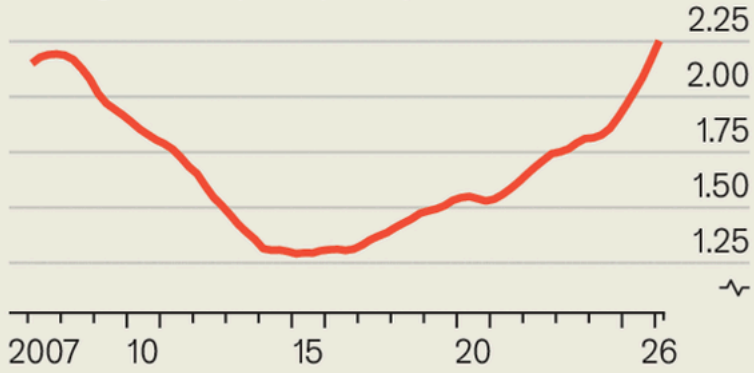
Housing markets vary from country to country. Germans tend to rent their homes, while southern and eastern Europeans prefer to buy. Public and social housing (ie, those subsidised or run by non-profit organisations) makes up 30% or more of the stock in the Netherlands and in Vienna. By contrast, in Spain public housing accounts for just 3.4%. The EU average is 8%.

Falling short

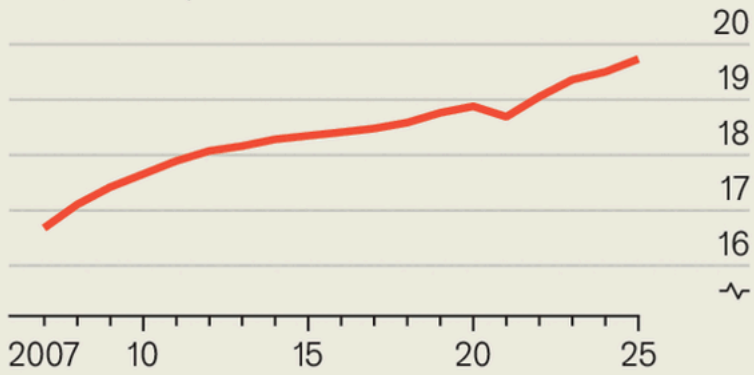
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Spain

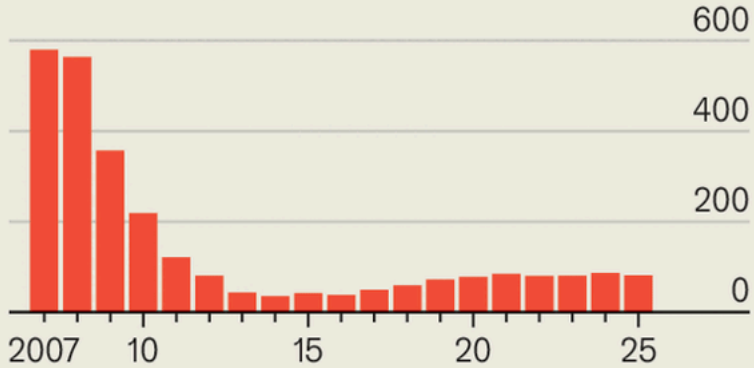
Average house price per square metre, € '000



Households, m



Private housing units built, '000



Sources: tinsa.es; Eurostat; Ministry of Transport and Sustainable Mobility

Yet the surge in rents and house prices is taking place across the continent, a symptom of a growing mismatch between supply and demand. Nowhere is the shortage more acute than in Spain. The Bank of Spain reckons there is a shortfall of 700,000 homes. There are 1.2m more households now than in 2021, mainly because of massive immigration. But Spain builds fewer than 90,000 homes per year. On top of that, sun-seeking foreigners account for up to a fifth of buyers.

There are shortages elsewhere, too. Germany is building only around half the 400,000 new housing units economists say it needs each year. France will start around 300,000 new homes this year, according to its Building Federation, but that is some 220,000 fewer than it needs. Immigration is one factor, but so is the steady dribble of people from countryside to city. A census in Spain in 2021 found 3.8m empty homes, 14% of the total, mostly in poor repair or in small towns or villages where few want to live. Much the same applies in Italy.

One response to the crisis is rent controls. These are longstanding in Germany. In the Netherlands, where the waiting list for social housing in Amsterdam is almost 11 years, a centrist government greatly expanded them for private rentals in 2024. In Spain in 2023 the Socialist-led administration of Pedro Sánchez, under pressure from its far-left allies, approved a housing law that allows regional and local governments to cap rent increases.

“The way to fix a disastrous situation isn’t not to protect anyone,” says an official at Spain’s housing ministry. Yet the rent-control approach has perverse consequences. Jorge Galindo of Esade, a business school in Madrid, compares it to ordering the queue rather than trying to reduce it. It favours insiders—those who are already renting—at the expense of outsiders who are unable to find a home.

Take Catalonia, whose regional government has applied rent caps for most of the period since 2020 and has imposed additional

regulations on landlords. The result in the first two years was a 5% fall in rents for existing tenants, but a 10% fall in the number of new rental contracts, according to a study led by José García Montalvo of Pompeu Fabra university in Barcelona. "Regulation has created uncertainty," he says. "Landlords don't know what to do."

Dutch controls have had a similar outcome. Landlords barred from charging market-rate rents often sell their apartments, reducing the supply of rental housing. Those who suffer are "the people at the bottom, with limited budgets" or recent arrivals, says Matthijs Korevaar at Erasmus University in Rotterdam. Rather than bludgeoning landlords, it may be better to coax them with tax cuts on rental income: Portugal has cut income tax on rent for moderately priced homes from 25% to 10%. Mr Sánchez has offered a tax break for landlords who don't raise rents.

Harder than you think

The imperative is to build more homes. But that is harder than it sounds. Mr Sánchez has launched a €7bn (\$8.2bn) four-year plan focusing on public housing. The Catalan regional and Barcelona city administrations have similar plans. But mayors and regional governments control most development land, and many practice NIMBYism. "The bottleneck is administrative," says Said Hejal of Kronos, a firm that builds mainly mid-market housing in Spain and Portugal. In Catalonia it can take 12 years to get the permits to build. A draft land law which would cut red tape fell foul of the bad blood between Mr Sánchez and his conservative opponents.

Europe faces a shortage of construction workers. Spain has only enough to build 100,000 homes a year says Mr Hejal. After the bursting of a housing bubble in 2008, when the country was building an excessive 560,000 houses a year, many immigrant building workers went home. Many others switched to less demanding jobs in tourism. The continent's construction industry is inefficient, with

many small and backward firms. The Iran war has driven up the costs of building materials.

Governments have only just started to tackle this bottleneck. To cut costs, a public-housing project in Stockholm features standardised elements such as kitchens. Mr Sánchez's plan includes spending €1.3bn in European funds to ramp up industrial production of modules for housing construction. Portugal's government is planning a cut in VAT on construction from 23% to 6% for affordable homes.

But many are still fixated on engineering of the social kind. In Germany, spending on housing benefits for individuals has exceeded spending on new housing projects ever since 2005. It is now around four times higher. In the short term, subsidies without construction may relieve some residents' headaches. In the long term, they worsen the migraine for everyone. ■

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Charlemagne

Socialism is being left behind in Europe

The workers' parties aren't working

5月 14, 2026 11:24 上午



ANYONE DESPAIRING at the trajectory of their career should spare a thought for Europe's socialist politicians. At the turn of the century over two-thirds of citizens in the European Union lived in countries run by leaders from the centre-left. The continent's future looked red, or at least rose-tinted. Granted, the likes of Gerhard Schröder in Germany and Tony Blair in Britain were hardly dyed-in-the-wool pinkos; they aimed not to overthrow capitalism but to temper its excesses. Yet their trick of pinching the right's best ideas and mixing them with leftie shibboleths soon lost its lustre. By 2016 the number

of Europeans living in countries run by social democrats had slumped to just one-third. Those who assumed the pendulum would soon swing back leftward have had their hopes dashed, then dashed again. Today only three of the EU's 27 national leaders are progressives—Pedro Sánchez in Spain, Mette Frederiksen in Denmark and Robert Abela in tiny Malta. They represent just a tenth of the union's population.

It could soon be less. On May 8th it was announced that Ms Frederiksen had failed in her initial bid to form a coalition government following elections in March. Her deputy as prime minister, Troels Lund Poulsen, has been asked by the king to see if his centrist outfit can cobble together an alliance, thus booting Ms Frederiksen into opposition. The canny incumbent may yet find a way to cling to office, despite having led the Social Democrats to their worst electoral score in well over a century. But even a Danish reprieve would be a scant consolation for her fellow European socialists. Ms Frederiksen is the black sheep of the continental left, having thrived in part by being ostentatiously tough on migrants, a formula that many in her camp feel betrays the humanist roots of their creed. (They are much happier with her willingness to stand up to Donald Trump, who inadvertently gave Ms Frederiksen a boost in the polls by threatening to invade Greenland.)

Once the party of labour, Europe's centre-left now spends much of its time searching for gainful employment. Could the continent become a socialist-free zone, at least at the top of national politics? Mr Sánchez is the left's last great hope, yet he will face voters within a year or so, and his party is lagging behind the centre-right. It is not clear who would replace him as a figurehead for the defenders of the euro-proletariat. The Netherlands is the only one of the EU's biggest ten countries in which socialists (after having merged with an erstwhile Green rival) have eked out a narrow lead in the polls—and the Dutch are not due to hold national elections for four years. A few smaller countries may deliver left-leaning governments, for example Sweden or Finland. In Germany and Poland the centre-left

is a junior partner in governing coalitions; in Romania it recently brought one down.

But it is harder than ever to imagine the left running the show in a country with real sway in EU affairs. The German SPD has been battered in recent regional elections and languishes at 13% in nationwide polling, behind the centre-right, the xenophobic AfD and the Greens. In France no socialist is polling well ahead of next year's presidential election (the candidate in 2022 got just 1.8% of the vote). In many parts of central Europe there is barely a socialist party to contest elections, let alone win them. Beyond a few town halls, the only modicum of power socialists still hold is at EU level, and even that is much weakened. The centre-right holds most of the big jobs in Brussels and is busy implementing a deregulatory agenda, over the progressives' objections.

What went wrong? Endless academic tracts attribute the left's decline to the gradual disappearance of the factories, docks and mines that once provided socialism's natural habitat. For a while the centre-left seemed to have done a good job replacing blue-collar workers with graduate types: out with metal-bashers, in with schoolteachers. Fair enough. Still, the challenge of adapting to the times should have been yet more acute for the socialists' historical rivals, the Christian Democrats. They faced a continent where churches were emptying even faster than trade-union halls. Somehow the centre-right managed, while the left did not.

More acute has been the effect of political fragmentation. Social democrats used to be one of two main options on Europeans' ballot papers. Even in the wake of election losses the political cycle could be trusted to send power back their way given time (as it continues to do for example in America, where Democrats will make gains in the midterm elections in November). The splintering of European politics into many parties has also affected the centre-right. But socialists have seen their share of the vote nibbled on three sides. Other parties of the left, both Greens and hardened Marxist types,

have made inroads. Some lefties ditched the party for a lurch into the political centre, notably in France under Emmanuel Macron (once a minister in a Socialist government). Many “left-behind” post-industrial areas that once voted for progressives flocked to populists on the right.

A rose bush, trimmed

One optimistic interpretation of the left’s woes is that its faded prospects reflect its past achievements. Who in Europe now calls into question the importance of pensions, paid holidays, soaking the rich and other socialist tenets? The movement’s cadres warn against such complacency. Just because social rights have been secured in the past does not mean they aren’t under threat, says Giacomo Filibeck, secretary-general of the Party of European Socialists, which brings together parties on the continental left. There are still plenty of workers left in Europe. They may fret about artificial intelligence pinching their jobs just as much as their forebears did about pit closures. Yet few seem to think the political left speaks for them. Socialists spent decades warning capitalism would eat itself. The cruel joke is that it ate them first. ■

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The Telegram

The EU and China are stumbling into a trade war

Swamped by Chinese exports, Europe nears a point of no return

5月 14, 2026 11:24 上午



THE CHANCES of a trade war between the European Union and China are far higher than most Europeans realise. In the corridors of Brussels, insiders have theories to explain this calm. One involves a Trump effect: political and business leaders spend too much time reacting to provocations from [Donald Trump](#) and his team. Chinese bullying is discreet. If Xi Jinping shared his darkest thoughts on social media, more leaders might realise that, compared with America, China is a more urgent threat.

There is complacency on China's side, too. To prosper, Chinese exporters need the EU's 450m consumers, especially as America walls itself off. Yet Chinese officials shrug off European pleas to tackle trade imbalances. Those now run at €1bn (\$1.18bn) a day in China's favour amid surging Chinese exports to Europe and slumping EU sales to China. A stream of visiting European leaders have warned Mr Xi that China's state-backed manufacturing juggernaut poses an intolerable threat to industries in their home countries. Unless China changes course, Europe too will have to close itself off, is their co-ordinated message.

So far, China's reaction involves more cynicism than fear. Party high-ups are connoisseurs of power and coercion. That is how they become party bosses (at least until the next purge). It is why they respect and resent America, the one country with the financial, technological and military might to slow China's rise. By contrast, they see Europe as an economic giant with puny geopolitical leverage, hobbled by its need for consensus among 27 members.

On a visit to Beijing and Shanghai, this columnist heard Europe discussed with scorn. A senior figure described Chinese leaders as exasperated by decades of European lectures about values, most recently over China's support for Russia over Ukraine. What about Mr Trump's contempt for values, Chinese bigwigs ask? Europe is missing a chance to embrace China as a partner.

Updating their divide-and-rule formula, Chinese officials and trade negotiators heap praise on selected national governments. (Spain is a current favourite.) National leaders are called refreshingly pragmatic by focusing on attracting Chinese high-tech investments. Conversely, EU officials in Brussels are scolded for being ideological and obsessed with achieving perfect economic security. Europeans should be realists as they negotiate, as Americans now are, is a frequent Chinese line of attack.

Brussels policy chiefs are not ready to back down. Fears of a looming China shock are leading EU officials to prepare stronger trade defences, including the more frequent use of safeguard measures involving high tariffs to shield whole industries. A get-tough package is set for debate by the European Commission, the EU's executive, this month and by national leaders in June.

The Industrial Accelerator Act, a draft law, would oblige foreign investors with dominant positions in batteries, electric cars and other strategic industries (hello, China) to hire more European workers, buy lots of locally made components and transfer technologies to European partners as the price of access to the EU market. Another proposal would add buy-European conditions to big public contracts. The EU has moved to tighten customs rules on low-value imports, after Europe's online-shopping addicts ordered almost 6bn small packages last year, mainly from China.

Chinese officials and industrialists recognise a copy when they see one. They know that European proposals aim to reproduce technological and value-extraction techniques that China used with success on Western multinationals a generation ago. Instead of finding this imitation flattering, Chinese high-ups deride Europeans as lazy and chronically unwilling to invest in innovation.

China's commerce ministry last month threatened unspecified countermeasures if the Industrial Accelerator Act becomes law. A Chinese business executive asks why Europeans suppose that his country's high-tech investments might create lots of jobs. Recalling a European factory visit, he describes seeing photographs of long-serving employees proudly hung on a wall. In our plants, those pictures would show a line of robots, he scoffs. It is a sharp joke, but bad politics. If China is blamed for destroying European steel or carmaking jobs, say, any German chancellor or French president will face demands to intervene.

Squeezed by a bullying America and a scary China

Maros Sefcovic, an EU commissioner from Slovakia who now holds the trade portfolio—making him the chief trade negotiator for 27 countries—is dubbed an unflappable Mr Fixit in Brussels. Still, in an interview for Inside Geopolitics, a video show produced by *The Economist*, he is blunt. He compares Europe’s dependency on rare earths and other critical minerals from China to its former reliance on Russian energy. Then there are surging exports driven by Chinese industrial overcapacity. If the EU does not defend itself and China fails to rebalance its economy, he avers, Europe risks losing “whole sectors of industry within a couple of years”. Against that, he has a mandate to avoid costly fights. “Not a single” business leader is urging him to start trade conflicts, he says. “It’s very easy to start a trade war, but it’s difficult to stop one.”

Even interventionists seek to pick their battles. Stéphane Séjourné is France’s EU commissioner, holding the “prosperity and industrial-strategy” portfolio. He advocates industrial policies and buy-European clauses. He worries about the security implications of Chinese-made electric cars and green technologies. But rather than slow Europe’s low-carbon transition, he wants to focus on components that a hostile power could use for ill: the inverters that connect solar panels to electricity grids, or the interface through which an autonomous car talks to its manufacturer.

Europe dreads a trade war with China. It also fears losing its industries. Only tough choices await. ■

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Britain

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The local losers

Who can save the Labour Party?

Britain's social democrats are down but not out

5月 14, 2026 11:24 上午



"MY GRANDAD GREW up a miner's son," said Alan Strickland, a Labour MP, in a campaign video before the 2024 general election. The mind-twisting line is meaningless but as a wannabe Labour candidate his hat tip (or flat-cap tip) to working-class history was *de rigueur*. Never mind that the last colliery in Mr Strickland's patch was 30 years ago. The Labour Party is steeped in sentimentality.

On May 7th Sir Keir Starmer's centre-left party was trounced in local and devolved elections. Its losses were particularly heavy in

historical heartlands in the north of England, West Midlands and Wales. Along with the political cost, Labour MPs suffered the emotional toll of seeing their party reduced to dust in areas it had held for more than a century. In the aftermath, nearly 100 of them publicly called for Sir Keir to resign, including four government ministers. Even if the prime minister limps on for months, few believe he will lead Labour into the next election. Despite the gloom, his successor still has a good chance of winning over the country.

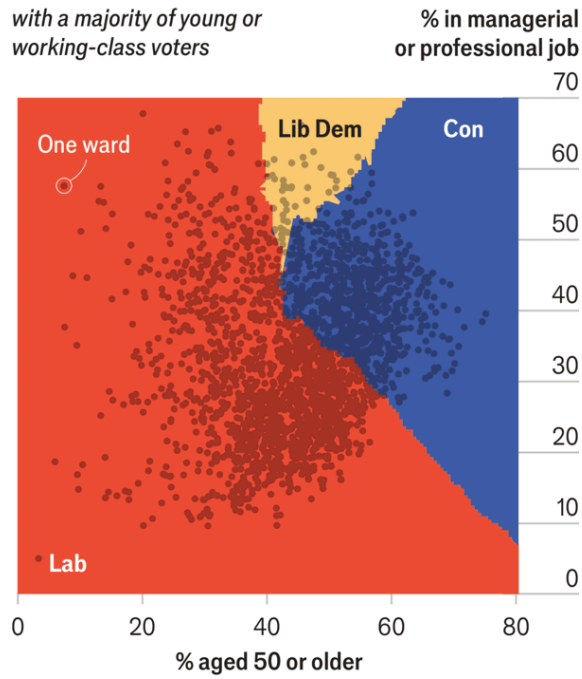
The drubbing had long been expected. Labour has sunk around 20 percentage points in polls since 2022, when most of the council seats were last contested. But expectation management did little to ease the shock as results trickled in. The party lost 58% of its councillors up for election in England. It lost Barnsley and Sunderland, two northern strongholds, for the first time since those councils were established in 1974. In Wales it fell from a century-long winning streak to third place, with just nine seats in the country's 96-member devolved parliament, the Senedd. The party went backwards in Scotland—another former heartland—just two years after soundly defeating the Scottish National Party (SNP) in the general election.

As the electorate has fragmented and opinion of the government soured, voters have abandoned the party in all directions. According to polling by More in Common around 14% of those who voted Labour in 2024 now say they would vote for the populist-left Green Party, 11% for the populist-right Reform UK, 8% Liberal Democrat and 5% Conservative. This played out on May 7th, when Labour lost seats on all fronts. In council elections between 2021 and 2024 the party won areas with a majority of younger or working-class voters (see chart 1). This year Reform and the Greens acted like a pincer: Reform took older, working-class areas while the Greens won younger, urban ones.

→ **Local elections, leading party*
by age and occupation**

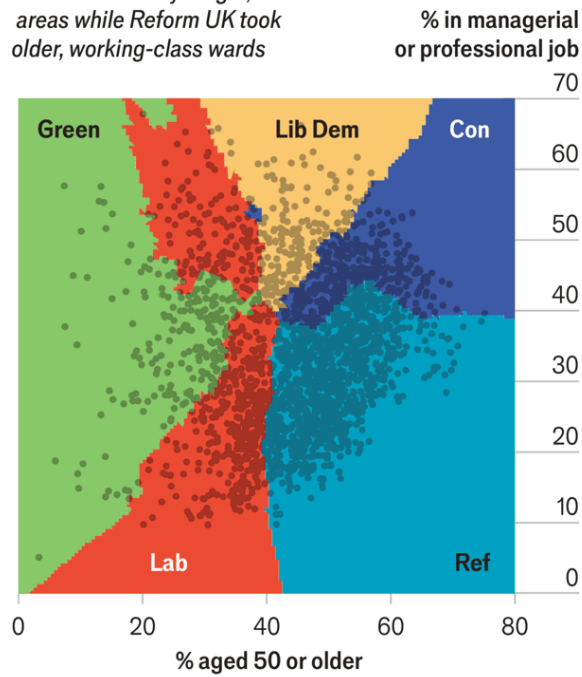
2021-24

*Labour won electoral wards
with a majority of young or
working-class voters*



2026

*The Greens won younger, urban
areas while Reform UK took
older, working-class wards*

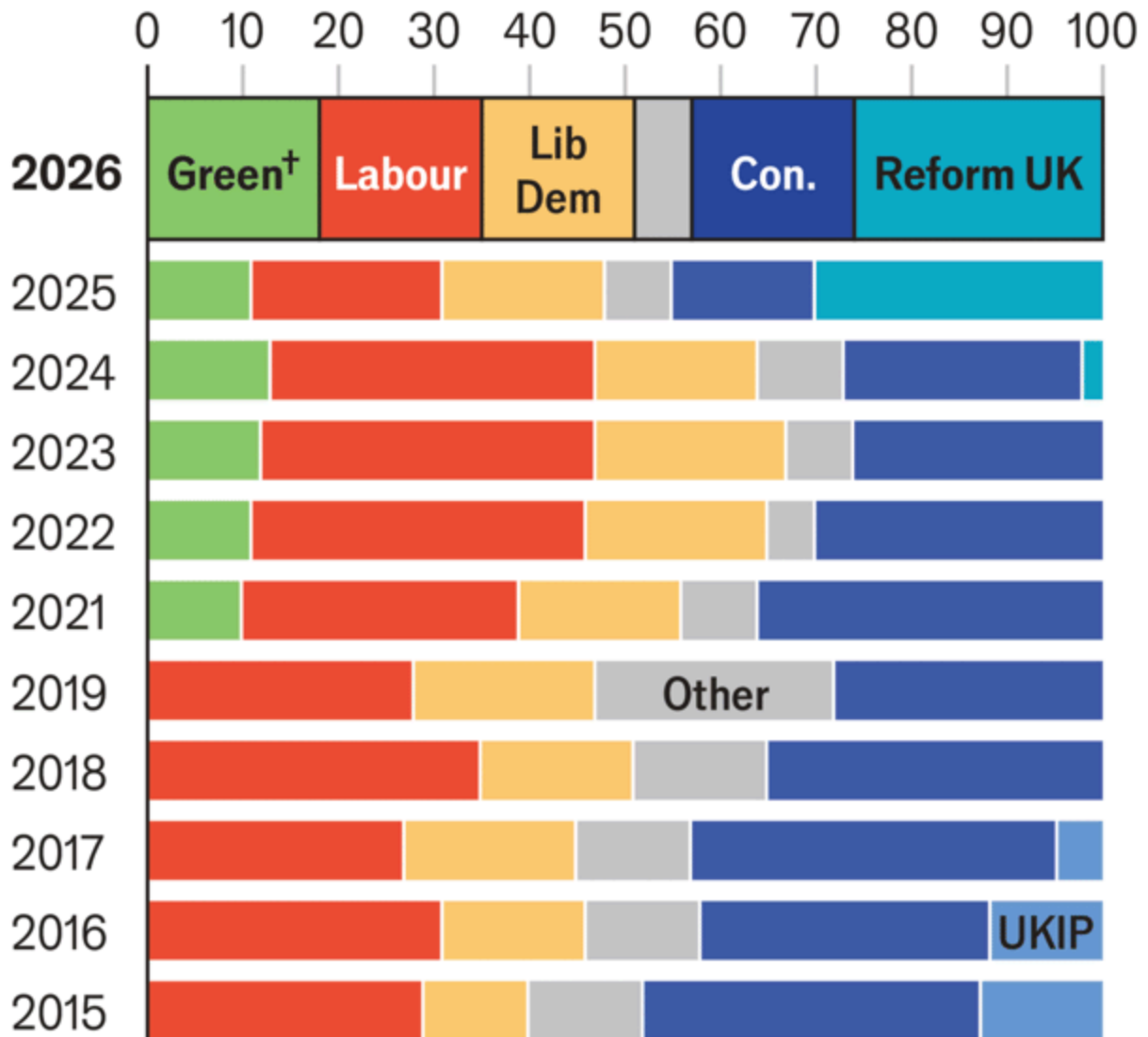


*Average result of 100 electoral wards closest to values
Sources: House of Commons Library; Census;
council election results; *The Economist*

Reform was the resounding winner of the local elections. The party gained more than 1,450 councillors and control of 14 councils (slowed only by the fact that many of them elected merely a third of their councillors this year). Nigel Farage's party defeated Labour in northern councils and ravaged the Tories in their rural county councils. The party won majorities in Essex and Suffolk and became the largest in Norfolk and East Sussex.

Even so, this was not a landslide. Political scientists estimate that if the local elections were held nationwide, Reform would win 26-27% of the vote—down from 30-31% last year (see chart 2). Indeed, the party fell short in its own terms. Earlier this year Mr Farage said the locals were an opportunity to destroy the Conservative Party. Instead, the Tory share of the vote rose compared with last year. Reform fell short in three of the four London boroughs it was targeting and was defeated in Wales, which Mr Farage previously called "Reform's top priority".

→ Projected nationwide vote shares based on local election results*, %



*No elections held in 2020 †Included in "other" until 2021

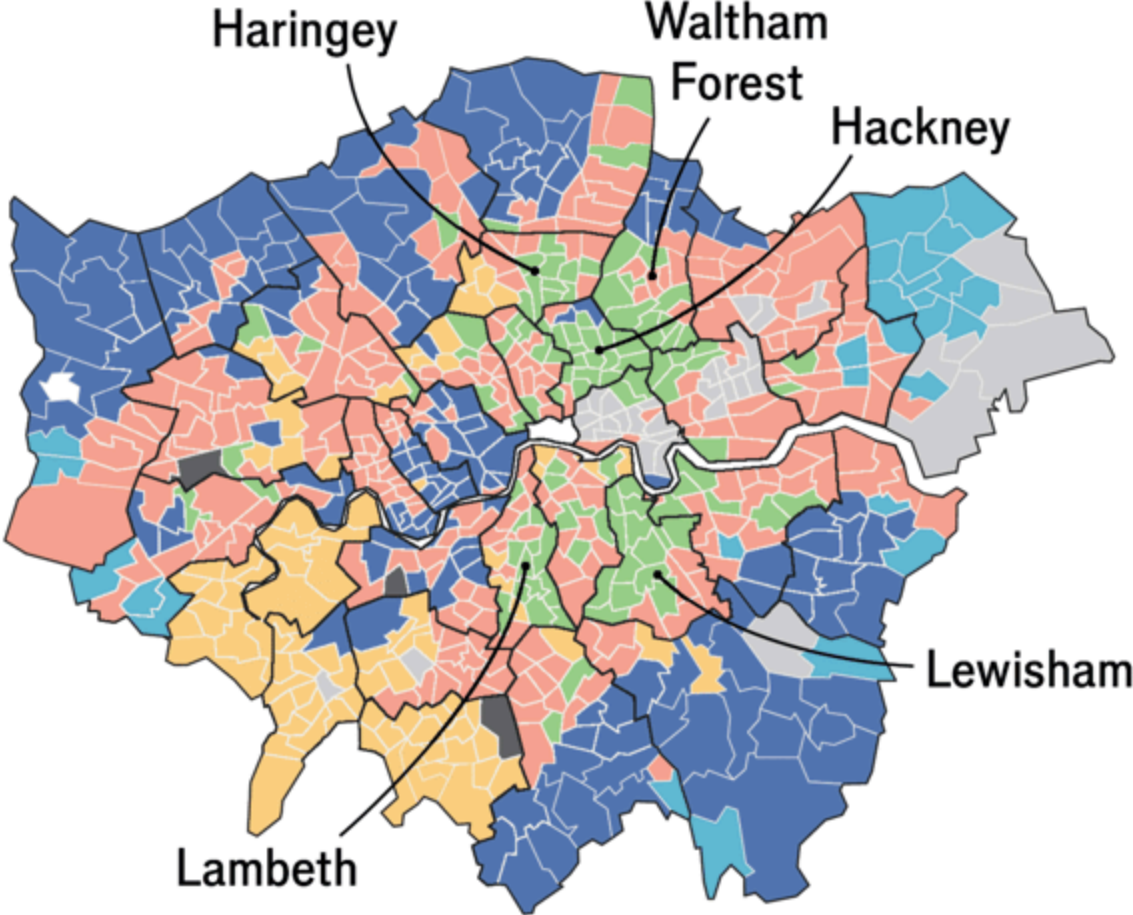
Source: BBC

The Green Party also made big gains. It won its first elected mayors in the vibrant inner-London boroughs of Hackney and Lewisham and took dozens of seats off Labour in student-y city centres in Leeds,

Manchester, Norwich, Oxford and Sheffield. The Greens are now the largest party in five of London's 32 boroughs (see map).

→ London, leading party in 2026 local elections

- Green
- Labour
- Liberal Democrats
- Conservative
- Reform UK
- Independent
- Other
- No election



Source: Council election results

The results reveal little not already known from opinion polls, but the reality of losing this many seats has spurred jittery Labour MPs into

action. The health secretary, Wes Streeting, is said to be collecting names to nominate him and trigger a leadership election. Andy Burnham, the mayor of Greater Manchester and another potential contender, claims to have a seat in Parliament ready for his return.

The risk is that the contest to succeed Sir Keir becomes a race to the bottom, spurred by the party's left-wing membership and misguided sentimentalism about its historical heartlands. Angela Rayner, another potential challenger and former deputy leader, on May 10th issued a statement calling on the party to double down on left-wing policies: raising the minimum wage, extending workers' rights and soaking the rich. The Tribune group of soft-left MPs published a pamphlet calling for wealth taxes and increased borrowing.

In reality Labour has not been rewarded for its left-wing initiatives. Abolishing the two-child limit on benefits was the right thing to do but there is no evidence that this or continuing to raise the minimum wage has helped Labour among low-income voters, who are leaving the party faster than high earners. The government's Renters' Rights Act has not stopped private renters switching to the Greens. Expansive workers' rights legislation has not prevented unions from mulling disaffiliation. And the government's recognition of Palestine has not swayed those who believe it is aiding a genocide.

This paints a bleak picture for the party, but there is case for optimism. It starts with taking a clear-eyed view of who Labour's voters are. They tend to be young, Remain-voting and educated. The fictionalised version of Labour's core voters (old, Leave-voting, white, working-class men in the north of England) left the party years ago. They won't be won back by redistributive class politics, nor by acting tough on immigration. Indeed, they won't be won back any time soon. Acknowledging that can be freeing. Labour's new base will reward it for governing competently, tackling the housing crunch, reforming the tax system and improving relations with the EU—creating the conditions for growth.

Things Can Only Get Better

Though the government is unpopular, it is not far from a vote share which would make it competitive in Britain's fragmented system. When pollsters at Ipsos separated Sir Keir from his party, 34% of Britons said they liked Labour—more than any other party. Its opponents are beatable.

This week it was revealed that Zack Polanski, the Greens' leader, failed to pay council tax on a property. Two weeks ago a reckless repost prompted a rebuke by the Metropolitan Police. And he'll continue to be dogged by the story of his hypnotherapy breast-enlargement scheme. The Greens are here to stay but are unlikely to displace Labour in the foreseeable future. Meanwhile Reform may fall victim to hubris. Votes had scarcely been counted when the party had to disavow a newly elected councillor, for racist comments. And Mr Farage is not becoming more moderate. Around 65% of voters have an unfavourable view of him and 47% think his party is racist. Many are willing to vote tactically. As Reform found in Wales, a consolidated centre-left can defeat it.

Sir Keir or his successor will face serious challenges, not least Britain's fragile fiscal position, its turbulent relationship with America and the country's exposure to cost-of-living shocks. But there is still life in the Labour Party.■

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Tommy Robinson

How Tommy Robinson, far-right influencer, shaped views on Britain

His world is closer than you might think

5月 14, 2026 11:24 上午



LIVESTREAMING FROM the passenger seat of a car in San Diego, Stephen Yaxley-Lennon, better known as Tommy Robinson, breathlessly described the past year. Twelve months ago he was in solitary confinement, having been found in contempt of court for repeatedly libelling a Syrian schoolboy. In September, he claimed, he brought 1m people onto the streets of London for a rally (police say it was 150,000), beaming in a speech by the world's richest man,

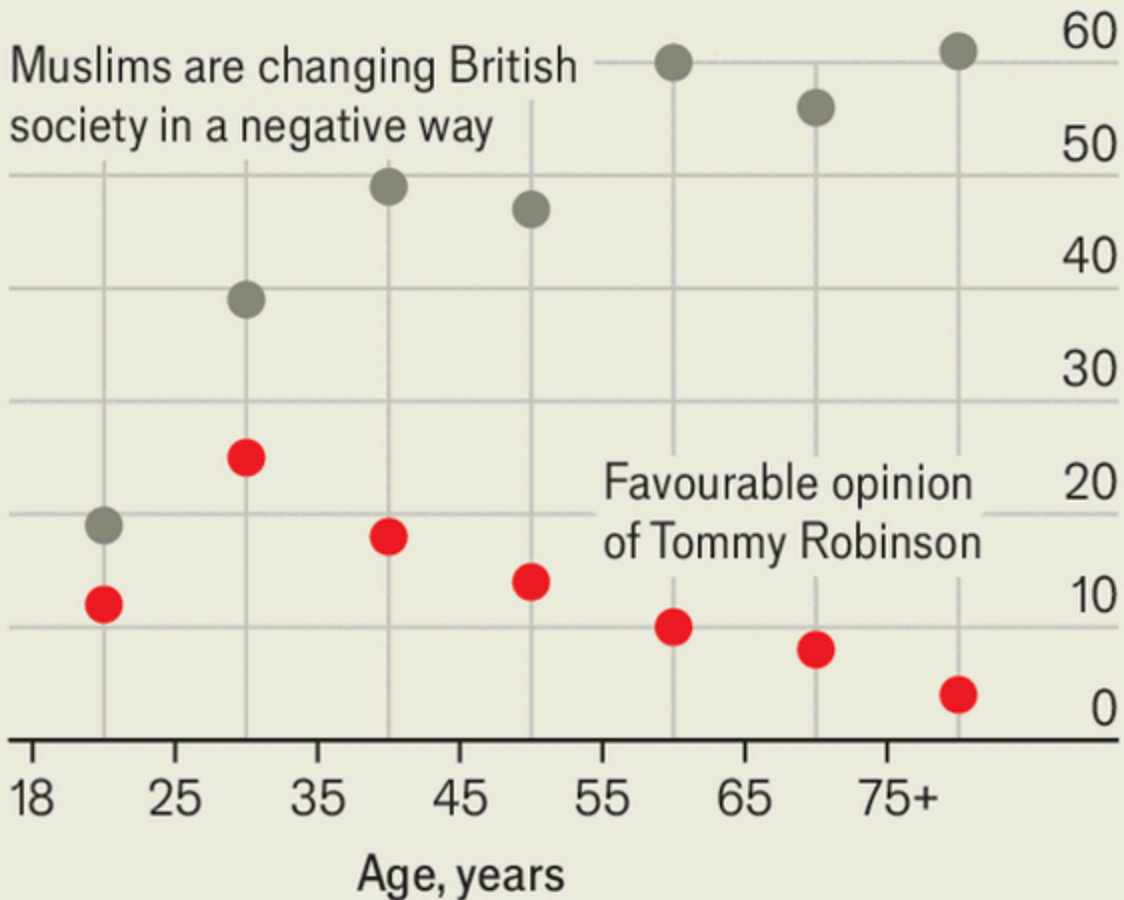
Elon Musk. Despite criminal convictions he was allowed into America, visiting the State Department, which had given him a waiver, hobnobbing with congressmen and touring podcasts to warn that radical Islam was changing Britain. On May 16th he will be back home to hold "the biggest patriotic gathering [the] country has ever seen".

Mainstream politicians shun him and commentators dismiss him as "marginal". He is too toxic even for Nigel Farage, the right-wing populist who leads Reform UK. A survey for *The Economist* by More in Common suggested that only 14% of Britons have a positive view of Mr Robinson (though YouGov, another pollster, finds that 29% of British men like him, up from 9% in 2021). He is brazen about his bigotry, posting messages implying that Muslims poison dogs in parks, and is accused of grift: during his libel case he admitted losing £100,000 (\$136,000) gambling while collecting donations from supporters (though Mr Robinson insists that the money came from a property sale and donations never go to him personally).

Yet in many ways it is irrelevant what the mainstream thinks. Backed by rich American donors, for over a decade Mr Robinson has sold a distorted vision of Britain that has gone global: the cautionary tale of a nation overrun by "Islamic invaders" (Muslims are 6.5% of the population in England and Wales, roughly double the 2001 rate), its people silenced by a woke liberal elite. Efforts to deplatform him have backfired. Steve Bannon, Donald Trump's former strategist, has called him the "backbone" of Britain. Mr Musk pays his legal fees.

Ideas and the man

Britain, April 2026, % responding



Source: More in Common

At home Mr Robinson has what politicians would die for: better name recognition than almost any cabinet minister, and the ability to mobilise supporters. His rally in September was the largest organised by the far-right in British history. According to More in Common, some 48% of Britons believe the Muslim population is changing society in mostly negative ways, suggesting that even if the public don't like him many agree with some of his ideas (see chart).

Mr Robinson is a case study of how political influence is changing. For a long time the idea of Britain as the place that once stood alone against fascism seemed an insurmountable obstacle to the far right. After the second world war protesters heckled Oswald Mosley, who had led the British Union of Fascists, as the "senile Führer". The British National Party failed to make an electoral dent in the 2010s. In 2009 Mr Robinson co-founded the English Defence League (EDL), a football-hooligan-inspired street movement with the slogan "not racist, not violent, just no longer silent", only for it to fail when it was infiltrated by neo-Nazis.

Then he found a new way to cut through. In 2017 he got a job making videos for Rebel Media, a far-right Canadian news site, rebranding himself as a "citizen journalist". Today two-thirds of people around the world consume social videos for news.

His dispatches soon went viral: bellicose broadcasts from the scene of a terrorist attack in London, an anti-migrant protest in east Germany, a scuffle with a migrant in Rome. One of his early backers was Robert Shillman, a right-wing American tech mogul whose other beneficiaries include Laura Loomer, a conspiracy theorist close to Mr Trump; Geert Wilders, a populist-right Dutch politician; and Charlie Kirk, a conservative activist who was assassinated last year.

Mr Robinson combined his transatlantic connections with a new identity: free-speech martyr. Last year America's vice-president, J.D. Vance, shocked allies when he suggested that the demise of free speech in Europe, and especially Britain, was a bigger threat than Russia. Yet the issue had first attracted MAGA attention in 2018, when a judge jailed Mr Robinson for disrupting a trial involving the grooming of white British girls by Asian men.

Sam Brownback, then the American ambassador for religious freedom, raised concerns about his case with the British ambassador; Tucker Carlson proclaimed that Britain had become a "shadow of the nation that gave us freedom of speech". Some 40%

of the millions of tweets bearing the hashtag #FreeTommy came from America. The conspiracy theorist Alex Jones, who funded his libellous documentary about the Syrian school boy, would later describe him as one of the world's "most famous political prisoner[s]".

The biggest amplifier of all arrived when Mr Musk bought Twitter, rebranding it as X in 2023. He restored Mr Robinson's account and spread his message to a vast new audience. When an immigrant killed a British dog walker, Mr Musk compared the native English to the hobbits of Tolkien's shires, and warned that they would "surely all die" without "hard men" like Mr Robinson to defend them. Over the new year in 2024-25, Mr Musk posted nearly 200 times about grooming gangs, claiming that Mr Robinson had been jailed for "telling the truth" about them.

The establishment is partly to blame for Mr Robinson's success. Surveys by Ipsos show that out of a list of issues, people in England and Wales feel most obliged to self-censor on transgender issues, race, religious extremism and immigration. Authorities have ignored evidence of systematic child abuse in several English towns out of fear of appearing racist, and continue to dodge questions about perpetrators' ethnicity by failing to record it in crime statistics. Research by the Reuters Institute at the University of Oxford found that working-class Brits often feel misrepresented by the news (only 12% of journalists are from a working-class background like Mr Robinson's). Trust in the government and the media are at or near record lows, creating a vacuum for Mr Robinson to fill.

Like Reform, he has benefited from other "considerable unforced errors" by politicians, notes Daniel Trilling, author of "If We Tolerate This", a book about the far right. Net migration peaked after Britons had voted for Brexit; the economy remains stagnant. According to Gallup, no other western European country saw a greater fall in satisfaction with public services and infrastructure between 2011 and 2023.

Into this fertile ground, enter social media. Olivia Brown of the University of Bath notes that around 10% of users create about 97% of political content on social-media platforms: a “funhouse mirror” of public opinion, reflecting real attitudes in exaggerated, contorted form. In a recent paper Dr Brown and Ed Harrison show how Reform, which dismissed mass deportations as a “political impossibility” in 2024, shifted its position within a year. An argument first made by far-right accounts travelled through adjacent networks and into the accounts of more moderate conservative influencers. X functioned as an engine for pushing the Overton window of acceptable policy.

Mr Robinson’s influence is greatest when his audience is already primed for outrage. After an attacker stabbed and killed girls at a Taylor Swift-themed dance class in Southport, Mr Robinson tweeted incessantly from Cyprus—“Stoking Race Riots from his Sunbed”, as a *Daily Mail* front page put it. While Mr Farage mostly kept quiet, in one weekend 268 posts from Mr Robinson racked up 160m views. On Telegram, another social-media app, he posted messages like: “What will it take for you to be angry enough to do something about this?” Though he denies inciting the riots, and says he called for them to stop, protesters marched through the streets singing his name.

There are limits to Mr Robinson’s reach. The MAGA media ecosystem which nourishes him is fracturing. And though Mr Farage and Mr Robinson need one another—the former to make his views look moderate, the latter to mainstream his—there are signs that Mr Robinson’s indirect influence over Reform harms it. He has a positive approval rating with people who voted Reform in 2024 but a negative one with new voters, who have put the party top of the polls. He remains electoral poison.

Mr Robinson knows this. Instead of standing for office, he speaks of using “culture and identity” to draw the disillusioned into politics. On May 16th organisers hope for more families than hooligans: “No

masks, no excessive alcohol, be peaceful and respectful,” warns a flyer. He hopes that politicians will pick up his ideas. When Mr Farage talks of “two-tier policing”, the notion that white Britons are policed more harshly than minorities, he is echoing language first used by Mr Robinson’s relative and EDL co-founder Kevin Carroll. When Robert Jenrick, a Tory who has since defected to Reform, filmed a foray into a migrant camp in France, his could have been one of Mr Robinson’s old clips. Last May, a centre-left prime minister spoke of an “island of strangers”. Mr Robinson’s world is closer than you think.■

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Machinations

Anatomy of a coup against Keir

Labour's lefty members could soon be the most important voters in the country

5月 14, 2026 11:25 上午



What would Tony do?

THE LABOUR PARTY rule book is required reading for political journalists. At times of turmoil, the PDF racks up thousands of clicks. As nearly 100 of Sir Keir Starmer's MPs turn against him, the manual is being pored over again.

The document explains that any potential challenger to Sir Keir needs to secure the nominations of 81 MPs (one-fifth of the

parliamentary party) to trigger a leadership election. If the prime minister chose to fight, he would automatically be nominated. If he resigns, potential candidates would additionally require the backing of 5% of local Labour Party branches or three affiliated organisations (including two trade unions). If only one candidate is nominated, they would become leader by default, like Gordon Brown in 2007.

The nomination process makes it impossible for the hard-left, Corbynite wing of the party to field a candidate. The Socialist Campaign Group, which represents it in Parliament, has just 24 MPs. Instead, leadership candidates would probably come from the party's soft left (including figures such as Angela Rayner and Ed Miliband), centre-left (Yvette Cooper, John Healey) or centrist factions (Wes Streeting, Pat McFadden). The process makes it hard for more than three candidates to get on the ballot.

If an election is triggered, Labour members—fewer than 250,000 of them—would be able to pick the next prime minister. Recent leadership contests have taken months but none has taken place while Labour is in government.

So who are those Labour members? Polling published after the general election of 2024 suggests they are disproportionately male (57%), old (72% over the age of 50) and middle-class (72%). They are eye-wateringly left-wing (though the left-most members may have departed). Almost nine in ten say taxes and public spending should be increased, compared with six in ten Labour voters. They tend to be pro-immigration.

The peculiarities of the group mean polls should be taken with a pinch of salt. Those that exist suggest members most favour Andy Burnham, the mayor of Greater Manchester. But he is not an MP. A different section of the rule book deals with the procedural rigmarole he would need to navigate to become one.

Whoever the candidates are, Labour's rules could put the final decision in the hands of an unrepresentative body of left-wing anoraks. The public would—fairly—feel they deserve a say. Though none is required, the demand for a general election could become intense. ■

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Gilt trip

Bond-market lessons for Labour's leadership hopefuls

The gilt market cannot be tamed, only respected

5月 14, 2026 11:25 上午



LABOUR'S DRUBBING in the local elections on May 7th has started two crucial contests. The first, [to replace Sir Keir Starmer as prime minister](#), is already getting messy. The second, between leadership hopefuls and the bond market, could get ugly. Andy Burnham, one would-be prime minister, has moaned about Britain being "in hock to the bond markets". One MP supporting Mr Burnham said the bond markets would "have to fall in line" if he were elected. Investors in gilts (British government bonds) have hit back. For ten-year gilts the

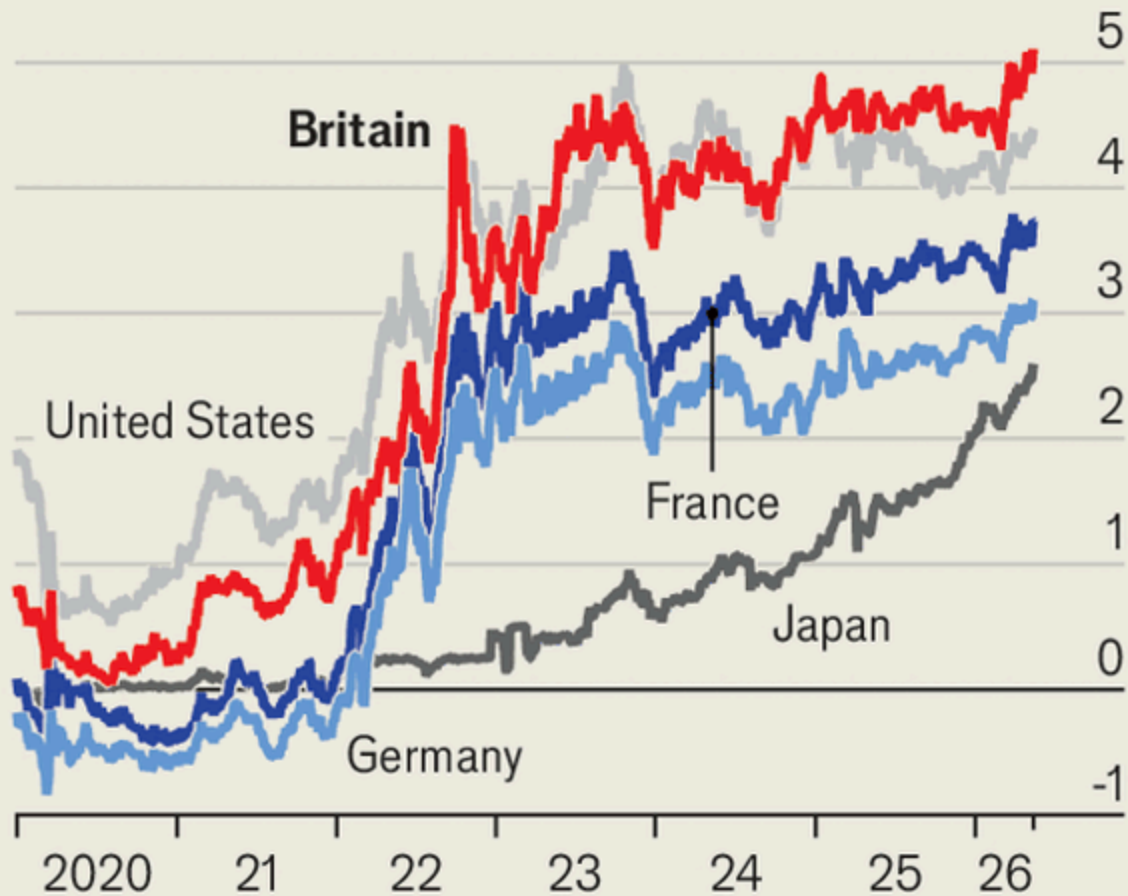
yield (the rate the government pays to borrow) rose by nearly 0.2 percentage points on May 11th-12th alone.

Many Labour politicians see the gilt market as a bully that will back down if you stand up to it. In reality, the government spends more than it taxes and must persuade investors to fund the gap. Those investors ask two questions: how risky is British government debt? And, adjusting for that risk, can they get a better return elsewhere? The answers are largely determined by global forces or structural problems with the British economy that cannot be magicked away. No leadership hopeful can fully shake off the gilt market's whims. But fiscal incontinence makes matters worse; avoiding it is the best way to escape the market's wrath.

Paying the price

1

Ten-year government-bond yields, %



Source: LSEG Workspace

Since the Iran war began yields on ten-year gilts have leapt from 4.2% to a high of 5.2% in late April. This trajectory is a global phenomenon; sharply rising energy prices are increasing inflation everywhere. Markets expect central banks will need to raise interest rates to bring price rises back to target. But Britain is unusual in how badly it has been damaged. The country's yields, [already the highest](#) in the G7 group of large rich countries, have seen the biggest jump since the Iran war began—double that of Germany (see chart 1).

Britain's expensive debt is partly caused by exposure to inflation and high energy costs. In the years before the Iran conflict high prices had proved stickier in Britain than elsewhere. As late as February annual inflation was 3% (against 1.9% in the euro zone). Combine this with Britain's over-reliance on gas imports, and investors have been persuaded that Britain faces a uniquely virulent bout of inflation.

Then there is the term premium, the extra compensation that investors demand for holding longer-dated debt. Analysis by Goldman Sachs, a bank, suggests that the ten-year term premium in Britain has risen by over two percentage points since 2022, compared with around one point for the European Union over the same period (see chart 2).

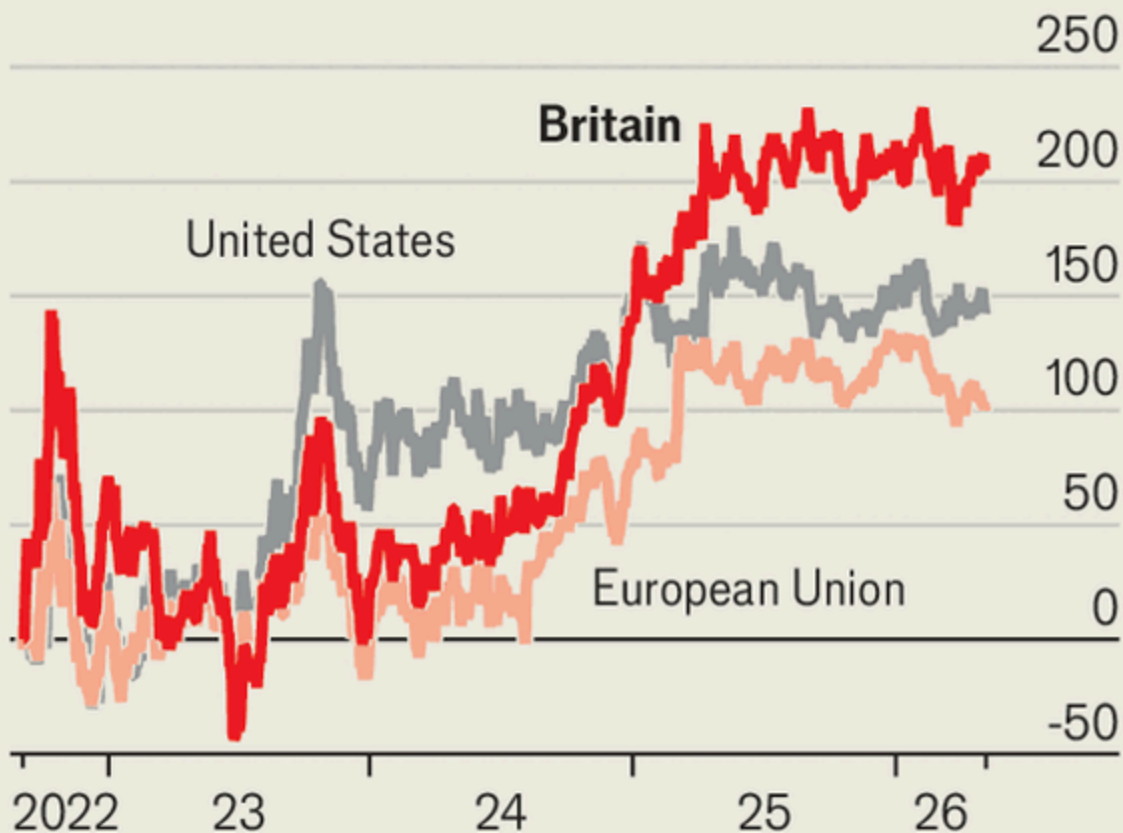
Loss of Truss

Poor fiscal choices by consecutive governments contributed to this. Under the Tories, Liz Truss's unfunded tax cuts in 2022 gave bond traders the jitters; so did Labour's promises at the last general election not to raise taxes on "[working people](#)". Even today the government's plan to get the deficit down to 2% of GDP by 2029-30 relies on future tax rises that few expect it to enact. Still, Britain's higher-term premium cannot be explained by government profligacy alone: France and America both have worse government deficits and debt levels, yet can borrow at cheaper rates.

Worst of British

2

Change in ten-year term-premium on government bonds since September 2022, basis points



Source: Goldman Sachs

An alternative explanation rests on the changing structure of the gilt market. Sturdy domestic pension funds, once the bedrock of gilt demand, have bought fewer bonds in recent years. Their place has been taken by overseas investors, who are quicker to flee when risk rises. The Bank of England has added to the pressure by continuing to sell off the gilts it accumulated during years of quantitative easing. The Federal Reserve has paused its equivalent programme. With a glut of sellers and fickle buyers, the gilt market has become particularly quick to price in risk.

David Aikman, the head of NIESR, an economic think-tank, suggests a further reason: Britain is unusual among rich countries in paying a true “market-clearing rate” for its debt. Investors in Spanish and Italian bonds accept lower yields, expecting that the European Central Bank (ECB) will cap them if they rise too far (as it did in 2022). By suppressing price signals the ECB is storing up problems down the line. But this points to a wider truth. The ECB and its German backers provide protection to euro-zone bond markets in troubled times; America can rely on vast demand for Treasuries as the world’s safe asset. Britain, by contrast, stands alone. That warrants a higher risk premium.

A prime minister cannot fix most of Britain’s gilt-market woes in the short term. They cannot quickly halve Britain’s debt or end its dependence on energy imports. Erasing perceptions of Britain as inflation-prone will take years. And, short of joining the euro, Britain will never benefit from belonging to a currency bloc.

But the government can provide some relief by demonstrating fiscal credibility. Uncertainty about the identity and policies of Britain’s next prime minister have already pushed yields higher in recent days. If candidates go further by suggesting large increases to borrowing—Mr Burnham has intimated support for carving defence spending out of any fiscal rules—investors will take fright.

A jumpy bond market is not some abstract risk. The Institute for Fiscal Studies, another think-tank, reckons that if current yields were pencilled into fiscal forecasts at the next budget, debt-servicing costs in 2029-30 would be roughly £7bn more than thought in March. That’s the equivalent of a penny on income tax. With credible tax and spending plans aspiring prime ministers can set Britain on a path to reducing its bond-market exposure in the long term. If they don’t, as Ms Truss found out in 2022, the gilt market will have no choice but to impose fiscal prudence on them. ■

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Bagehot

Labour has turned into the Conservative Party

Sir Keir has become what he once deplored

5月 14, 2026 11:24 上午



SIR KEIR STARMER was elected in exasperation. After 14 years of Conservative rule, which ended in chaotic incompetence, he was able to win a jaw-dropping majority simply by setting himself up as the antithesis of what went before. Sir Keir huffed for Britain; he tutted for the nation. He was not much. But, crucially, he was not the Conservatives.

Now, alas, it appears he is. If Sir Keir's government resembles anything, it is recent Conservative ones, which were marked by feral

MPs, an inability to distinguish between narrow interest and the national interest, and a carousel of prime ministers that turned both them and the country into a joke. Under Sir Keir, Labour has morphed into what he once deplored.

It was Conservative MPs who began the trend of dumping prime ministers in a fit of pique. They romped through three in two months in 2022. Of their five prime ministers since 2010, only one lasted much longer than three years. Not one converted a majority at a general election into a whole term in office. Labour MPs have followed this Tory fashion. Just under 100 have called on Sir Keir to go. Barely two years after Sir Keir won a stonking majority at a general election, over half of the House of Commons wants him out. Only a mixture of tactical ineptitude and cowardice by his potential successors keeps Sir Keir in place, for now.

Is this good for Britain? No. But party interest comes first in this era. Such selfishness was once a Tory trait. David Cameron embarked on the Brexit referendum not because it was good for Britain but because it was a useful way to appease rebellious backbenchers and protect his right flank. Tories knew Boris Johnson was not up to the job, but gave it to him because it would help their immediate electoral prospects, rather than the country. It was, as Sir Keir called it, "Party first, country second."

A Tory vice has become a Labour one. In the Labour Party, questions of state are now viewed entirely through the prism of the party. Why not rejoin the EU to help our chances of retaking Lambeth council? Would a break with Donald Trump reassure wavering voters in Gorton and Denton? How would members think about, say, Wes Streeting as leader?

But then why wouldn't MPs consider party members? Under the Tories, a strange revolution took place in British politics, whereby party members directly pick the prime minister, turning the job into a *de facto* presidency with an electorate made up only of those who

paid the £25 (\$34) it cost to join the Conservative and Unionist Party. The first example was Mr Johnson; the next was Liz Truss. When Sir Keir leaves, the third British president will come from Labour's ranks. The only thing that has changed under Labour is the price: picking a president now costs £74.

And so Labour will turn further inward, as the Tories did. Questions of competence come second to whether a leader can swing the membership—the retired librarians and trade unionists—who make up the party's rank and file. What should be a national debate becomes a family affair. Small differences between Labour factions turn into ideological schisms; milquetoast policy is dressed up as [bond-market-defying radicalism](#) to placate people who own all 11 volumes of Tony Benn's diaries. Elected representatives end up guessing what fee-paying members would bear, shifting Britain from a democracy to a selectocracy.

Even if this coup fails, [Sir Keir's authority is shot](#). The sight of a lame-duck prime minister limping on became familiar in the Tory years. "Prime ministers always take longer to die than people think," said one former Conservative cabinet minister. Ms Truss's swift execution was an exception, rather than a rule. During her three years in power, Theresa May spent more time dead than alive. Mr Johnson endured the best part of six months in a terminal condition, staving off a confidence vote a month before his demise. Good governance goes out the window in that period. The opportunity cost is immense.

Of all the sins of the Conservatives, it was this tendency to ignore problems for years that most angered Sir Keir. He even had a forgettable phrase for it: "sticking-plaster politics". It aptly describes Sir Keir's own efforts. Social care has been hoofed into touch, the subject of another interminable review. Welfare reform has been similarly ignored. Such problems will not be solved if Labour engages in an internal blood feud.

Labour MPs were feral enough before they brought their contempt for their leader into the open. However they dress it up, their motivation is simple. Why wouldn't the MP for North West Cambridgeshire try to boot the prime minister out when the party is polling at 19% and on track to win as few as 18 seats? "They're always up for the fight to save their own skin," said Sir Keir in 2023 of Tory MPs. So it is in Labour in 2026.

If you gaze long into an abyss

Those on the right like to dub the Conservatives and Labour "the uniparty", suggesting there is little between them in policy. That is wrong. But when it comes to their manner, Labour and the Conservatives are now alike. Compared with the wild promises of fringe parties, all the centre can offer is competence: that voting for a fringe party, whether Reform UK or the Greens, risks chaos.

Sir Keir knew this and exploited it in opposition, lamenting the chaos of Tory rule. Yet in office he has governed in a manner he professed to detest. Governments that do the opposite of what they promised are punished. The Conservatives learned this in 2024, when they suffered an epochal defeat. The Conservatives promised a land of low tax and low immigration and when they delivered the opposite, voters delivered their verdict. Sir Keir's government promised little other than stability. It has failed. Voters are exacting the same price. ■

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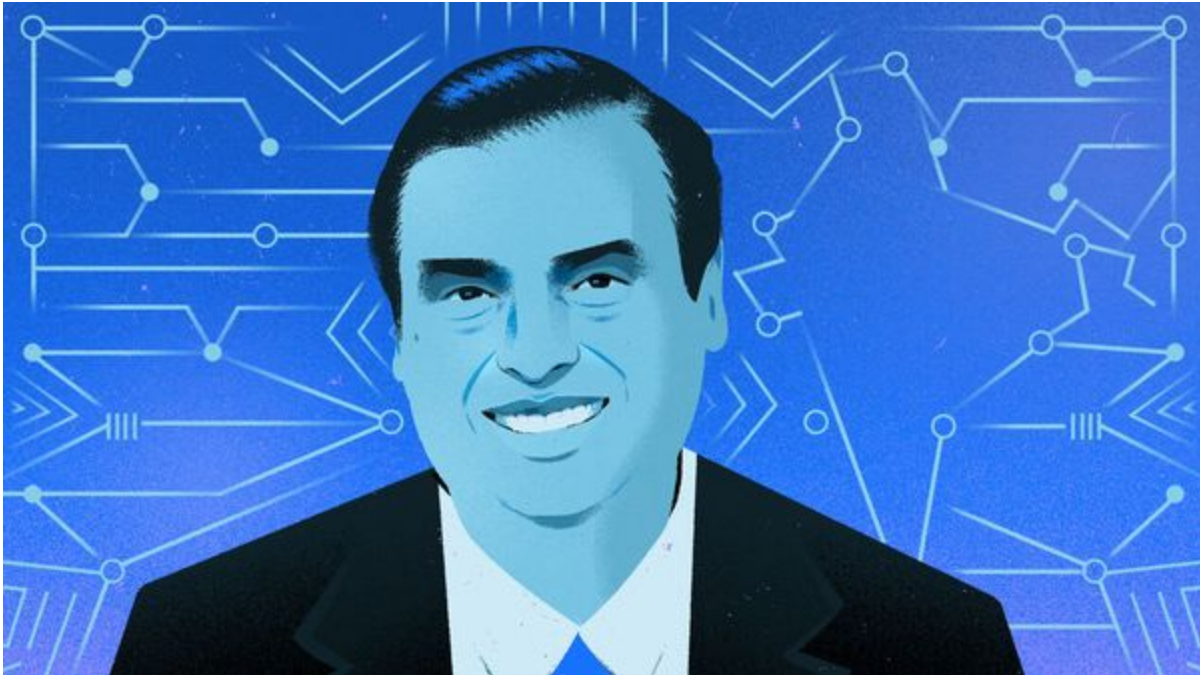
Schumpeter :: The result is increasingly unsettling

Indian business

Can Mukesh Ambani pull off his biggest gamble yet?

The boss of Reliance wants to transform his conglomerate into a tech giant

5月 14, 2026 11:25 上午 | Mumbai



IN THE COMING months Reliance Industries, an Indian corporate colossus, will spin off Jio Platforms, its telecoms arm, in what is set to be the largest initial public offering in its country's history. The flotation, expected to value Jio at \$130bn-150bn and raise around \$3.5bn, comes after a decade of huge, capital-intensive bets that have turned Reliance from an oil-and-chemicals company into a business empire woven into much of life in India.

Even by the standards of the country's sprawling conglomerates, it is immense. Only the Tata Group, made up of a network of 26 listed businesses, is more valuable. Reliance, which is worth some \$200bn, runs the world's biggest oil refinery, with roughly 1.5% of global processing capacity. It also accounts for around a third of India's natural-gas production. Jio, in which it will maintain a majority stake, is the world's second-biggest mobile operator, measured by number of users, and runs the second-biggest streaming platform as well. Reliance's retail business, which spans formats from neighbourhood grocery shops to large stores peddling clothes and gadgets, is among the world's five biggest by store count and the largest in its home country.

But Mukesh Ambani, the conglomerate's boss, is not done yet. Already he is onto his next big gamble, this time on artificial intelligence, with enormous investments planned both in infrastructure and software. Meanwhile, investors are beginning to ask what happens after Mr Ambani, who is 69, steps aside. Whether he pulls off the next transformation of Reliance will matter not just to the company's shareholders, but to India's economy too.

It would not be Reliance's first reinvention. Founded in Mumbai in the 1950s by Dhirubhai Ambani, Mukesh's father, it began as a small commodities trader, dealing first in spices and polyester yarn before opening a textile mill. Over the following decades it moved into petrochemicals, refining and oil-and-gas production.

Mr Ambani, who took over in 2002 after his father's sudden death, has developed his own distinctive method for entering new markets: spend lavishly to build first-rate infrastructure, subsidise costs to acquire customers and sit on losses while rivals bleed. When it launched Jio in 2016, India's mobile industry was fragmented, with more than ten operators. Smartphones were not yet widespread, data was expensive and most users relied on voice services. Jio upended the market by offering free data for months and sharply

lower prices thereafter. It also bundled in live television, films, music and cloud storage at little or no extra cost.

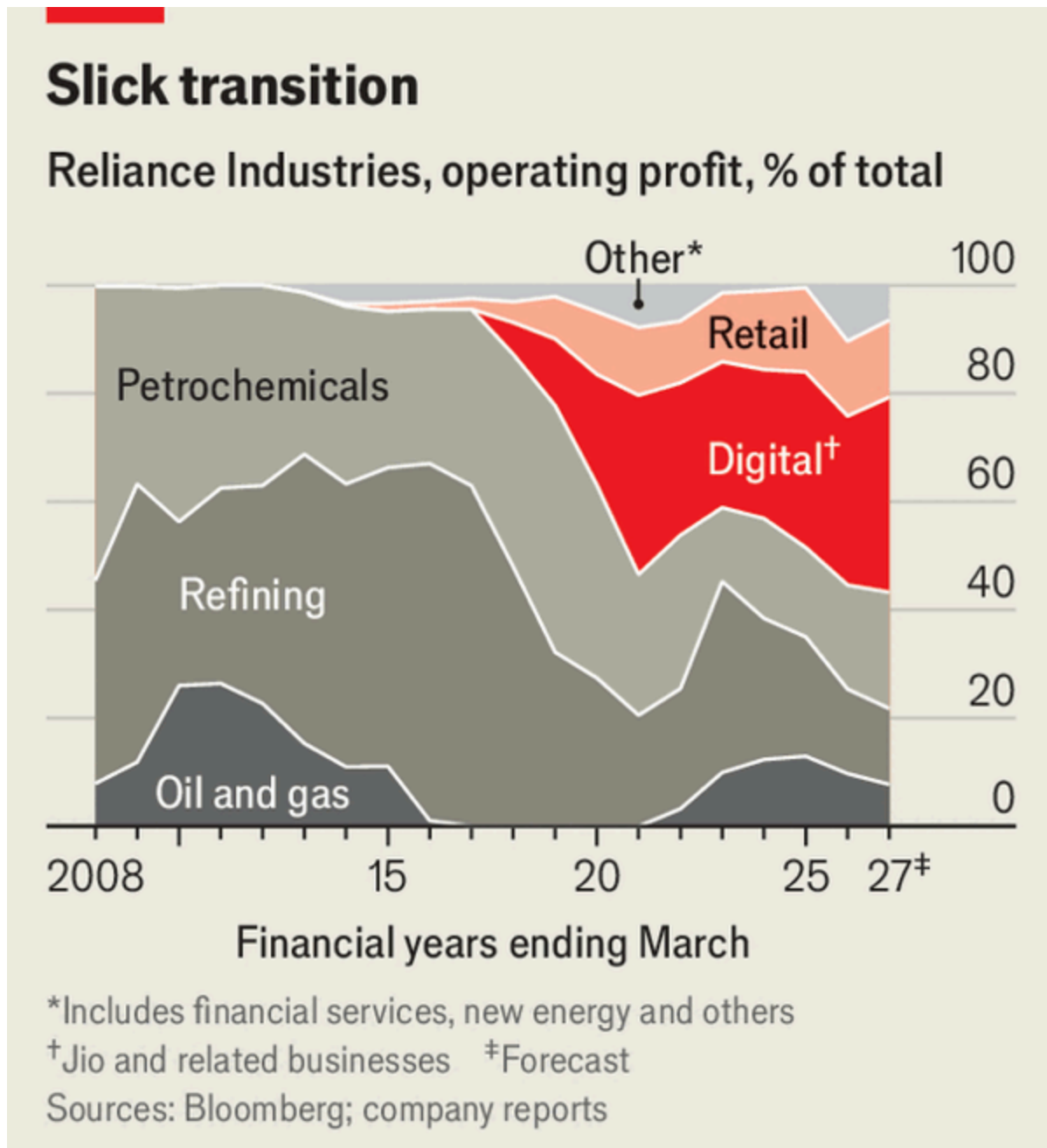
The result was a bloodbath. Bernstein, a broker, estimates that mobile-data prices in India fell by 95% between 2016 and 2019. By then the industry had shrunk to three main providers and Jio's subscriber base had surged from nothing to more than 370m. Since Jio's launch, Reliance has poured more than \$50bn into telecoms infrastructure. It now commands over 45% of the market.

Mr Ambani took a similar approach to retail. Although the conglomerate began dabbling in the industry in 2006, its efforts began in earnest in the years after its entry into the telecoms business. Since March 2017 Reliance has spent more than \$21bn building a nationwide network of stores, increasing their number roughly six-fold, to over 19,000. In 2020 it sold a stake in the retail division to investors, including General Atlantic, an American venture-capital firm, and Saudi Arabia's Public Investment Fund, a sovereign-wealth vehicle.

Since 2021 Reliance has also been building a renewable-energy business. In Jamnagar, a city in the western state of Gujarat, the group is building "gigafactories" to make solar panels, batteries, green-hydrogen equipment and more. The output will supply a solar park in an arid tract north of Jamnagar that stretches over 550,000 acres, roughly three times the size of Singapore. Reliance has already pledged to invest around \$10bn of capital in clean energy. That may prove to be only the start: India remains hungry for power and is reliant on fossil fuels.

Mr Ambani's willingness to place capital-intensive bets has reshaped the group. A decade ago oil-and-gas production, refining and petrochemicals accounted for nearly all Reliance's operating profit; they now make up less than half (see chart). Huge investments mean that the group's return on capital is modest, at less than 8% a year over the past decade, well below its cost of capital. Yet

investors have been indulgent. As one fund manager puts it, most would rather see Mr Ambani reinvest the cash than return it.



Their confidence is now being tested by Reliance's biggest bet yet: this time on AI. Mr Ambani's conglomerate has been edging into the field over the past few years; in September 2023, for example, it unveiled a partnership with Nvidia, a chip titan, to build an AI model trained on Indian languages. But the effort has been gathering pace

since last August, with the launch of Reliance Intelligence, an AI-focused subsidiary. Meta, an American social-media giant, took a stake of roughly one-third in the business in December.

In February Reliance announced that it would splurge \$110bn on data centres over the next seven years. In Jamnagar it is already in the process of building one that it says will eventually have a capacity of several gigawatts; 120 megawatts are due to come online later this year.

Reliance's ambition is to make AI cheap and accessible for India's masses, just as Jio did with mobile data. A partnership with Google gives eligible Jio subscribers 18 months of the American search giant's premium AI plan at no cost. Reliance also hopes to sell AI tools to Indian businesses. As before, it is betting that scale comes first and profits later.

This time, however, may be harder. One reason is timing. The surge in oil prices caused by the war in the Gulf is a problem for Reliance's [refining](#) and petrochemicals businesses, which depend on imports of the fuel and remain important sources of cashflow for the group.

The deeper question is whether the conglomerate can become more than just an infrastructure provider in AI. Retail offers a cautionary tale. The group has been far more successful at rapidly building a store network than it has at developing shopping apps to compete with rivals, including India's booming [quick-commerce industry](#). Jio's success has likewise rested mostly on Reliance's ability to erect telecoms infrastructure quickly. (Its streaming operation owes its scale to a merger with Hotstar, previously owned by Disney, an American entertainment firm.)

Mr Ambani talks of transforming his conglomerate into a technology company. That vision is a long way off. A venture capitalist in Bangalore reckons it will struggle to attract top developers to its AI venture. The hierarchical management that suits refineries, retail

chains and telecoms operations may be less suitable for activities that depend on scarce talent and a tolerance for failure.

Ambani intelligence

The longer-term worry is what happens after Mr Ambani retires. His father's death resulted in a public feud between Mukesh and his brother, Anil, which split the empire in two. Anil's half—including a power utility, a financial-services business and an earlier telecoms operation—has floundered. This time Mukesh Ambani has been more careful. In 2023 he handed each of his children a domain: Akash was given telecoms, Isha retail and Anant renewable energy. Sougata Ray, a professor at the Indian School of Business, says that although a clear structure is in place, the real test will come only when Mr Ambani's children have to operate independently, without guidance from their father.

Despite its size, insiders say that Reliance's big decisions still pass through Mr Ambani. Whether his children share his knack for pulling off big bets remains unclear. Mr Ambani has also cultivated strong ties with India's politicians—a vital asset, and one that may not transfer to his offspring. For now, though, Mr Ambani is still in charge. And as long as he is, investors seem willing to believe that one more giant wager will pay off. ■

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Fed up

America faces another grocery-price shock

Higher energy costs will be felt unevenly across the food-supply chain

5月 14, 2026 11:25 上午 | Washington, DC



AMERICANS ARE not famous for their love of vegetables. The staples of American cuisine are starchy, cheesy and heavy on meat. One exception, though, sneaks into everything: the tomato. Slices are tucked into burgers; canned ones become pizza sauce; further processing turns them into ketchup. After potatoes, Americans eat more tomatoes than any other vegetable. Yet shoppers reaching for one at their grocery store may be experiencing a sense of déjà vu.

Tomato prices are almost 25% higher than they were a year ago. It is eggs all over again.

Tomato prices are rising partly for idiosyncratic reasons. Some 90% of America's imports of tomatoes come from Mexico. In the middle of 2025 President Donald Trump withdrew from the "Tomato Suspension Agreement"—a bilateral arrangement managing imports of Mexican tomatoes—and imposed a 17% levy on them. But prices may keep climbing. Tomatoes, like other fresh produce, require fertiliser, the price of which [has rocketed](#) since the war with Iran broke out. Fuel costs are also starting to bite. How bad could the rise in grocery prices get?

To understand how the energy shock will affect grocery bills, consider each step of the supply chain. Begin with [farmers](#), who rely on fossil fuels. Fertilisers, which typically use natural gas as a feedstock, account for as much as 40% of their input costs. Add to that the diesel needed to fuel their tractors. Producers of commodities like wheat and maize, however, have little control over their prices, which are determined by the balance of global supply and demand. Much of the expense for this year's growing season—rent, equipment, seeds and even some fertiliser purchases—would have already been incurred by the time the war began. The energy shock might force some farmers into the red this year, but many will still make more money by planting what seed they have, rather than letting it go to waste. That means crop supply may not change much this season. The effect on farm prices might therefore not be felt in full until next season, by when growers who suffered big losses this year may have packed it in.

Next in the grocery-supply chain is processing—at least for products like maize destined for cereal or cattle fated to become minced meat. Here markets tend to be more concentrated: there are just four major meatpacking firms and a handful of processed-food giants, among them Kraft and General Mills. Yet there are two reasons not to expect the energy shock to lead these companies to

raise prices significantly. The first is that they rely less on oil for energy and more on electricity and natural gas, the prices for which have risen much more slowly in America. The second is that processed-food producers jacked up prices during the post-pandemic wave of inflation, resulting in a loss of customers to new entrants and retailers' in-house brands. Meatpackers have also already had to pass on higher beef prices, the result of a cattle shortage following a drought.

At least for now, the biggest pressure on American grocery prices as a consequence of the Iran war may come from the next two stages of the supply chain: packaging and transport. A good deal of food packaging is made from plastic, which in turn is made from oil. Petrochemical feedstocks are now around two-fifths higher in price. Here the greatest impact will be seen not on the food shelves but in the home-care and beauty aisles, stacked with products packaged in thick plastic. Grocery-store shampoo prices were up by about 10% year on year at the end of March, according to NielsenIQ, a data provider.

Then there is transport, which accounts for a sixth of the food-supply chain's total energy consumption but perhaps as much as half of its requirement for oil. According to the Department of Agriculture, 80-90% of America's produce is transported on lorries. Costs are highest for foods like meat and dairy that must be kept refrigerated. With the price of diesel having soared, simply getting food onto store shelves has become materially more expensive.

Supermarkets, which tend to add only a small mark-up, usually pass on higher costs to shoppers. The result, then, is likely to be rising grocery bills, perhaps for some time. On May 12th data were released for April's consumer price index. The prices of fruit and vegetables climbed by 6% year on year, though—mercifully—those of dairy products and eggs did not rise any further. Still, as consumers are painfully aware, food prices are already a third higher than they were before the pandemic.

Mr Trump will look for anyone but himself to blame. It is hard to think of a force that turns people against incumbent politicians more than anxiety at the supermarket, something that the president, who campaigned on bringing grocery prices down, knows all too well. Already he is pointing the finger at fertiliser producers and meatpackers, both of which have been the subject of antitrust investigations by the Department of Justice. Americans may find it hard to stomach his excuses. ■

Editor's note (May 11th): Some readers have written to point out that tomatoes are fruit, not vegetables. In fact, they are both.

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Mythos and reality

The war between businesses and hackers enters a perilous new phase

AI agents present novel dangers

5月 14, 2026 11:24 上午 | LOS ANGELES



CYBER-SECURITY IN THE age of [artificial intelligence](#) in some ways resembles modern warfare. It is asymmetric: small bands of attackers armed with the latest technology can penetrate the most powerful defences. And the weaponry is increasingly autonomous. As Nikesch Arora, boss of Palo Alto Networks (PAN), a big cyber-security firm, puts it, "AI has to fight AI." The good guys do not always win.

In recent weeks Anthropic and OpenAI have unveiled AI models—[Mythos](#) Preview and 5.5-Cyber, respectively—so capable of penetrating weak spots in cyber-defences that the AI labs have released them only to trusted firms. But that is no guarantee of safety. New models are emerging all the time and hackers already use earlier varieties. Moreover, as Mr Arora says, it is not a fair fight. With AI, lone wolves can carry out attacks that used to require whole teams, and they have to be right just once to succeed. Defenders, by contrast, have to be right every time.

That is why cyber-security firms, as well as businesses at large, are scrambling to prepare for a wave of AI-powered cyber-crime. Within the industry, PAN and leading rivals such as CrowdStrike have formed alliances to try to make deployment of the latest models safer. Among their customers, the immediate reaction to models like Mythos and 5.5-Cyber was one of “panic and freak-out”, says Adam Meyers of CrowdStrike. But the models’ appearance was also a wake-up call. Assessments of cyber-readiness are moving from IT departments to C-suites and boardrooms. For the time being, these are more likely to be pessimistic than optimistic.

The worst news is that however tightly AI labs limit access to their most hazardous creations, criminals will catch up. Soon after Anthropic unveiled Mythos, OpenAI produced its own 5.5 series that, according to the British government’s AI Security Institute, may be even stronger. Many expect other model-makers, such as open-source or Chinese outfits, to quickly develop the long-term reasoning and other capabilities that make Mythos and 5.5-Cyber so effective. The genie is out of the bottle.

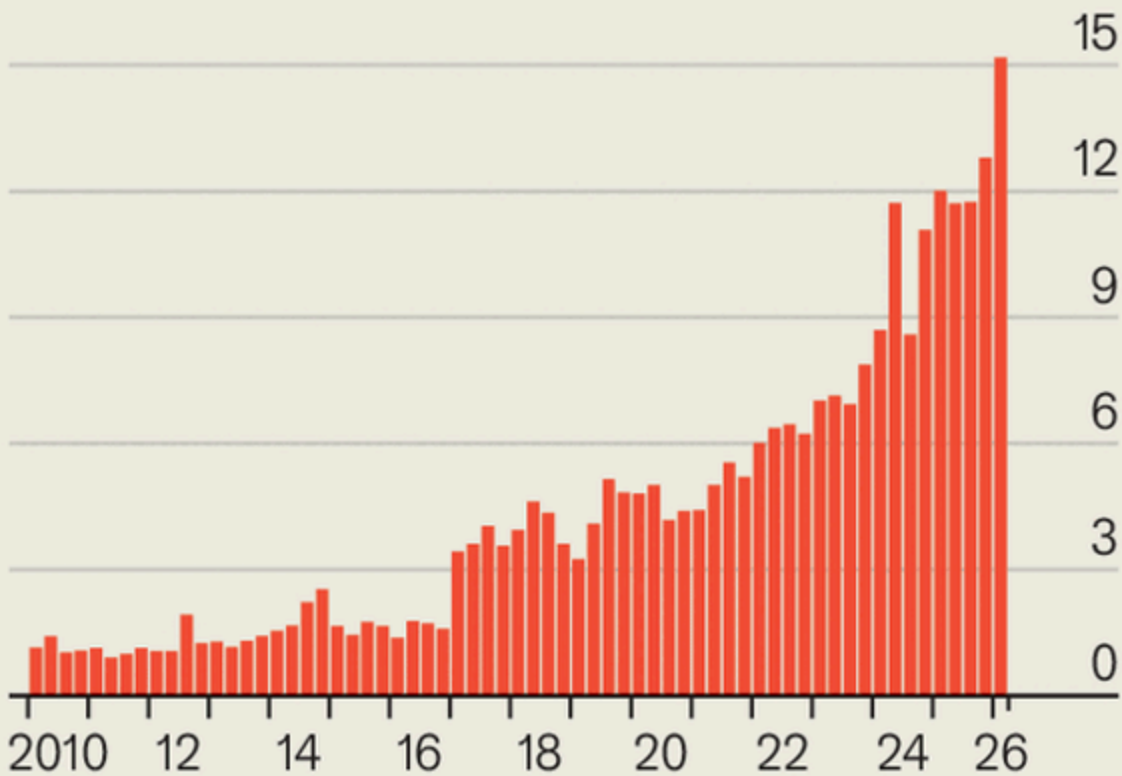
Even before the new models were released, older ones were enabling hackers to intrude faster and more frequently. CrowdStrike has said that AI-enhanced attacks rose by 89% in 2025 from the year before. PAN found that, equipped with AI, the fastest quartile of attackers were able to steal data from a software system they had

broken into in just over an hour last year, down from almost five in 2024. A typical firm may take days to detect a breach.

The rise of autonomous AI agents that can handle multiple tasks on their own further increases the risks. As Mr Arora says, hackers can use agentic tools to be even more menacing. And the more firms adopt agents for coding, customer service and so on, the bigger the area for hackers to attack. In anticipation of this, late last month PAN said it would acquire Portkey, a firm that helps manage and protect AI agents. Firms "are building more software than ever, so we are exposing ourselves more", says Jeremy D'Hoinne of Gartner, an IT consultancy.

Hackathon

Cyber-security vulnerabilities and exposures reported*, '000



*By around 500 organisations from more than 40 countries
Source: CVE Programme

Already companies are overstretched as they try to patch the bugs that AI tools are helping to reveal. Security flaws are tagged as "common vulnerabilities and exposures" (CVEs), which are made known either to the firms that make the software or to specialised organisations. The number of CVEs reported has been surging recently (see chart). Mr Meyers of CrowdStrike says some speculate that the annual figure could soon increase ten-fold, to 480,000, as more powerful AI models detect even more bugs. "The assumption is

that AI will find vulnerabilities faster than patches can be written,” says Erik Nost of Forrester, another consultancy.

The good news is that though AI is arming attackers, it is also aiding the defenders. Some businesses considered especially critical to the infrastructure of the internet, such as hyperscalers and cyber-security firms, have gained access to the limited-release Mythos and 5.5-Cyber models of Anthropic and OpenAI, respectively, to test their own systems. The two AI labs also have lower tiers, whose members are given access to models that are slightly less permissive than Mythos and 5.5-Cyber but have more cyber-capabilities than those on general release. The recipients are akin to pandemic-era key workers receiving early doses of vaccines.

Mozilla, creator of Firefox, a web browser, recently offered an optimistic example: an early version of Mythos helped it identify 271 vulnerabilities in a new iteration of Firefox. It said the model was capable of identifying every bug that a human could, which was not possible only a few months ago. This helped level the playing field against attackers. “Defenders finally have a chance to win, decisively,” it said in a blog post.

But it is not just the enhanced capabilities of the cutting-edge models that are assisting defenders. Cyber-security firms are also developing their own tools, which they call harnesses, to make all models more effective. On May 12th Cisco, an IT giant with access to both Mythos and 5.5-Cyber, said it would make available an open-source, step-by-step guide to creating cyber-security harnesses to help firms use any model to boost their defences.

There are widespread hopes that the industry can rise to the challenge of AI if it gets its act together. Anthropic and OpenAI have won widespread plaudits for leading a collaborative approach. But although Mr Arora gives them an A+ for intent, PAN’s boss reckons neither the labs nor the cyber-security industry deserves more than a B+ for execution. That is partly because AI threats are still so new

that everyone is learning as they go. “There’s no magic bullet. There’s no panacea. We don’t know what the right answer is yet.” Music to the ears of hackers, no doubt. ■

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Up memory lane

Samsung has staged a stunning comeback

But political trouble is brewing

5月 14, 2026 11:25 上午 | Singapore



NOT LONG ago Samsung Electronics was in the doldrums. In 2024 the South Korean giant apologised for failing to maintain “technological competitiveness” and “falling short of the market’s expectations”. It has no need for contrition these days. This month its market value, which has soared by 400% in the past year, hit \$1trn for the first time, propelled by furious spending on artificial-intelligence infrastructure. In the first quarter of 2026 its operating profit rose to 57trn won (\$38bn), more than eight times as much as a year before. Analysts expect profits to keep rising at a blistering

pace, thanks in particular to the seemingly insatiable demand for its advanced memory chips.

Samsung Electronics manages a wide portfolio of products, making everything from fridges to phones. Increasingly, however, its business centres on chipmaking. Semiconductors accounted for 61% of sales and 94% of operating profits in the first quarter. It is one of just three firms capable of making at scale the memory chips needed for AI, alongside SK Hynix, a South Korean rival, and Micron, an American one. The number of memory chips Samsung sold in the first quarter was up by about 20% on the preceding three months, but the average selling price rose by 90%. The firm boasts that memory-starved buyers are approaching them to demand long-term purchase agreements. It foresees the shortage lasting well into next year.

Samsung is expanding capacity, but relatively slowly. A new facility will start mass-producing chips for sale later this year, and the firm will begin building another, which will cost it some \$55bn, in July. Yet that factory, known as P5 Fab 2, will not be ready until 2030. And although capital expenditure is set to rise by 55% this year, according to Daniel Kim of Macquarie, a bank, it is falling as a share of revenue.

Samsung's management, perhaps unsurprisingly, continues to display caution. Chipmaking factories are enormously expensive and take years to complete, resulting in a historical cycle of booms and busts. The company will not want a repeat of the last flash-memory boom-bust cycle, when it overbuilt capacity as demand surged, then saw its operating profit fall by half in 2019, notes Jukan Choe of Citrini Research, a firm of analysts.

Meanwhile, Samsung is also expanding its foundry business, which manufactures chips designed by others. A new fab in Texas, catering to American customers, will open this year. The loss-making division has long trailed TSMC, the Taiwanese industry leader, and suffered in

recent years from complaints of inconsistent execution. A larger customer base has allowed TSMC to gain scale and know-how, creating a self-reinforcing advantage.

But the AI boom is aiding Samsung's foundry efforts in two ways. First is that TSMC is booked to the brim. That has already pushed some customers towards Samsung, including Tesla, a carmaker, and Qualcomm, a chip designer. Second is that fat profits in the memory business mean the company has more cash to invest.

Yet the success of the memory division has created other problems. Soaring prices have damaged Samsung's once-thriving consumer-electronics business. Margins are being squeezed in the smartphone division; it may post a loss this year. Political trouble is also brewing. On May 11th Kim Yong-beom, an adviser to Lee Jae Myung, South Korea's president, proposed a "national dividend" to redistribute chipmaking profits to citizens. Mr Lee has since said only excess tax revenue from the chip boom is being considered, not a new tax.

A coalition of Samsung unions is also demanding that 15% of the memory division's profits be distributed to workers, similar to an arrangement already in place at SK Hynix. They are threatening a multi-week strike beginning on May 21st, which would cost Samsung some 30trn won. (Ironically, union members also lambasted Samsung for failing to capitalise on the AI boom during a strike in 2024.) The problems of success may feel like a welcome change for Samsung's bosses. But they are problems nonetheless. ■

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Flush with cash

The strange Japanese companies minting money from AI

What the creator of MSG and the world's biggest toilet-maker have in common

5月 14, 2026 11:25 上午 | Tokyo



Unclogging the AI supply chain

AJINOMOTO HAS spent well over a century supplying monosodium glutamate (MSG), a chemical that gives food an umami kick. Now another of the Japanese seasoning giant's products is whetting investors' appetites. Ajinomoto Build-up Film (ABF) is a material used to insulate artificial-intelligence processors from circuit boards. It

was originally made from by-products of MSG manufacturing. Ajinomoto controls more than 95% of the market. Booming demand for AI chips has made the firm scarce, pushing Ajinomoto's share price up by 65% since the start of the year, around three times the gain in Japan's benchmark Nikkei index.

Toto, another century-old Japanese firm, has lately enjoyed an equally improbable flush of prosperity. Best known as the world's largest toilet-maker, it has found a profitable seat in the semiconductor supply chain. The firm is a leading producer of electrostatic chucks: ceramic plates that hold silicon wafers firmly in place while memory chips are etched. Toto's operating profit from advanced ceramics now accounts for more than half its total.

The AI frenzy has produced obvious winners in semiconductors: American chip designers, South Korean memory-makers, Taiwanese foundries. Japan has its equivalents, with giants such as Tokyo Electron and Advantest that make the sophisticated equipment used to fabricate and test chips.

But like Ajinomoto and Toto, many of the country's AI winners are in less flashy trades. Hoya, a health-care company that makes spectacles and contact lenses, is a leading supplier of photomask blanks: transparent plates coated with light-sensitive material that lithography tools use to etch chip designs onto silicon wafers. Sakura, a stationery brand, has adapted technology once used for coloured pencils to spot defects in chip-manufacturing processes. Nitto Boseki (or Nittobo), which began life as a textile company in 1923, is today the sole supplier of "T-glass," an ultra-thin glass fibre essential for packaging AI chips.

Two factors explain this eclectic industrial cast. The first is history. In the 1980s Japan was a semiconductor superpower, accounting for more than half of global chip production. Six of the world's ten biggest chip firms in 1989 were Japanese. Those champions created demand for local suppliers of all sorts. The country's firms still

dominate several niches in the supply chain, particularly for materials and tools.

The second factor is culture. David Dai of Bernstein, a broker, argues that Japanese companies keep developing technology even when demand is not yet obvious, and rarely abandon it. That lets them deepen their knowledge over decades. When the opportunity finally appears, they are ready, armed with better technology and more credibility than newer rivals. Ajinomoto began work on ABF in the 1970s, as it looked for ways to apply the chemistry behind MSG elsewhere. Only in 1999 was the material first adopted by a major chipmaker.

Yet this Zen-like patience has a drawback. When demand spikes, Japanese suppliers can be maddeningly slow to respond. Ajinomoto, Nittobo and Toto all have plans to expand capacity for their chip-related products. But their responses look distinctly unhurried when compared with the breakneck advances in AI. Foreign tech giants hoping for a newfound hunger, however, are bound for disappointment. ■

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ICE age

Companies are making big bucks from immigration crackdowns

And startups are piling in with whizzy new technologies

5月 14, 2026 11:24 上午 | Phoenix



THE EXHIBITION hall of the annual Border Security Expo (BSE), held this month in Phoenix, Arizona, looked more like the set of a dystopian science-fiction film. Surveillance towers flashed brightly. Drones buzzed overhead. One company demonstrated a robotic dog designed to patrol borders. Another showed off a thermal camera that can detect movement kilometres away. On stage Tom Homan, President Donald Trump’s “border czar”, praised the technology firms

in attendance for helping to build “the most secure border in history”.

As the bustling trade fair demonstrated, the business of immigration enforcement is booming. Right-wing populists—and incumbents seeking to fend them off—are spending more on monitoring borders, tracking down those who have entered the country illegally, then detaining and deporting them. In America, Congress has approved roughly \$170bn in cumulative additional funding for immigration enforcement until 2029. Even the European Union is ratcheting up spending. That is benefiting not only incumbent outsourcers, but also a wave of startups hoping to bring new technologies to the industry.

Border control is an area of particular interest for newcomers. Much of that business has tended to flow to large defence contractors and established security firms. Yet agencies across America and Europe have been simplifying procurement rules and running pilot programmes to allow new products to be tested and deployed more quickly, luring in startups.

As a result, what was once a labour-intensive system of patrol agents, radios and vehicles is turning into a digital-surveillance network. Governments increasingly rely on drones, radars, heat-detecting cameras and the like to monitor vast swathes of territory in real time. Such technologies reduce risks for agents and free them up for higher-value work, according to Steven Willoughby, an official at America’s Department of Homeland Security. Instead of relying on agents scouring remote terrain, authorities can now monitor deserts and coastlines from centralised command centres.

Much of the new tech being used at borders was originally developed for warfare. [Anduril](#), a drone-maker that recently raised \$5bn at a \$61bn valuation, has a \$363m contract with the US Border Patrol for autonomous surveillance systems. Shield AI, a rival, has won a \$198m contract with the US Coast Guard, and is also

deploying its drones on European borders. Immigration and Customs Enforcement (ICE), the controversial agency that tracks down illegal immigrants already in America, has come to rely on software provided by [Palantir](#), a data-analytics firm embedded in the Pentagon.

The business of housing detained immigrants has drawn less interest from Silicon Valley. But it is booming nonetheless. Already ICE has increased detention capacity to around 70,000 beds, up from roughly 40,000 before Mr Trump returned to office last year, and is aiming for 100,000. That has been good for prison operators such as CoreCivic and GEO Group, which run detention facilities. CoreCivic's net profit in the first quarter of 2026 was up by half from the year before. For GEO Group, it doubled.

Deportation has also become a lucrative industry. March set a monthly record for ICE of nearly 1,800 deportation flights. Airlines such as GlobalX are profiting handsomely. The carrier, which had been making losses until recently, saw its sales rise by 15% year on year in the first quarter, thanks largely to deportation flights.

Most in the industry expect the boom to continue. Looking soft on illegal immigration has proved time and again to be a vote-loser. Politicians will be reluctant to tighten the purse-strings. ■

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Bartleby

Introducing “Velocity pivot”

The corporate world’s Lorem ipsum

5月 14, 2026 11:25 上午



WE ARE PLEASED to announce a modern alternative to the “Lorem ipsum” text. This much-loved piece of filler text, derived from Cicero’s “De finibus bonorum et malorum”, has been used for layout purposes for centuries, and remains available for anyone to use. But we believe that other, newer forms of meaningless babble are even better at taking up space, which is why we are thrilled to unveil “Velocity pivot”. For most forms of corporate communication, it is not necessary to change the text at all before you publish.

Velocity pivot hunger to win relentless execution insatiable appetite artificial intelligence tokenmaxxing tokenised toecurling double-digit

growth transformational volatility fireside chat drinking from a fire hose burning platform general pyromania augmentation not automation it's not AI that will take your job but the person using AI headcount reduction tough decisions rightsizing.

Innovation powerhouse three horizons four Ps five whys six is too many town hall watercooler conversations think like an owner speed up fast forward step back step up zoom in zoom out I'm feeling quite dizzy helicopter view deep dive top-down bottom-up downside upside rotating turnaround no really I am going to be sick.

Change management strategic strategising waterfall agile sprint cascade tentpole brainstorming whiteboard miro board bored senseless modernising digitisation revolution not evolution not revolution vibe-coding value-added MVP SVP FIFA CRO MCP PRD BBQ BAU KPI DEI though we don't talk about the last one much any more.

Data is the new oil models are the new oil oil is the new oil surplus abundance multiplier effect 10x 100x 1,000x oh what the hell 10,000x impact deep impact really deep impact supercharged superexcited superpower superintelligence supermarket superstars tipping point inflection point choke points three-point turn lean elevate sharpen reach out circle back converge spin up spin down spin out.

Edge cases use cases suitcases frequent flyer lounges platinum member air miles in flight dynamic environment shifting landscape new industrial revolution bias for action actionable traction tractionable is that a word? It is now reimagine reinvent reinforce revamp renew redefine resilient grit growth mindset futuristic heuristic holistic optimistic systemic getting the ic.

Transforming the value proposition positioning transformational value delighting customers strengthening communities leveraging insights other verb-noun combinations end-to-end workflows deployment training inference stack full-stack slack attack geopolitics

geoeconomics geotechnology geography is back top-right-hand quadrant total alignment partial alignment non-alignment disagree and commit together.

Unfolding ever-changing fresh perspectives instant personalised large-scale multi-year multi-service long-term investment pipelines embedded ecosystem leaders leading through leadership leaden prose new normal new paradigms paradox parabola hockey-stick J-curve K-shaped A-game C-suite B-yoncé.

Improved outcomes purpose values mission behaviours customer-centricity customer-obsessed sounds a bit creepy to be honest bold audacious daring restless ambition world-class industry-leading game-changing topline metrics blueprint corporate DNA digital workforce orchestration agentic compute fuelling propelling driving accelerating never braking operational platform analytics global footprint local know-how uniquely positioned scaling powering delivering achieving winning executing mastering aggressive complete passivity just kidding.

Decision points gates milestones gallstones durable sustainable confident momentum sentiment differentiated competitive advantage organic growth inorganic growth basically growth core business core strength cor blimey cycles cycling triathlon lycra stretch goals objectives key results at scale pace of change testament to the value of the brand maximise breakthroughs unlock potential expand frontiers utilise headroom advance something or other.

Velocity pivot hunger to win relentless execution insatiable appetite artificial intelligence tokenmaxxing tokenised toecurling double-digit growth transformational volatility fireside chat drinking from a fire hose burning platform general pyromania augmentation not automation it's not AI that will take ■

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Schumpeter

Big tech is sacrificing its cashflows to prop up the AI boom

The result is increasingly unsettling

5月 14, 2026 11:25 上午



ACHART IS haunting Silicon Valley. The profits of big cloud-computing firms (Amazon, Google, Meta, Microsoft and Oracle) are rising inexorably. Yet the amount of cashflow they generate after capital spending is falling. Sketched together, these soaring profits and diving free cashflows, which until recently rose in unison, resemble the gasps of the world's investors.

In short order America's biggest companies have gone from printing money to burning it. Amazon, Meta and Microsoft are all expected by analysts to announce negative cashflows in at least one quarter this year. Alphabet, the parent company of Google, will just about keep its head above water. [Oracle](#), the weakest of the bunch, is already drowning.

It does not take Poirot to work out what's going on. This year the five firms will spend \$800bn filling warehouses with computers to run [artificial-intelligence](#) models. These investments barely register on their profit statements, since assets depreciate only once built—and then only slowly. Cashflow statements, though, are less susceptible to obfuscation. At around 40% of their revenues this year, the cloud giants' capital expenditures will surpass those of the oil industry during the shale boom in the 2010s and the telecoms industry during the dotcom bubble in the 1990s.

Arguments dismissive of the scale of big tech's transformation have collapsed under the weight of the growing bill. Comparisons to the dotcom bubble are wrongheaded because the big spenders today generate ample cashflows, went one argument. Not any more. Their cashflow pressures cannot be that great because firms are still buying back bucketloads of their own stock, many said. During the most recent quarter, buy-backs collapsed. A third is that big tech trades at "only" 23 times the firms' forecast earnings. Yes, but when the denominator of this equation captures almost nothing of their spending, is it at all useful?

Nowadays investors judge the success of these firms on the basis of concentrated revenue contracts stretching far into the future, rather than dispersed sales received today. Mostly these contracts involve selling computing capacity to model-makers like OpenAI and Anthropic, which are themselves incinerating vast piles of cash. Total future revenue agreements have risen to \$2trn, from \$730bn last year, at Amazon, Google, Microsoft and Oracle (Meta is a buyer, rather than a seller, of computing capacity).

Simple balance-sheets with intangible assets and generous cash buffers have been replaced by ones which are complicated, asset-heavy and indebted. Since the start of last year the big five have raised \$260bn from bond markets, a quarter of all such borrowing by listed American non-financial firms. What started as a local affair has become a global bacchanal. Nearly a third of the haul from selling bonds this year is in currencies other than the dollar. Alphabet, Google's parent, will soon issue its first bonds denominated in yen.

Much larger obligations lurk off-balance-sheet. The biggest are \$820bn of future payments to lease data centres yet to be built, up from \$270bn a year ago. Commitments to spend money on other things, like packing their data centres with chips, have risen as fast. Amazon, Google, Meta and Oracle now disclose \$680bn of such obligations. Other bills are tied to special-purpose vehicles: separate entities with their own balance-sheets. Last year one assembled to build Meta's new data-centre in Louisiana issued the biggest single corporate bond in history. Oracle's finance chief recently talked about "uncoupling" the firm's cashflows from its capex, presumably with similarly advanced financial engineering.

This vast nexus of AI contracts combines an absolute faith in technologists with a naive trust in lawyers. Occasionally the market is discerning about what these contracts really mean; Oracle's shares have been hammered since investors realised how dependent its future revenue is on OpenAI. More often the market is obtuse. Bankers increasingly whisper about decaying documentation in AI financing agreements. "When we ask our lawyers to find ways that a hyperscaler might wriggle away from or re-negotiate a lease contract, often they come back with a very long list," says the boss of one big lender that has steered clear of some more esoteric financing structures in the AI boom.

Kamikaze capex

So far the capex splurge has been a great act of charity to the rest of America's tech industry. The five firms have assumed the role of central planners, attempting to make the complex chain of returns on investment work across the AI economy: data centres are useless if businesses don't find models worth paying for, which only happens if model-makers can raise enough capital to make them.

In the process, the hyperscalers have sacrificed their own returns. Only shares in Alphabet have beaten the NASDAQ index during the past year. Big tech has also liberally lent its creditworthiness across capital markets. Many firms that contract with the giants can take those contracts to the bank (literally) and raise more debt. Moreover, the hyperscalers' capex has become someone else's free cashflow. Broadcom, Micron, Nvidia and Sandisk, four chip companies, are all minting real fortunes outfitting big tech's data centres. Together they account for a quarter of the expected profit growth in the S&P 500 index this year.

Clearly this is unsustainable without enterprises becoming much more willing to pay for AI. But for now there are no brakes on the train. The hyperscalers' capex bills this year will be twice as great as analysts predicted they would be a year ago. If AI models keep getting hungrier for computing power and the cost of equipment keeps rising, this forecast will soon be left behind, as those that came before it were. After two years of consistent shock-and-awe, nothing would be less shocking. ■

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Finance & economics

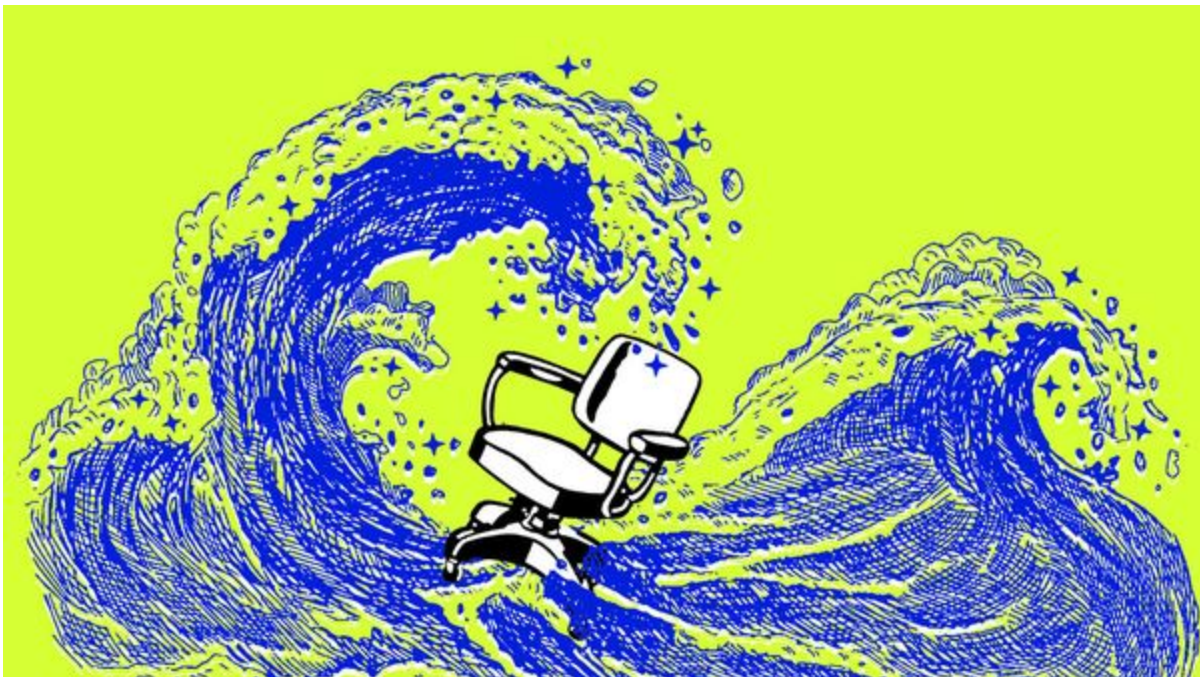
- [**The jobs apocalypse: a \(very\) short history**](#)
Techno-economics (1) :: Mass unemployment induced by AI would be unprecedented
- [**Is AI putting graduates out of work already?**](#)
Techno-economics :: If you are studying coding, we might have some bad news
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(Robots) serve the people :: A human-first approach to automation
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Techno-economics (1)

The jobs apocalypse: a (very) short history

Mass unemployment induced by AI would be unprecedented

5月 14, 2026 11:24 上午 | San Francisco



AT NO TIME in polling history have Americans been less optimistic about their long-term employment prospects. The average person believes they have a 22% chance of losing their job in the next five years, according to one survey, a higher share than even during the global financial crisis of 2007-09. The cause of this gloom is artificial intelligence. Nearly one in five American workers recently told another pollster that AI or automation is “very” or “somewhat” likely to replace them.

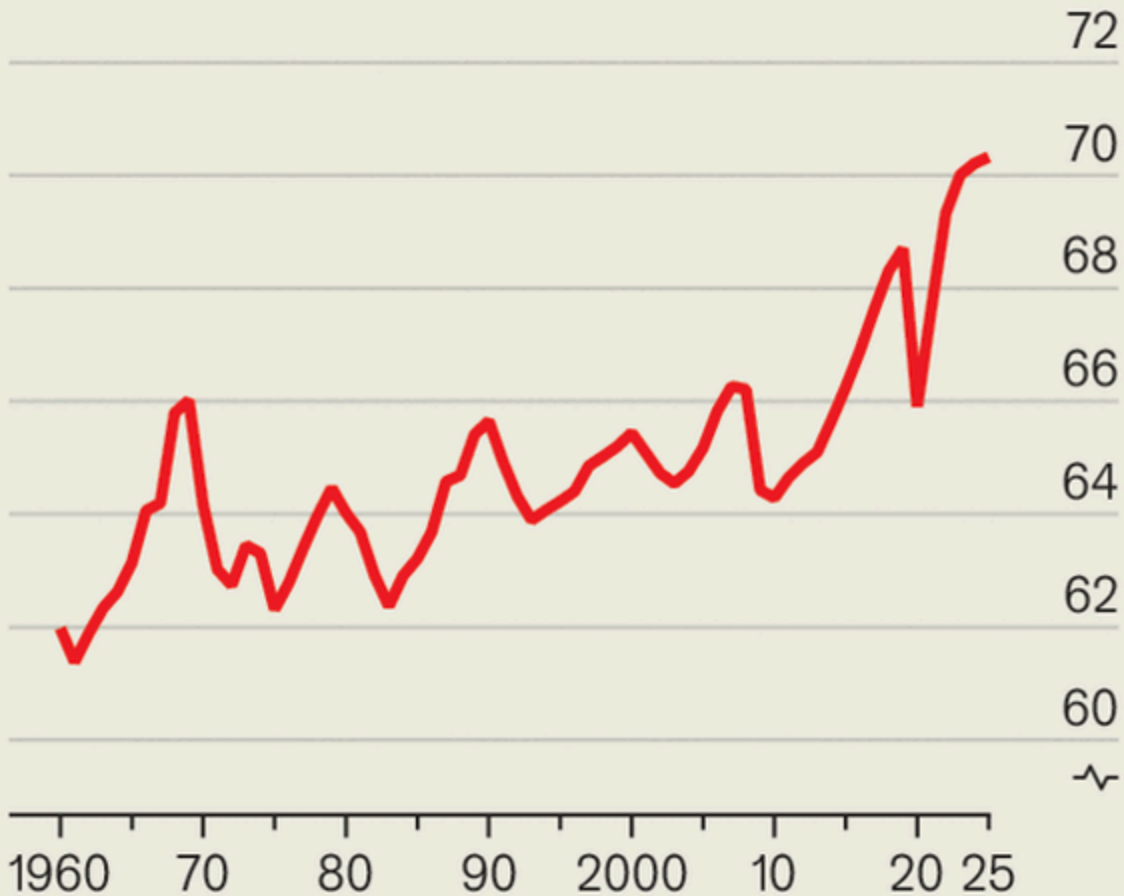
It isn't just average people who are alarmed. So are the leaders of the very AI companies causing the anxiety. Dario Amodei of Anthropic has warned that AI could push unemployment to 10-20%. Bill Gates, co-founder of Microsoft, said that in an AI world people will not be needed for "most things". Sam Altman, boss of OpenAI, has clocked that talking up the technology's disruptive power is provoking a backlash, and now speaks of "tools to augment and elevate people, not entities to replace them". But even he could not resist mentioning "disruption/significant transition as we switch to new jobs".

Economists are, for a change, far less dismal. They are allergic to the "lump of labour fallacy" which treats the jobs market as static and zero-sum. If technology displaces workers from some occupations, they argue, it enriches others, who then spend their gains on goods and services that create new employment.

Working it

1

OECD countries, working-age employment rate, %



Source: OECD

The labour market certainly is not cracking yet. The share of the OECD's working-age population with a job keeps breaking records (see chart 1), unemployment across the club of mostly rich countries is just 5%, and America employs more people than ever in "AI-exposed" industries like law. American graduates have [been struggling](#) since before OpenAI launched ChatGPT in late 2022. Many economists foresee relatively little disruption ahead. Those at America's Bureau of Labour Statistics think the country will add 5.2m jobs between 2024 and 2034, increasing total employment by 3%.

Advances in AI's capabilities could render current data, and extrapolations from this, obsolete. But if this happened, and AI really were to put millions of people out of work, it would be unprecedented in human history. Never have new technologies spread fast enough to make large numbers of people unemployed for a long time. Understanding why may shed light on how this time is—and is not—different.

Historical data suggest that technological diffusion always proceeds slowly. In a paper published in 2012 Robert Gordon of Northwestern University found that since 1300, growth of GDP per person at whatever was the world's most sophisticated economy of its time has never exceeded about 2.5% a year. When other countries grew faster than this, they did so by catching up with a richer place that, almost by definition, sparked earlier wealth-creating technological progress. And the fact that growth at the frontier of innovation was slower meant that so was the pace of any job destruction.

Take farming. Although it has undergone monumental technological upheavals over the past millennium, farm employment has changed only slowly. The share of England's labour force in agriculture has been falling steadily since the 16th century without ever collapsing suddenly. The recognisably modern tractor was invented in America at the start of the 20th century, and it took generations rather than years for the agricultural workforce to decline.

Even when job disruption is faster, workers need not suffer. In the middle of the 20th century the first computers, shipping containers and other wonders led Harold Wilson, a British prime minister, to describe the "white heat of technology" burning through Western economies. GDP per person in America, which had by then dislodged Britain as the world's frontier economy, grew by 2.5% a year, the fastest ever for a leading economic power. The level of job disruption, as measured by the share of employment shifting between industries or occupations, was at times more than twice as

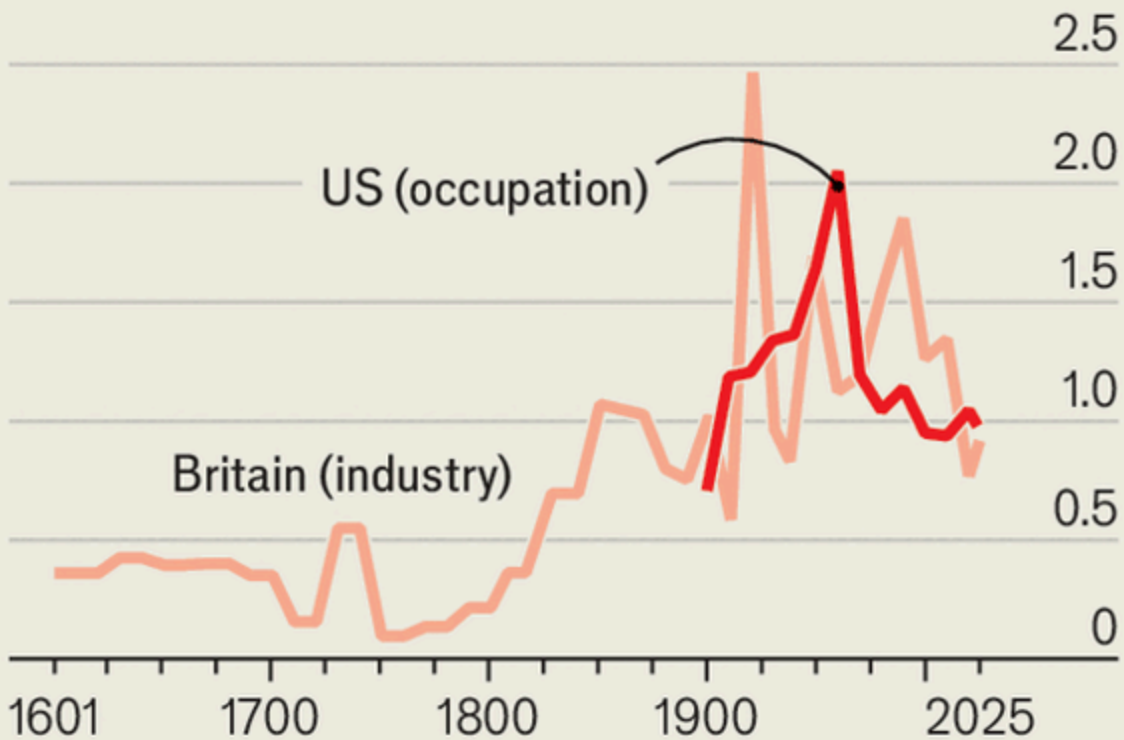
high as it is today. Yet many people look back fondly on that era as a time of rising wages, widening opportunity and unpolarised politics.

One instance of technological change has become notorious: the Industrial Revolution in 19th-century Britain. According to some accounts, it was horribly disruptive to workers. James Watt's inventions in the 1760-1780s made steam engines efficient enough to power factories. This led to a period of blistering economic growth that appeared to coincide with stagnation in inflation-adjusted wages. Between 1790 and 1840 these barely budged, even as capitalists earned vast profits.

Learn to churn

2

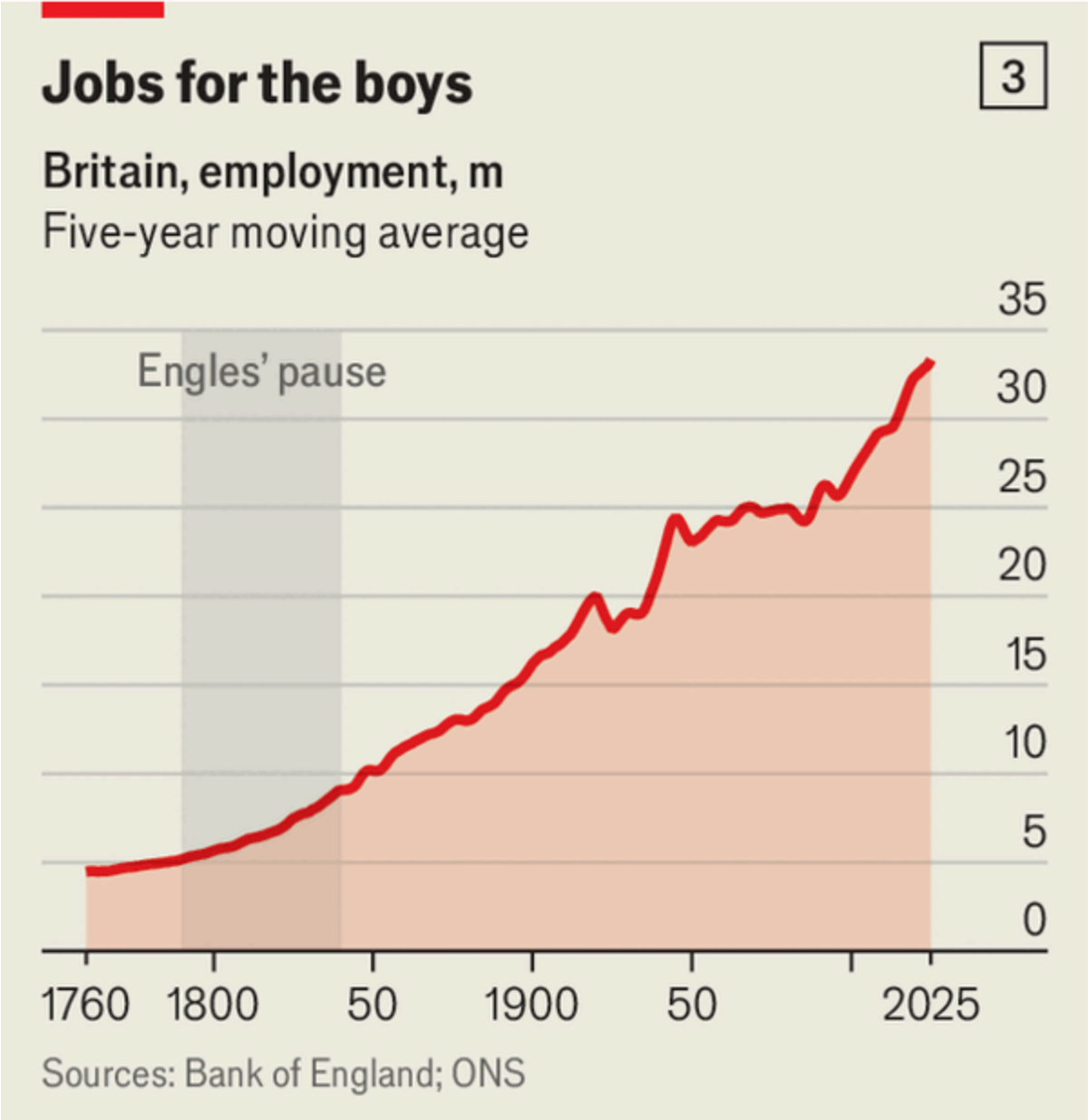
Change in share of employment by occupation/
industry, annual average, percentage points



Sources: Bank of England; Census Bureau; "The male occupational structure of England and Wales, 1600-1850", by S. Keibek, Cambridge University PhD thesis, 2017; ONS; *The Economist*

Today's "thought leaders" in Silicon Valley often invoke this pause. It is associated with Friedrich Engels, a capitalist-heir-turned-communist who described it in "The Condition of the Working Class in England", his account of Manchester's slums in the 1840s. Recent scholarship, though, casts doubt on whether "Engels' pause" is a useful blueprint for what AI may have in store for workers.

The composition of British employment saw little churn until the 1850s, and then only as much as it does today (see chart 2). Moreover, if technology destroyed jobs, it created plenty more. Between 1760 and 1860 the number of Britons in work ballooned from 4.5m to 12m. Unemployment generally remained modest (see chart 3).



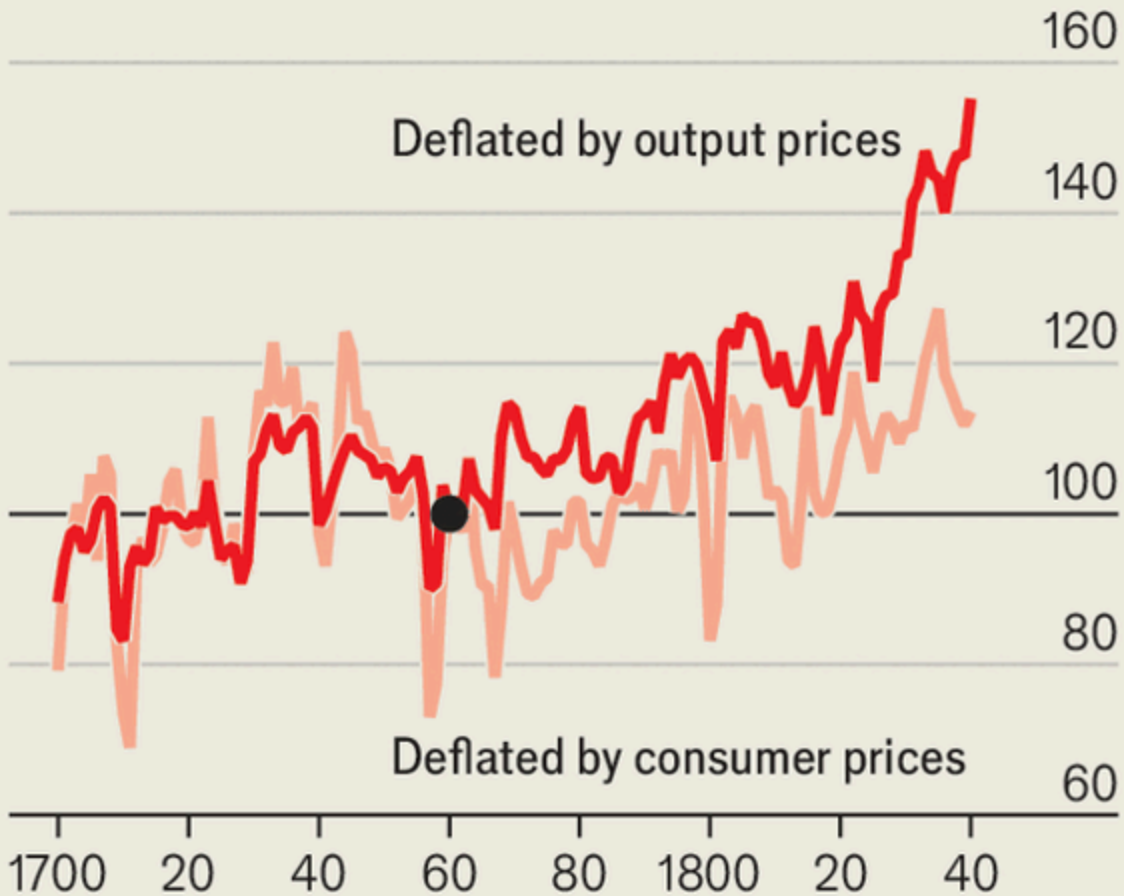
Wage growth was indeed slow during Engels' pause—but no slower than in the half-century before it. This reflected slow productivity

growth in the Industrial Revolution's early years, itself a function of the gradual diffusion of Watt's technological breakthroughs. By 1830 only about 160,000 horsepower was in use in the whole of Britain, equivalent to 1,000 typical modern cars. Given rapid population growth in the period, it is a "truly remarkable achievement" that workers' purchasing power grew at all, as Sir Tony Wrigley, a late British demographer, put it. It looks even more remarkable if you adjust wages not by the consumer-price index, as historians tend to, but by the average price of domestically produced output, the "GDP deflator" (see chart 4).

Deflategate

4

Britain, real wages, 1760=100



Source: Bank of England

The gap between the two measures of real wages illustrates a crucial point about the Industrial Revolution. The average employer paid workers reasonably fairly after selling his wares and deducting the cost of materials. He did not profit from exploiting his staff, as Engels supposed. The problem for labourers was less unfair pay than sharp rises in the cost of living. Food prices rose steadily, and sometimes soared, because of war and high tariffs on grain imports. The villains of the Industrial Revolution were politicians, not machines.

This puts a different gloss on the industrial unrest of the period. In the early 19th century textile workers revolted, destroying the power looms they thought would kill their craft. A few years later farm labourers smashed threshing machines across southern England. Historians link such unrest to technological disruption, yet strikes and wrecking are as old as time. In England, riots were less frequent in the early 1800s—the middle of Engels' pause—than later in the century, when real wages were growing strongly. The Chartists, who secured suffrage and other rights for working men, did not gain ground until wage growth was unpaused in the 1840s.

Nicholas Crafts, an economic historian, summed it up neatly. The Industrial Revolution, he wrote, is "not a template" for "technological change that [boosts] productivity at the expense of a significant ... decline in labour's share of national income". In short, those warning of AI-driven mass unemployment are predicting something that has never happened before.

That does not mean it can never happen at all. The first signs would be sharply rising productivity combined with weak real-wage growth in America, the world's frontier economy. This would show up as an increase in GDP per person, above Mr Gordon's ceiling of 2.5%, and a simultaneous jump in corporate profits, reflecting the gains from higher output flowing to capital, not labour. Another signal would be big job losses in lots of industries.

History holds a final lesson. If disruption is coming, it will show up in a recession. Downturns cleanse the economy of unproductive jobs. Companies must make radical changes to survive; weak firms go under; capital and labour moves to more productive ones. Almost all of America's once-routine jobs have vanished during past downturns. Which ones vanish next time will offer a big hint. Until then everyone—including Messrs Amodei, Gates and Altman—will remain none the wiser about the shape of the AI world to come.■

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Techno-economics

Is AI putting graduates out of work already?

If you are studying coding, we might have some bad news

5月 14, 2026 11:24 上午



“THERE’S NO SIGN in the data that AI is costing anybody their job right now,” Kevin Hassett, a White House adviser, said on May 11th. Someone should tell America’s class of 2026. “It’s grim,” one professor says of the market for graduate jobs. Artificial intelligence is the popular villain. At a recent commencement ceremony in Florida a speaker was booed for mentioning it. And not without reason: our analysis suggests AI may indeed be harming some graduates’ job prospects.

A university degree no longer seems to offer much protection from joblessness: recent graduates are likelier to be unemployed than the average American. The current cohort feels particularly gloomy. Less than a fifth of them think this is a good time to find a good job—the lowest share in over a decade, and well below the figure for Americans overall, at more than a quarter. A slump in on-campus recruiting is not helping. Job postings on Handshake, a search platform for university students, are 50% below their peak of 2022.

Many suspect AI is to blame. More than half of employers say they have considered replacing entry-level workers with the technology. A recent poll by the Institute of Politics at Harvard University's Kennedy School found that, similarly, more than half of young Americans see AI as a threat to their job prospects.

Economists are more divided. A paper by Erik Brynjolfsson of Stanford University and colleagues, published in 2025, examined employment among young workers in AI-exposed jobs, such as software development. The authors found it had fallen by 16% relative to less-exposed fields.

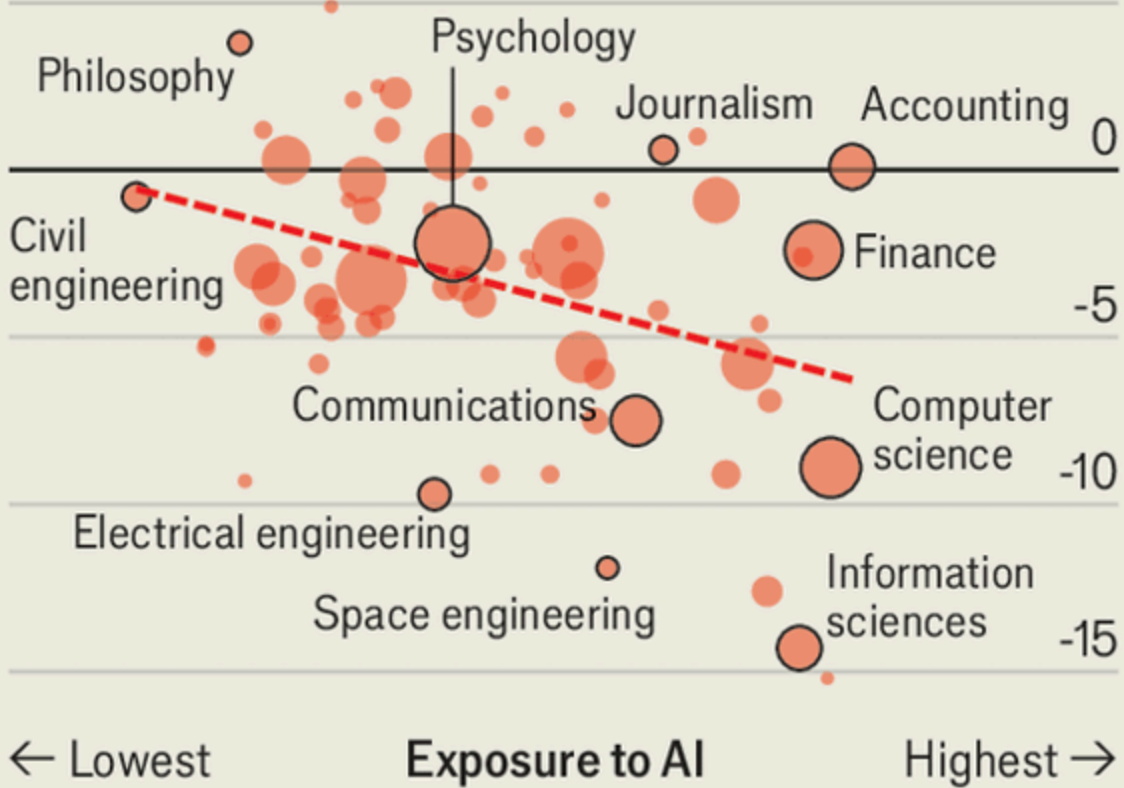
But a paper published this year by Zanna Iscenko and Fabien Curto Millet, two economists at Google, casts doubt on the idea that young workers in particular are being displaced by AI. They found that job postings in AI-exposed occupations have declined just as sharply for senior workers as for junior ones, and that this trend predated the launch of ChatGPT in late 2022. Another study, by Morgan Frank of the University of Pittsburgh and colleagues, showed that labour-market outcomes have deteriorated for AI-exposed employees, but that this trend also began before ChatGPT was released.

Forget Python, study Plato

1

United States, recent university graduates
in full-time employment*

Circle size = number of graduates %-point change, 2022-24



*Surveyed six months after graduation
Sources: Anthropic; National Association of
Colleges and Employers; *The Economist*

The Economist has conducted its own analysis, using a largely overlooked source of data: ten years' worth of surveys of recent college graduates from the National Association of Colleges and Employers. Each year American universities ask new alumni whether

they are working, unemployed or in graduate school. Using their responses, we compared labour-market outcomes in fields with differing levels of exposure to AI before and after the arrival of large language models.

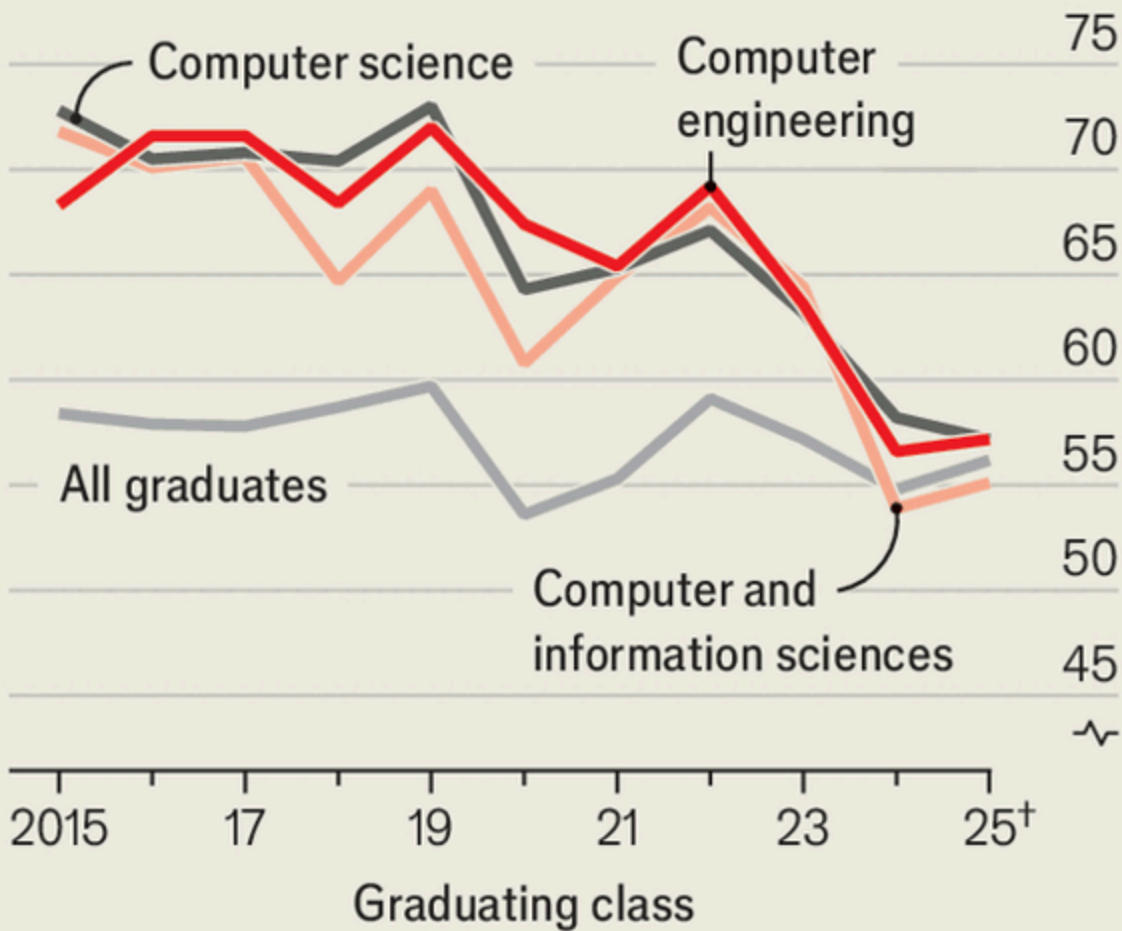
We found that graduates in fields more exposed to AI have suffered markedly worse outcomes. Between 2022 and 2024 graduates in the least-exposed quintile—studying subjects such as education, philosophy and civil engineering—saw their average full-time employment rate fall by just 1.5 percentage points. Those in the most exposed quintile—including computer science, computer engineering and information science—suffered a 6.6 percentage-point drop (see chart 1).

We updated these figures for the most exposed fields, using data from 13 universities, and found that the trend continued for the class of 2025 (see chart 2). The rate of full-time employment fell from nearly 70% to 55% in three years—notably, the three years following ChatGPT’s release in 2022. Prior to that, it had been stable.

Down from the Cloud

2

United States, recent university graduates
in full-time employment*, %



*Surveyed six months after graduation †Estimate

Sources: National Association of Colleges and
Employers; university websites; *The Economist*

Students are already changing course. Data from the National Student Clearinghouse, a research group, show that undergraduate enrolment in computer science fell by 11% in 2025. Enrolment in computer programming, which focuses on coding skills rather than theory, dropped by 26%.

The work done by computer-science graduates is changing, too. Less time is spent writing code; more is devoted to designing and organising software systems at a higher level. Lana Yarosh, director of undergraduate studies in computer science at the University of Minnesota, says she understands students' anxieties. "It's always hard when things change. But computer science is a field where everything changes all the time."■

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(Robots) serve the people

China wants more robots but not fewer workers

A human-first approach to automation

5月 14, 2026 11:25 上午 | Qingdao and Shanghai



Van without a man

A YEAR AGO the city of Qingdao had just a handful of autonomous vehicles. Now it has more than almost anywhere else on Earth. One firm, Neolix, has put around 1,200 unmanned delivery vans on local roads; it hopes to have 4,000 by the end of the year. With several other autonomous taxi and food-delivery projects under way, Qingdao exemplifies how rapidly artificial intelligence is transforming China. It is also the front line of the clash between unmanned vehicles and drivers.

Autonomous cars and drones are being deployed in China at a dizzying pace. About 33,000 short-range delivery vehicles, including the ones in Qingdao, were on Chinese roads at the end of 2025. The number of unmanned cabs is expected to hit 14,000 by the end of 2026. Goldman Sachs, a bank, reckons that more than 700,000 robotaxis (meaning 12% of all ride-hailing vehicles) will roam Chinese cities within five years. Meituan, a delivery super-app, believes it could use drones for 10% of the country's instant food deliveries, of which 60bn were made last year.

Though each such delivery is a technological miracle, in the short run it may deprive a human driver of a fare. This puts Chinese leaders in a bind: they want to lead the world in AI and automation but not destroy jobs. An economic plan for the next five years says the country must "prevent and resolve large-scale unemployment risks". In April a cyber-security watchdog told developers in a draft document that they should "not apply AI with the goal of replacing human employment".

The first question is whether technology will be able to replace millions of drivers in short order. Projects have been launched in dozens of Chinese cities, but growth has slowed owing to congestion and technical glitches. No company has deployed more than 1,200 vehicles in any one city. The size of Neolix's fleet in Qingdao has fluctuated in response to traffic jams caused by its vans. Although these are permitted to drive at any time, they are only allowed to make deliveries only in off-peak daytime hours. Even so, on an April morning near a large wholesale market, bands of Neolix vehicles could be seen clogging up the road to honks and jeers.

In the city of Wuhan, home to one of the world's biggest robotaxi projects, autonomous vehicles have also jammed traffic. Baidu, a tech giant and Wuhan's main operator of driverless taxis, has a fleet of around 1,000 for well over a year. It may not grow for a while. In March dozens of Baidu's cabs suddenly froze, snarling up traffic and prompting a rescue effort for stranded passengers. Since then the

central government has suspended the issuance of new licences for robotaxis.

A second question is which jobs are threatened and which are safe in the longer run. Authorities in Qingdao are not worried about unemployment caused by Neolix, says Wang Honglei, a company executive. In fact, senior officials in the wider Shandong province want as many as 15,000 driverless short-delivery vehicles on roads by the end of 2027. One reason for the insouciance is the sort of human drivers these might displace. Neolix runs only business-to-business services, such as delivering meat from markets to restaurants. Many people who do this are in their 60s and drive small, three-wheeled vehicles that tip over in traffic. Few young people seek to replace them when they retire because this perilous work pays poorly and entails a lot of heavy lifting. This makes machines the obvious choice for the job.

Drivers who ferry people to their destinations and packages to consumers are another matter. Tech platforms employ around 22m such workers; many more drive city cabs. The platform workers are generally young, rural migrants in cities and people who have lost other work. Youth unemployment is already high and officials do not want to make it worse.

Another crucial difference is that taxi and delivery drivers have been better at organising strikes and protests. They did just that in Wuhan in 2024, as Baidu's project was gaining momentum. In response city officials told Baidu to stop publicising its robotaxi figures. Authorities, though supportive of the technology, fear social disruption far more than tech glitches.

To allay those fears, the biggest automation companies are providing help to the disaffected. Meituan has started training delivery drivers to help operate drone deliveries in Shanghai. Jobs range from loading food onto drones to monitoring flights from a command centre. So far only 200 people are on this team, compared with

millions of drivers. But this will expand, says Mao Yinian of Meituan. Whereas the company previously only trained its own employees for such work, he says, it now trains other workers, too. These include staff at hospitals, where drones already deliver some test samples.

The point of automation is ultimately to replace workers, who need to be paid a regular wage, with robots, which do not. This will eventually end up being true in China, too. In the meantime, a world anxious about an AI jobs apocalypse will be watching the Chinese experiment in human-first automation closely.■

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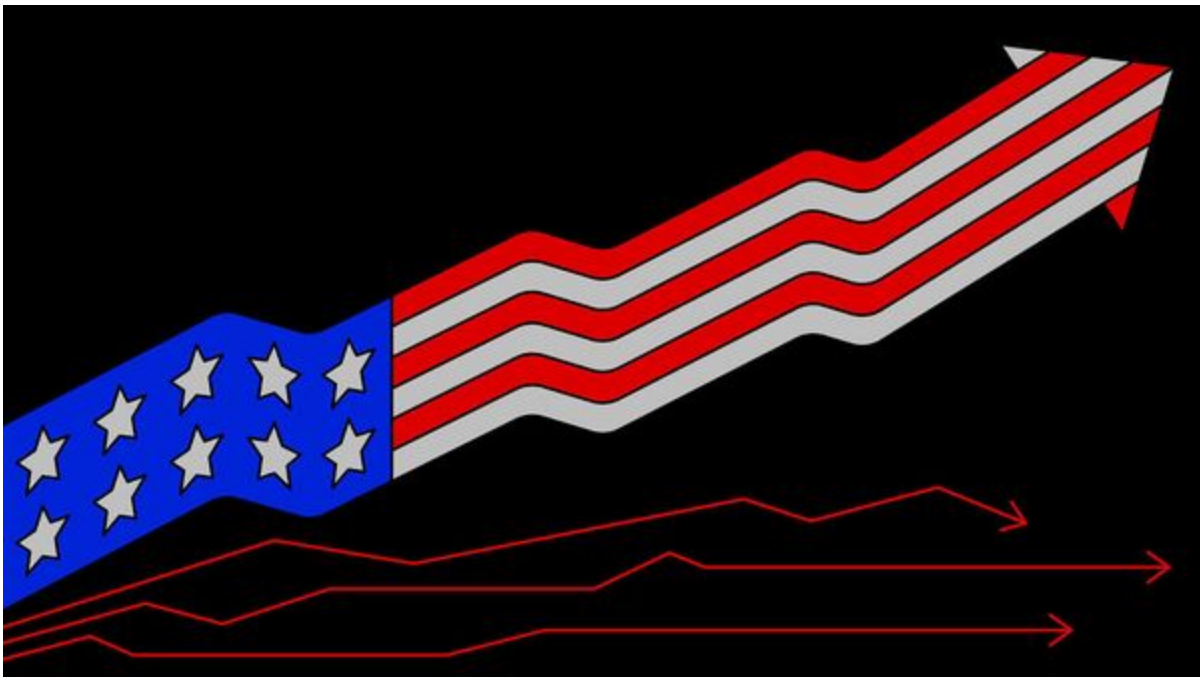
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The Lazarus effect

America is experiencing a productivity miracle

AI hasn't—yet—got much to do with it

5月 14, 2026 11:25 上午 | Washington, DC



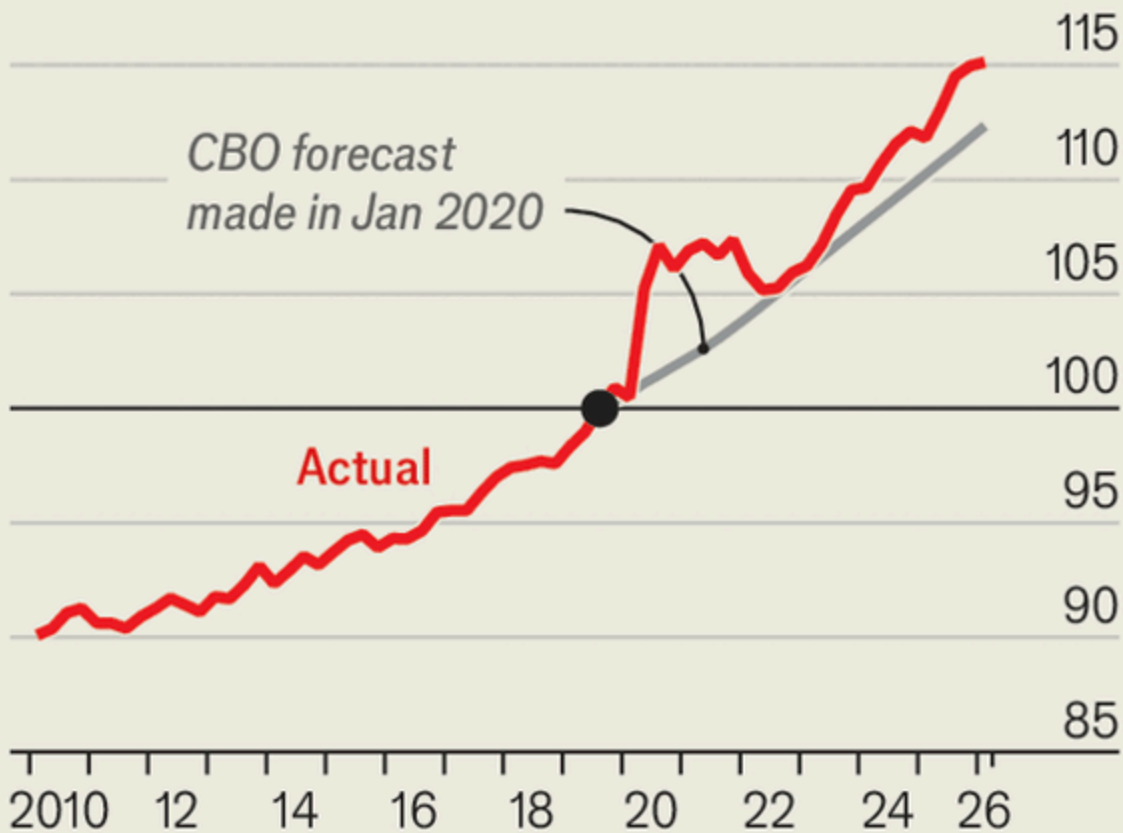
AS WITH MANY a miracle, onlookers disbelieved their eyes at first. For a decade after the global financial crisis of 2007-09 rich-world productivity growth was, by historical standards, deadish. Since prosperity depends on the ability to produce more with the same labour, this consigned even America to eternal stagnation (and don't ask about Europe). The Congressional Budget Office, a fiscal watchdog which consistently overestimated productivity growth in the 2010s, has been consistently glum this decade (see charts 1 and 2). Partial data hinting otherwise were dismissed as false prophets.

They do happen

1

US, labour productivity per hour worked*

Non-farm business sector, Q3 2019=100



Sources: CBO; Bureau of Labour Statistics *Seasonally adjusted

But those data kept coming. And now they are indisputable: over the past five years or so American productivity has been growing at the fastest rate in around two decades. Whether you look at output per worker or per hour, it has risen by a lively 2% a year, from a moribund 1% for most of the 2010s (see chart 3). This has led the Federal Reserve to raise its median forecast for America's long-run GDP growth from 1.8% to 2%. Jerome Powell, the outgoing chair, bore witness at a recent press conference. "I never thought I'd see

this many years of really high productivity," he marvelled in response to a question from *The Economist*.



It is too early to credit artificial intelligence for the resurrection. Productivity picked up in the early 2020s, whereas large language models have come into real commercial use only in the past year or so. If previous technological revolutions are anything to go by, the AI age will take at least a few years to show up in productivity

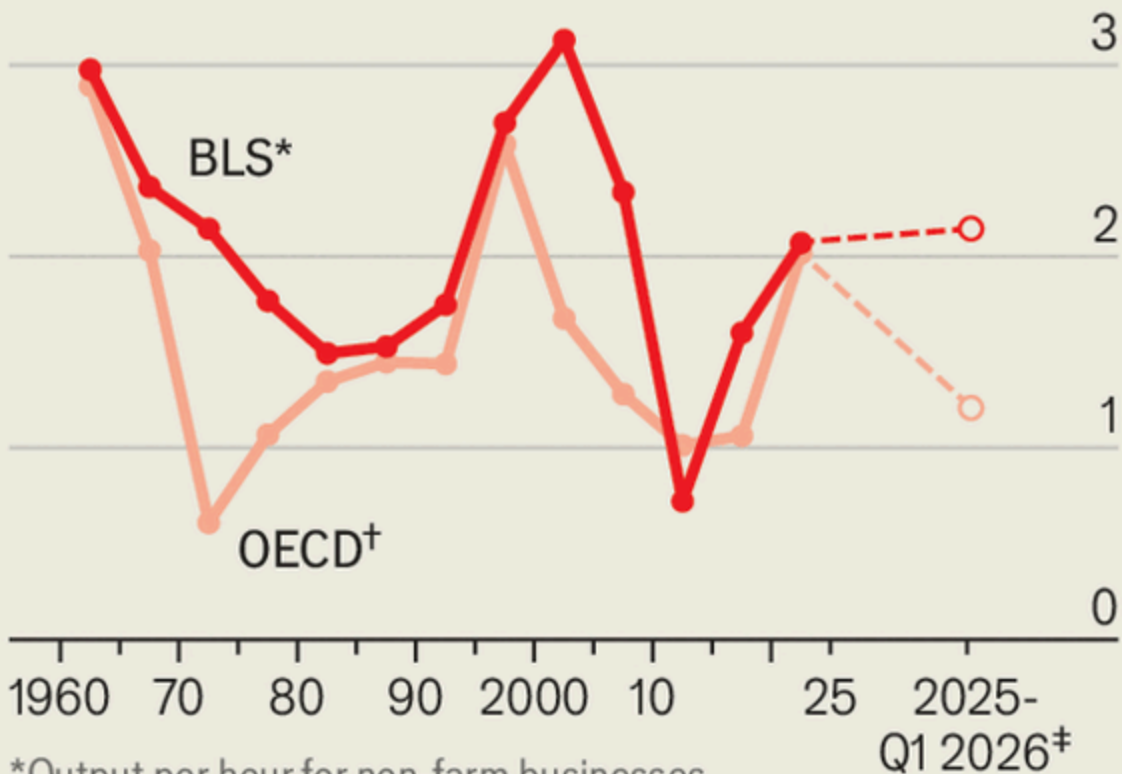
statistics. Its main macroeconomically discernible impact so far has been on business investment, particularly in data centres.

To divine the real causes of the phenomenon, *The Economist* started by poring over official data on productivity growth by sector since 2000 from America's Bureau of Labour Statistics. Between 2019 and 2024 the "information" industry—which covers areas from software and telecoms to publishing and film-making—came top with an annual rate of around 6%. That was no higher than the annual average in 2000-19. Nor is America's recent uptick the consequence of this particularly efficient industry accounting for a bigger slice of the economy: in the past six years the sector's share of total American output has hovered between 5.3% and 5.5%.

Resurrected

3

United States, labour productivity,
five-year average annual growth rate, %



*Output per hour for non-farm businesses

†Output per employee for whole economy ‡At annual rate

Sources: BEA; OECD; Bureau of Labour Statistics

Instead, some of the biggest jumps in productivity growth have come in professional services and management (see chart 4). These make up a tenth of the American economy, up a little from 2019. They are the sorts of businesses that do not produce new technology, but are keen users of it. In the past few years America's suits have at last taken full advantage of the signature innovations of the 2010s: smartphones, cloud computing, videoconferencing and the like.

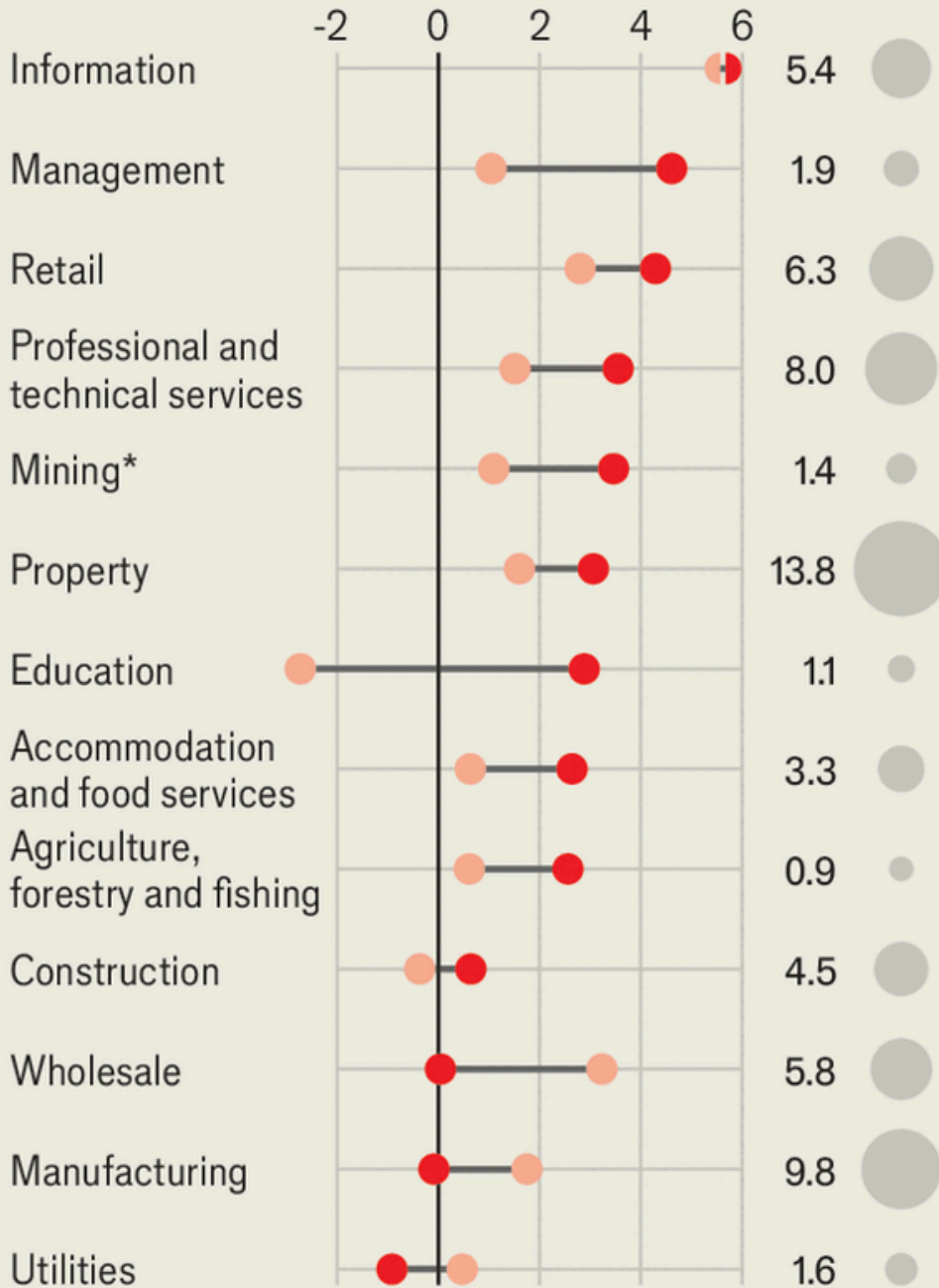
Productivity growth also sped up in oil and gas. The shale-fracking revolution of the 2010s turned America from a net energy importer to an exporter. In 2023 it sold half as much energy abroad, net of imports, as Saudi Arabia. Since then, construction of new liquefaction plants for natural gas has allowed America to send the fuel to Europe and Asia, where it fetches higher prices than at home.

A broad church

4

United States, labour productivity per hour worked, average annual change, %

● 2000-19 ● 2019-24 % of gross value added ↓



Sources: BEA; Bureau of Labour Statistics

*Mainly oil and gas

The indirect effects of America's energy boom may be yet more consequential. Electricity is an input into just about everything and Americans pay half as much for it, on average, as Europeans and a third less than the Japanese. When it is inexpensive and abundant, workers and machinery can keep producing as much as possible without worrying too much about energy use. This helps explain why some energy-intensive businesses like mining and chemicals have not collapsed as they have in Europe.

Another factor behind the spurt in productivity growth is both fuzzier and more fundamental. The American economy remains unusually flexible, dynamic and innovative by rich-world standards. This makes it particularly adaptable, especially in times of crisis. Indeed, the start of the latest productivity boom coincided with the nigh-biblical pestilence of the covid-19 pandemic—and in contrast to the previous big upswing over two decades ago, other rich countries have not experienced the same miraculous revival this time.

The book of jobs

Unlike much of Europe, for instance, America largely opted to hand out pandemic assistance in cash rather than pursuing complex schemes that tied workers to their existing jobs. When lockdown layoffs began to be unwound, people were likelier to find new work in more efficient businesses—because these were the firms best placed to restart hiring.

The American economy is also taking more recent shocks in its stride. From the start of 2025 to March 2026, productivity growth was fairly solid—between 1.2% (per American worker including farmers) and 2.1% (per hour for non-farm business) at an annual rate (see chart 2). This was despite Donald Trump's best efforts to the contrary in the form of anti-growth tariffs, mass deportations and attacks on institutions like the Fed. It is likely to survive the president's strategically misguided war in Iran. And the AI age will probably show up in those productivity statistics sooner rather than

later—even if the models never attain godlike powers. Expect the productivity miracle to continue.■

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Docks, stocks and barrels

How the world has avoided an oil catastrophe so far

The great commodity-market mystery is deepening

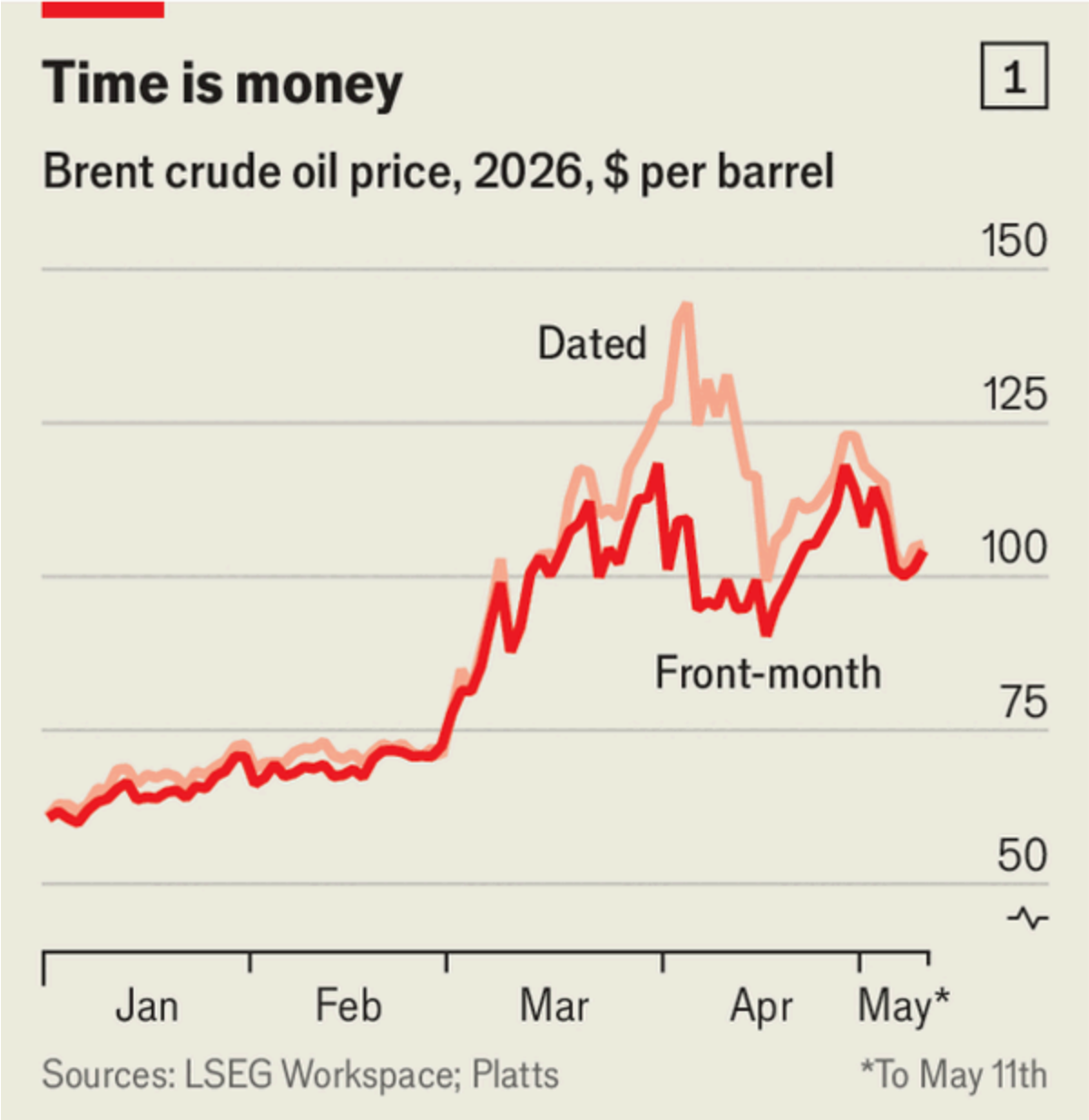
5月 14, 2026 11:25 上午



So why aren't markets on fire?

TEN WEEKS into the [Iran war](#), the mystery is deepening. Every day the [Strait of Hormuz](#) remains closed, nearly 14m barrels of oil—14% of global output—are lost. At least 2bn barrels will probably disappear from this year's total even if the strait reopens today. Yet Brent crude, at \$106 a barrel, fetches much less than the \$129 it hit in 2022, after Russia invaded Ukraine, and nowhere near the \$150-200 analysts predicted if the Iran war dragged on.

One reason is oil traders' perpetual optimism about a diplomatic breakthrough. "Front-month" Brent—the nearest futures contract and global benchmark—locks in a price for oil to be loaded onto tankers in roughly two months' time. Whenever Donald Trump hints at an imminent deal, markets put off pricing in further disruption. But lately even spot prices have calmed: "dated" Brent, which tracks crude loading in the coming days, traded at \$25 above front-month futures in early April; now the gap is just a few dollars (see chart 1).



Two forces explain why the panic has faded. First, non-Gulf producers have turbocharged exports. Net of imports, in the four weeks to May 10th Canada shipped 400,000 more barrels per day (b/d) of crude and refined products than a year earlier. Venezuela and Norway each added 200,000 b/d; Brazil, 100,000 b/d. Most remarkably, America put on 3.8m b/d, according to Vortexa, a ship-tracker; at nearly 9m b/d, its net petroleum exports in those four weeks were the highest ever (see chart 2).

America's export machine took a few weeks to crank up. New contracts had to be signed; extra barrels produced or drawn from reserves; pipelines booked; the right oil blended. In March freight rates from the Atlantic to Asia and Europe jumped to lure more tankers to those routes. To compensate buyers, the discount on West Texas Intermediate, America's flagship crude, relative to Brent and Dubai (the Asian benchmark) broke records.

All at sea

2

US, net seaborne oil exports*, m barrels per day
Four-week moving average



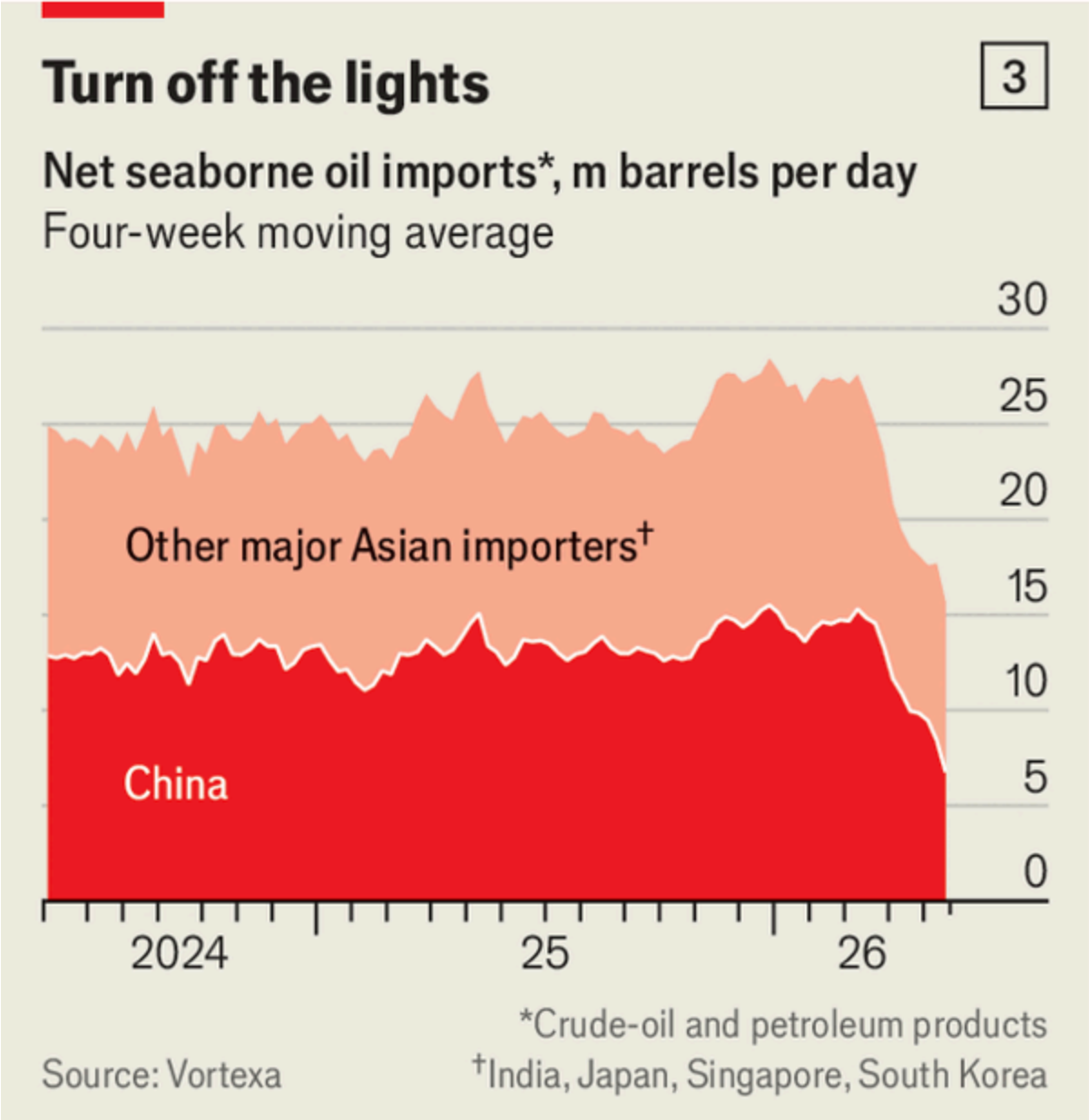
Source: Vortexa

*Crude-oil and petroleum products

The tide of non-Gulf barrels narrowed the supply gap to roughly 8m b/d. Enter the second force: in the same four weeks big oil-buying regions imported 11m b/d less petroleum than a year before. China's purchases alone dropped by 6.6m b/d (see chart 3). The country's refiners have even resold some cargoes they had pledged to buy from west Africa and beyond to other Asian buyers.

The fall in imports is not good news. Some of it reflects demand destruction. Crude shortages have forced refiners in Asia and Europe

to cut throughput by nearly 4m b/d. The loss of 4.4m b/d of refined products from the Gulf has pushed prices of diesel, gasoline and jet-fuel up by 60-120%. Squeezed consumers have cut back. Many petrochemical plants, starved of naphtha, a crucial plastics feedstock, are running below capacity.



Yet most estimates of demand destruction fall below 5m b/d, suggesting much of the drop in imports reflects caution not privation. Some buyers, too, may believe the strait will reopen soon

and are deferring purchases until prices fall. The surprising result is a mini-glut of crude. That is keeping the Brent price down.

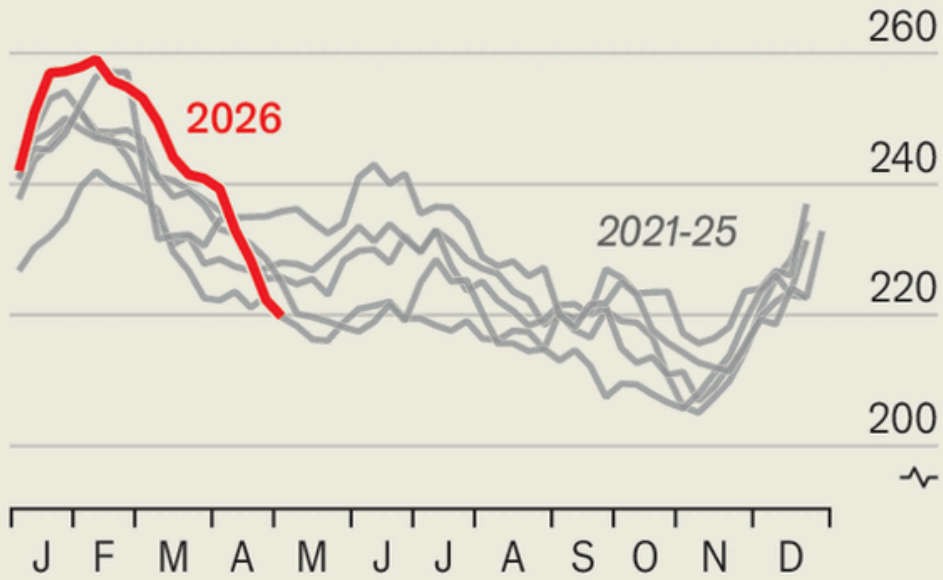
How long can it last? Satellite imagery suggests China's onshore stocks have barely budged, implying refineries have slashed throughput. But crude imports have collapsed so far that this cannot be the whole story. Martijn Rats of Morgan Stanley, a bank, suspects crude once held in underground caverns has moved above ground, covering the shortfall.

Such drawdowns are likely to accelerate. Soon Chinese refineries' maintenance season will end. They may increase exports, now the government has loosened a ban imposed in March. China has perhaps 1.2bn barrels of crude in storage: enough to keep imports depressed for much of 2026. But "strategically, they don't want to draw down everything this year," says Neil Crosby of Sparta Commodities, a data firm. That means China importing more, and the rest of the world less.

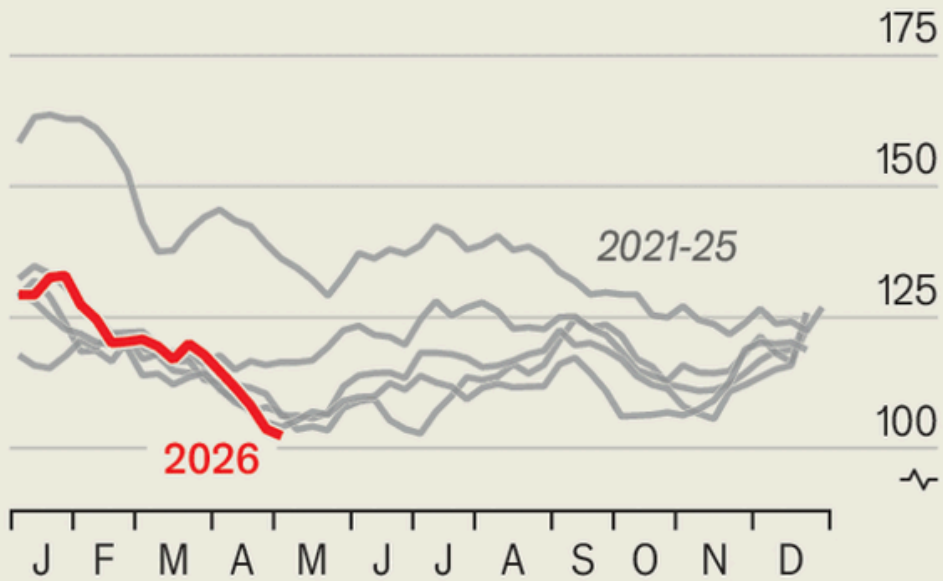
The bottom of the barrels

United States, fuel inventories, m barrels

Petrol



Diesel



Source: EIA

America may present a bigger problem. Its exports are now likelier to fall than rise. As in China, refiners' maintenance season will soon end, and more than 500,000 b/d now earmarked for export could be redirected, estimates Kpler, another data firm. More worrying, motor-fuel stocks are plummeting at record speed (see chart 4). If this continues, even a modest rise in crude prices could push petrol to \$5 a gallon—a threshold last breached in 2022, when it hurt both drivers and Joe Biden's approval ratings.

Mr Trump's administration is therefore mulling a ban on refined-product export. When Brent hovered around \$100, one insider put the chances of such a ban at 35%. They will be higher now, and could cross 50% if pump prices jump by Memorial Day on May 25th, several sources say. That would roil energy markets the world over.

Ban or no ban, oil stocks will keep falling everywhere. America and China have bought the world time. It still faces a reckoning if Hormuz stays shut.■

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Buttonwood

Index rebalancing is now the biggest event in markets

But profiting from it is another matter

5月 14, 2026 11:24 上午



WHAT DO THE Indonesian stockmarket, South Korean government bonds and Robinhood, an online broker, have in common? Not much, you might think. But over the past year investors in all three have quivered before the same phenomenon: the awesome power of financial indices.

The largest of these now exert a tidal pull on markets. As of 2025, around \$36trn-worth of capital was in passive investment funds. These automatically track decisions by MSCI, FTSE Russell, S&P

Global and the like to determine what to buy, and how much. Many trillions more are supposedly invested actively, but by “closet index-huggers”—timid managers who fear straying too far from their benchmarks.

Ironically, all this has given rise to a strategy based on discretion and guesswork. Hedge funds and other traders try to surf ahead of the wave of portfolio rebalancing generated by indices changing their weights. Some corkers are on the horizon, with buzzy and enormous firms such as [SpaceX and Anthropic](#) expected to list their shares in the coming months, and to join stockmarket indices soon after. Sadly, making money from such events is getting harder.

If markets were perfectly efficient, it would always have been nigh-impossible: as soon as an asset looked likely to enter an index, its price would adjust to anticipate tracker funds’ rebalancing. But markets are not perfect and index rebalancing is large enough to move them. Goldman Sachs, a bank, reckons \$7.8bn could flow out of Indonesian stocks if the country is downgraded to a “frontier market” by MSCI in June. The share price of Robinhood surged by 16% in September after it joined the S&P 500 index. South Korean bonds’ entry into the FTSE World Government Bond index this year may drag in as much as \$60bn-worth of foreign investment.

Why, then, is it getting harder to profit by trading ahead of these events? One reason is that index rebalancing rewards periods of sustained momentum. Shares that have climbed rapidly in value are admitted to indices, then bought automatically by tracker funds, giving them another boost. If you can identify one such winner earlier than your competitors, you can buy it before the bump. Provided it keeps winning, so will you.

If its momentum stalls, you will not—both because you own a stock that is faltering and because it might not now enter the index after all. In two separate months last year, index-rebalancing strategies run by Millennium Management, a hedge fund, came a cropper in

this way and booked losses worth hundreds of millions of dollars, snapping long winning streaks. They did so just as momentum reversed (meaning that winners began to lose and vice versa). When momentum becomes unreliable, as it has sometimes been recently, so too are index-rebalancing strategies.

More important, as traders have learned to make these sorts of plays, competition has squeezed profits. Research by Robin Greenwood and Marco Sammon, both of Harvard Business School, shows that the average stock added to the S&P 500 in the 1990s beat the index by 7.4 percentage points between announcement and inclusion. Since 2010 the average such bump has fallen below a single percentage point.

Even the most unlikely investors are getting in on the action. Norway's gargantuan sovereign-wealth fund has \$2.3trn in assets, much of it in effect invested passively. Yet it made \$4bn last year through arbitrage, including around the rebalancing of indices.

Many so-called tracker funds in truth exercise far more discretion than the label suggests. This might be necessary to avoid being the "dumb money" on the other side of index-rebalancing trades. Research by Peter Molk of the University of Florida and Adriana Robertson of the University of Chicago finds that even the largest S&P 500 funds had allocations that diverged from the index by between 1.7% and 7.5% of their assets in the final quarter of 2022. This amounted to over \$60bn-worth of stockpicking decisions.

The fate of any successful arbitrageur is a melancholy one. Profitable trades shrink the avenues for arbitrage that first attracted them to the market. At their very best, they help to make financial markets function more smoothly even as they erode their own advantages. There will still be money to be made for such traders in the months and years to come. But even as the importance of index rebalancing grows, the golden days of the strategy are probably over.■

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Free Exchange

How to share the AI windfall

Are taxes enough?

5月 14, 2026 11:25 上午



SHOULD ARTIFICIAL intelligence cause mass unemployment, workers will not be thrilled. But neither will the taxman, even if he hasn't been automated. For most of the past century, rich countries have had simple rules for sharing prosperity: raise money mostly by taxing work and consumption, sprinkle in some borrowing and hand out the proceeds. That model may collapse if AI advances as quickly as its boosters suggest. Hence, many say, a new approach is needed, in which government makes its money primarily from the new technology.

Exactly how God-like AI would hit employment is widely debated. It might be that human workers would simply reshuffle and do things that AI cannot, in a much wealthier economy. After a painful adjustment, in this scenario, most people would still have good jobs. But you can also imagine a trickier outcome in which AI diverts to capital holders income that currently flows to workers. That would be a huge upheaval. Throughout modern history, the ratio between labour and capital has been a remarkably stable two-to-one, noted Nicholas Kaldor, an economist at Cambridge University, in the 1960s. America's labour share has since fallen on some measures, but Kaldor's observation has mostly held up.

If the pattern broke, governments would still need money—probably much more, if swathes of the population were jobless and needy. Whether states supported them with cash handouts, job training or something more imaginative, the funding would need to come from somewhere. But if the labour-share of income was low, the tax base would have collapsed. The average member of the OECD, a club of mostly rich countries, raises about half of its tax revenue from labour. Another 30% comes from consumption taxes, and the rest from a smattering of levies on corporations, capital and property. America, which lacks a national consumption tax, is especially reliant on labour.

This broadly follows the advice of tax economists. They tend to prescribe flat levies on consumption to raise revenue and differential income taxes (higher for higher earners) for redistribution. They frown on corporation taxes (which discourage investment) and other levies on returns to capital (which distort choices between current and future consumption).

Less income tax would mean both less revenue and less redistribution. The obvious replacement would be to substantially raise consumption taxes. People, including rich-as-Croesus AI capitalists, would still buy things after all, and governments could pass the proceeds off to others.

Capital taxes might also become more important. These would still distort the economy but could help with redistribution, since most capital returns accrue to the rich. An AI world might also offer more sources of super-normal rents (like land in the richest cities today), which could be taxed without twisting incentives to invest and thereby damaging growth.

Plenty of the flashier AI tax proposals that are floating around fit into this traditional taxonomy. Robot taxes, for instance, are levies on one specific type of capital. Token taxes, on the volume of text passing through AI models, are a form of targeted consumption tax. Both would give rise to unhelpful distortions, nudging investment and spending away from automation and so hurting growth (though proponents tend to argue that such distortions would helpfully prompt innovation in technologies with more human involvement).

A more radical option is to offer workers direct stakes in the progress of AI. One way to do this would be to spread ownership of the companies developing the technology more widely, whether by handing out shares or through sovereign-wealth funds. On the face of it, this seems a world away from taxation. But it would be similar in principle to redistributing the proceeds from a well-designed corporation tax. In both cases, after all, governments in effect grant their citizens stakes in corporate earnings.

A big advantage of conducting redistribution through taxation is that governments need not make guesses about which companies will benefit most from AI, which they would have to when buying equity stakes. And yet owning shares in AI's winners might mollify displaced workers a lot more than a circuitous system of tax-and-spend. Equity stakes would also sidestep the issue of which country taxes rich companies—a boon given tech giants' knack for shuffling profits to lower-tax jurisdictions.

Capitalism in the 22nd century

In fact, this radical system of redistribution is not so far from reality. Many workers are already capitalists, with shares in their retirement or savings accounts. Any American with holdings in a fund tracking the S&P 500 share index is a fractional owner in Nvidia, Alphabet, Apple and 497 other big companies. Savers elsewhere in the world are in on the action, too. None needs to pick winners: in such funds, the most successful shares gain value and become a larger share of the portfolio, while the losers shrink.

Ideally, the biggest winners would be publicly listed, so outsiders could invest as easily as insiders. There is progress on this front, with both OpenAI and Anthropic preparing to list their shares soon. Even private markets are more democratic than many assume. The ultimate investors in many big venture-capital funds are Canadian savers (via vast pension schemes) or Singaporean taxpayers (via a sovereign-wealth fund). If governments are concerned about AI raising inequality, they could try boosting the shareholdings of the less well-off.

For all the upheaval that AI promises to bring, then, economics offers a comforting lesson: there are plenty of tools for sharing the prosperity that mass automation would create. Will politicians take them up? That is another matter entirely.■

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Science & technology

- [**Why many women cannot make enough breast milk**](#)

Feeling low :: The causes are often beyond their control

- [**Neanderthals went to the dentist \(really\).**](#)

Brace yourselves :: They did so tens of thousands of years before humans

- [**AI models are being used to predict conflict**](#)

Cloudy, with a chance of revolt :: Good data are hard to come by

- [**Do houseplants improve air quality?**](#)

Well Informed :: Air purifiers are more effective and easier to maintain

Feeling low

Why many women cannot make enough breast milk

The causes are often beyond their control

5月 14, 2026 11:24 上午



THE STRUGGLE to breastfeed is a defining feature of early motherhood for many women. Of the approximately 90% of mothers in rich countries who start breastfeeding, a quarter give up within a few weeks, often because they fear they are not producing enough milk to feed their babies. For many years doctors have assumed that true cases of poor supply are rare, occurring in no more than 5% of mothers. The prevailing advice to worried parents from health authorities in places such as England and America has, therefore,

been to stimulate the release of milk by either putting the baby to the breast more often or using a breastpump.

This advice, though well-meaning, is turning out to be inadequate. Many women who follow it still end up with babies who fail to gain enough weight—a clear sign that the mothers are not producing enough milk. Studies of breast-milk production involving hundreds of women in America and Australia in recent years suggest that the proportion of mothers who produce too little milk is far higher than previously thought: between 10% and 20%.

Researchers are beginning to understand why these numbers are so elevated. For many women, the explanation lies not in how they breastfeed but in the composition and function of unique cells in the mammary gland, an aspect of their biology over which they have no control. Further research may one day lead to treatments. But even in the short term these discoveries should help destigmatise low milk supply. “In the last ten years it has become more [accepted] that there is a biological reason for these cases,” says Yarden Golan Maor, who studies human milk production at Cornell University. “And it’s not, you know, you’re just not trying hard enough.”

At the heart of the matter are lactocytes, cells in the mammary glands that multiply rapidly during pregnancy and begin to secrete breast milk about three days after a woman gives birth. In the past, obtaining such cells for study would have required a tissue biopsy from a breastfeeding woman. That made research into lactation biology tricky. In 2010, however, researchers discovered that microRNA molecules from the mother’s breast cells (which contain information about those cells’ function) were abundant in breast milk. Breast milk samples could, therefore, be used as liquid biopsies to understand the causes of low milk production.

Such work has revealed distinct biological pathways for what is going wrong. Some women have too few lactocytes. Others may have lactocytes that are inefficient and secrete little breast milk.

Lindsay Hinck at the University of California in Santa Cruz has made progress on untangling the first of those issues. The problem may begin in pregnancy, when individual lactocytes repeatedly divide to form pairs of daughter cells identical to their mothers. Some lactocytes, however, are different: instead of giving rise to new cells, they hoard multiple copies of their own DNA within themselves, a trick that allows them to make more milk.

Both populations of cells are at risk of accumulating random DNA mutations, which can cause them to either die or stop working. And although a cell-repair mechanism exists which can boost the numbers of the hoarding cells, it does not always work as planned. In experiments conducted in mice, reported in *Nature Communications* in 2024, Dr Hinck's team found that low levels of an enzyme called WEE1 disrupts this repair mechanism, leading to fewer functioning lactocytes and low milk supply. A deficiency of WEE1 could be responsible for low lactocyte levels in humans, too, says Dr Hinck.

Rachel Walker at Penn State University is testing a hypothesis regarding what may be a separate mechanism. Many of the hormones that instruct the lactocytes to multiply and prepare the mammary gland for lactation are made in the placenta. As some animal studies have tentatively linked damage to the placenta with low milk production, Dr Walker and her team are examining whether this could be the case in humans, too. They are studying the placentas of new mothers in Uganda to see whether infection, among other things, is connected to low milk supply. If such a link is found, it might eventually be possible to predict the likelihood of low milk supply at the moment of childbirth.

Leaky pipeline

Progress has also been made on understanding why lactocytes might not function efficiently. One possible cause is a deficiency of critical nutrients in the mammary gland. These provide energy for

the lactocytes' normal functioning and are used as ingredients in the breast milk that they secrete. Researchers believe that a shortage would cause the lactocytes to either work harder to make up the shortage or else lose energy. Both scenarios might cause them to make less milk.

Such shortages are not necessarily the product of the mother's diet; certain gene variants and inflammatory molecules can also play a part. Some women, for example, have a gene mutation that affects how zinc passes from the blood into breast milk. Zinc is not only an important nutrient for babies, but is also involved in the development of the mammary gland. Researchers have found that having this mutation is linked with low milk supply.

Large-scale genomic studies in cows have also found genes that regulate the protein content of milk, some versions of which may also exist in humans. Women with these genes may struggle to have the right nutrient balance to trigger their lactocytes. That being said, scientists think that genetic causes of low milk supply are probably rare, as the associated mutations are unlikely to have been favoured by natural selection. Genetics, in other words, cannot be the end of the story.

Another prime suspect seems to be inflammation. In 2022 Dr Walker and her colleagues published research showing that chronic inflammation (the type common in obesity and auto-immune disorders like diabetes) prevents fatty acids in the blood from entering the mammary glands and enriching the breast milk. Specific inflammatory molecules can also disrupt the synthesis of carbohydrates, another important component of breast milk.

This growing body of research highlights a number of factors that may increase a woman's risk of having low supply. Obesity, diabetes and autoimmune disorders, for example, lead to chronic inflammation which can disturb the functioning of many organs in the body. Pre-eclampsia, a disease of the placenta that affects

roughly 4% of women, can also damage many organs. For women with some of these conditions, studies show that up to half may end up with low milk supply.

Other causes are less clear. One risk factor that a number of studies have identified is having breasts that are more widely spaced than average. Women who fall into this category often have little glandular tissue and, therefore, fewer lactocytes. Some research suggests obesity in early life may play a role, affecting the mammary gland's ability to grow at this crucial period of its development. But at the moment, says Dr Golan Maor, "It's all speculation." There is clearly much more research to be done.

Untangling the biology of lactation could have dramatic benefits for new mothers. Most straightforwardly, tests to diagnose low milk production would open the door to more tailored advice as well as potential treatments.

Some such tests are already being developed. In a paper from 2025 a team of Australian researchers showed that hand-held probes can accurately gauge sodium levels in breast milk, a useful indicator of malfunctioning lactocytes (as well as other conditions such as mastitis). When milk secretion begins, the spaces between the cells lining the mammary gland normally close up, preventing sodium from leaking into breast milk. Abnormally high sodium levels in a mother with suspected low milk supply would suggest some underlying biological issue.

More such innovations will hopefully hit the market soon. If lactation science continues in this way, millions of women who suspect they are making too little milk could get timely and definitive answers on whether that is, indeed, the case. ■

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Brace yourselves

Neanderthals went to the dentist (really)

They did so tens of thousands of years before humans

5月 14, 2026 11:24 上午



FOR MUCH of the modern era, “Neanderthal” has served as shorthand for brutishness and ineptitude. Yet mounting archaeological evidence suggests a rather more refined species: one that buried its dead, tended to injured companions and adapted with remarkable success to the rigours of Ice Age Europe.

Many researchers still draw a line between their behaviour and that of modern humans, arguing that they lacked the technical sophistication to perform something as complex as surgery. Now a

battered tooth from a cave in southern Siberia, described in the journal *PLOS ONE* by Alisa Zubova, Lydia Zotkina and Ksenia Kolobova at the Russian Academy of Sciences, is forcing a rethink.

The tooth in question is a 59,000-year-old molar from an adult Neanderthal. It was discovered in 2016 in Chagyrskaya Cave in the Russian stretch of the Altai Mountains by Dr Kolobova's team and, like many ancient teeth, it is heavily worn down from years of chewing on tough, gritty food. No other skeletal remains of its owner have been found. What is noteworthy about the tooth is that it has a large hollow on the chewing surface that reaches deep into its centre, where nerves and blood vessels would have been.

At first glance, the hollow looks like the site of a dental infection (or cavity) that would ultimately have proved lethal. But when Dr Zubova and her team looked closer, they realised its owner probably escaped this fate. Microscope images and CT scans revealed grooves and fine striations on the hole's walls that looked as if they had been made through the repeated rotation of some sort of pointed tool. To their astonishment, this suggested that a Neanderthal had intentionally drilled into the tooth to scoop out infected tissue. Could stone tools alone have been up to the task? Dr Zubova turned to Dr Zotkina, an experimental archaeologist, to find out.



The question of which stone to use was easy to answer: small and sharp tools made of a quartz-like material known as jasper have previously been found in Chagyrskaya Cave. Dr Zotkina consequently worked with her team to build similar tools and then use them to drill into sample teeth. They found that repetitive rotational motions with the jasper were enough to produce markings on teeth in less than an hour. What's more, the markings they left were strikingly similar to those found on the Neanderthal tooth. This was fossil evidence of dentistry taking place 59,000 years ago, a tooth-aching 45,000 years before modern humans are known to have been engaging in such activities.

Nor does the story stop at the drilling. The margins of the hollow show signs of having been smoothed by subsequent chewing activity. This means that the patient not only survived the procedure but then went on to chew enough food over the course of time to cause the drill site to get worn down. Moreover, the sides of the molar also show signs of "tooth-picking", whereby the repeated insertion of a narrow object led to grooves forming between the molar and other teeth. Whether this was done before or after the dental procedure is hard to tell, but was probably done to relieve

gum irritation. Such behaviour has been documented in earlier human relatives and even in Japanese macaques.

This dental discovery adds valuable detail to the picture of Neanderthal life. For one thing, say the authors, it shows they must have had fine motor control. More important, it suggests that they would have understood the importance of enduring some immediate (and excruciating) pain to reduce the chance of death. Such a calculation would have been impossible without causal reasoning, an attribute whose presence among Neanderthals has long been debated. This finding helps to bring that debate to a close.

“It’s pretty exciting to see such ancient evidence of a medical procedure as complex as this,” says Daniel Lieberman, an evolutionary biologist at Harvard University. “Sometimes I joke when I’m teaching that humans are the only species that would ever willingly go to a dentist. Now,” he adds, “I’ll have to revise my quip.”

■

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Cloudy, with a chance of revolt

AI models are being used to predict conflict

Good data are hard to come by

5月 14, 2026 11:25 上午



Cloudy, with a chance of revolt

AS AN UNEASY truce holds between America and Iran, experts are struggling to predict what new phase the conflict may enter next. Might an artificial-intelligence model know any better? To find out, *The Economist* asked RAND, a think-tank, to see if its new AI forecasting system thought a popular uprising was in the offing in Iran. Integrated Strategic Forecasting (ISF), as the system is known, put the chance of regime collapse or replacement by the end of 2026 at 20%—higher than many experts would hazard.

There are caveats. The forecast was produced without classified intelligence. Its inputs and outputs were also not vetted by humans, as is customary for forecasts commissioned by government agencies, notes Anthony Vassalo, RAND's head of prediction technology and a former senior official in America's Office of the Director of National Intelligence. Even so, Mr Vassalo is bullish. He describes ISF, which was completed in February, as "the better crystal ball" policymakers have long sought.

And ISF is not the only game in town. After two decades in which attempts to build conflict-predicting computer models have yielded disappointing results, recent advances in machine learning and large language models have prompted many data scientists to take another crack.

The idea is simple. Models trained on past conflicts are fed indicators that may signal future strife, in the hope that predictive patterns invisible to humans will emerge. Inputs include data on crime, public health, labour strikes, weather, the economy and political developments such as democratic backsliding. Social media are widely mined to gauge discontent.

Forecasters are also turning to images from satellites, drones and surveillance cameras. The aim is to spot clues in street life, traffic patterns, and the way protesters converge, hold ground and disperse. Such image analysis is being incorporated into a "prediction hub" at the University of the German Armed Forces in Munich. The system will serve Germany's defence ministry, says Daniel Racek, the project's chief early-warning data scientist.

Useful as all this may be, the best predictor of conflict is past conflict, says Katayoun Kishi, chief data scientist at ACLED, a non-profit in Wisconsin. ACLED pays some 150 researchers worldwide to track riots, government crackdowns, gang warfare, military attacks and other violence that raise the odds of future conflict. These data—deemed complete enough to be used by ForecastBench, a non-

profit, to assess general-purpose forecasting models—are fed into ACLED’s model, CAST.

CAST then uses this information, augmented with indicators such as infant mortality and occurrences of peace talks, to predict bouts of organised political violence up to six months out. Where good data exist, says Dr Kishi, the model works well. CAST correctly predicted, for instance, that in July 2023 the Brazilian state of Ceará, which had seen fighting among criminal factions, would have two battles, four attacks on civilians and no bombings. CAST, which has since been enhanced with reporting on other countries, is used by UN agencies and the Dutch foreign ministry.

Models are also getting better at assessing “risk amplifiers”. Heatwaves, for instance, have long been linked to an increased likelihood of riots. Proximity to extractable resources also matters, says Havard Hegre, who has trained NATO officials on an AI forecasting model, Violence & Impacts Early-Warning System (VIEWS), that he leads at the Peace Research Institute Oslo. Where there is oil or diamonds, successful rebels can expect to cash in, increasing the odds of conflict. VIEWS’s insights have led to its adoption by the UN Development Programme (UNDP) and the EU’s diplomatic service.

One newly upgraded set of models, run by the International Organisation for Migration (IOM), a UN body, aims to predict how many people will be displaced by conflict and natural disasters. The system’s first forecast, published on April 1st, predicted with ambitious precision that drought, floods and fighting would drive 304,362 people in Somalia from their homes over the next three months. As of April 20th Eva Nyaga, a data scientist at the IOM’s office in Nairobi, says the forecast may well be only a few percent off.

Scepticism remains, even among some users. Corrado Scognamillo of the UNDP’s crisis-risk unit in New York says his team considers just

three publicly available models, including CAST and VIEWS, useful, but only if strife is already under way. When it comes to the trickier matter of predicting the onset of a new conflict, he says, all models appear unreliable. Available data, he argues, often fail to capture a crisis's true triggers. Growing inequality, for instance, might prove less combustible than a change in how it is perceived.

To complicate matters, disinformation campaigns, now rampant, are muddying social media's predictive value, says Jack Rooney, boss of Aldebaran Threat Consultants, an intelligence firm in Dubai. Many hope to reduce errors by casting a wider net. Aldebaran taps a network of human sources to compile databases that some defence-ministry clients plan to feed into their own forecasting models. The Soufan Centre, a New York non-profit that also collects data for conflict forecasting, works to obtain undercover access to group chats run by outfits that advocate political violence. This allows them to pick up sentiments rarely expressed in public, says Clara Broekaert, a researcher at the centre.

History is, of course, littered with the wreckage of outfits with misplaced confidence in their predictions. Mr Scognamiglio highlights another pitfall. Predictions of unrest, merited or not, will tempt some regimes to crack down pre-emptively, he says. They may also draw unwelcome attention to the newly vulnerable. Tellingly, the IOM published its Somalia forecast at reduced spatial resolution. ■

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Well Informed

Do houseplants improve air quality?

Air purifiers are more effective and easier to maintain

5月 14, 2026 11:25 上午



CLEAN AIR is important for health, yet many homes are rife with pollutants. Household products such as cleaning solvents, waxes, paints and varnishes often contain volatile organic compounds like benzene and toluene, which can cause skin irritation, eye damage, neurological disorders and cancer. Furnishings and carpets, for their part, can slowly release formaldehyde, another carcinogenic molecule.

The presence of these toxins is particularly problematic for children who spend much of their time indoors and have sensitive lungs. Air purifiers can help, but houseplants have in recent years been marketed as a more aesthetic alternative. Amazon, an e-commerce giant, sells plants described as being for “air purification” alongside more conventional categories such as “low-maintenance” and “pet-friendly”. But how good a job can plants actually do?

Scientists have long known that plants can change the composition of the air around them as they breathe, turning carbon dioxide into oxygen in the process. The first good evidence to suggest that they might filter pollutants at the same time emerged in the 1980s, when NASA exposed a number of plants housed in small Plexiglas chambers to air contaminated with formaldehyde. These experiments, which lasted many hours, concluded that spider plants, among others, were effective at removing the toxin from the air.

Further studies painted a more detailed picture of how such effects were achieved. Whereas many plants, like pines and yews, have hairy, waxy or rough leaves that readily accumulate pollutants on their surfaces (and are often planted next to busy roads for precisely this reason), some species draw these molecules into their tissues through holes in their leaves known as stomata. Of those that draw in pollutants, some produce enzymes capable of breaking apart molecules such as benzene and formaldehyde. Research published in the *EU Journal of Internal Medicine* in 2017 further revealed that some plants send small amounts of the intact pollutants to their roots, where microbes in the soil devour them as food.

Harnessing these superpowers in a domestic setting is tricky. The most popular houseplants earn that distinction because they are attractive and good at putting up with neglect or abuse. The plants on most urban windowsills are, therefore, broadleaf evergreen species such as birds of paradise and fiddle-leaf figs from tropical and subtropical places. On the whole, they have small stomata. This

means that pollutant molecules are far less likely to enter the leaf and be broken down or buried.

The most promising results that have been generated have come from rarefied experimental conditions, with plants kept in small, airtight chambers with long exposure times. Experiments run with plants in ordinary rooms have yet to show any meaningful benefits.

But vegetation comes in many guises. Air-flow systems that attempt to purify air by blowing it over dense layers of vertically grown vegetation (known as living walls) have shown more promise in real-world settings. Even so, the improvements to air quality are small (one study showed that 60 square centimetres of plants could reduce an office's carbon-dioxide concentration by just under 2%) and living walls, though attractive, are not easy to maintain. It is a safer bet to appreciate your plants for the many other benefits they bring—and stick to an electric air purifier instead.■

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Picture imperfect

Welcome to a spectacularly fraught edition of the Venice Biennale

Come for the art, stay for the drama

5月 14, 2026 11:25 上午 | VENICE



IT WAS SUPPOSED to be a party. The trappings were all there: an open bar, resplendent pink flowers, a musician, scheduled DJ sets. And yet something was amiss—in fact, lots of somethings. In the [Russian pavilion](#) at the 61st edition of the Venice Biennale, irony was everywhere yet acknowledged nowhere.

“Why do flowers no longer smell?”, a seven-paragraph, mind-wilting description, accompanied a floral sculpture—which did, in fact, smell. A bin filled with a jumble of clothing and a sign declaring “tutto a 0€” was not intended to evoke refugees displaced by Russia’s war in Ukraine, but who could think of anything else? And then there was the spokesman wearing a black-and-white striped mask and Cheshire-cat smile, as visitors milled around uneasily. “It’s a festival,” he insisted. “It’s like Coachella, but in [Venice!](#)”

The official theme of this year’s Biennale, which opened to the public on May 9th and runs until November 22nd, is “In Minor Keys”. But the art world’s oldest and largest global gathering has opened to a loud soundtrack of discord. The festival’s decision to allow Russia to host an exhibition—after being absent from the past two instalments—set off a furore, resulting in the European Commission pulling €2m (\$2.3m) of funding and several leaders boycotting the Biennale’s opening.



For the first time in its history, the prize-giving jury resigned, after announcing it would not consider countries facing war-crimes charges, namely Israel and Russia. (The threat of a lawsuit by the artist representing Israel, seeking personal damages from jury members, reportedly contributed to their decision to stand down.) With no judges to hand out the usual awards, this year visitors will be able to vote for the best artist and national pavilion, in a populist move more reminiscent of "American Idol" than high art.

The Biennale was founded in 1895 to celebrate the 25th wedding anniversary of King Umberto and his wife and to display the strength of Italy, unified only a few decades earlier. Ever since, the art world's Olympics have reflected the wills and woes of their era.

So it goes today. "What did we expect? The world is in such a shambles, why did we think the Biennale would be any different?" wonders Massimiliano Gioni, curator of the Biennale in 2013 and now the artistic director of the New Museum in New York. This year is the most chaotic and contentious since 1968, when student [protesters](#) targeted the event, says Chelsea Haines, a historian of contemporary art.

Like many institutions besieged by politics, the Biennale's organising body has come off as ill-equipped to manage the hard issues of free speech, propaganda and participation. This year 100 countries have pavilions showing their best artists and ideas, mostly scattered around Venice's public gardens (Giardini) and former shipyards (Arsenale). In a compromise that has pleased no one, including the Italian government, which has been at odds with the Biennale's leadership, Russia's pavilion was permitted to open for previews but will remain closed for the main event.

Nearby, Israel's permanent pavilion is shut, supposedly for construction, with police standing guard outside. Israel was instead allowed a space in the Arsenale, where it is harder to stage protests because of its narrower aisles. There, an artist has set up a pool of

water with pipes dripping into it, which “invites viewers into a contemplative environment”.

Several other countries not involved in actual wars have waged very public battles with artists. Australia fired its chosen artist after concerns emerged that he had included Hizbullah’s former leader in a previous work; it reinstated him after an outcry over freedom of expression.

Meanwhile, South Africa’s culture minister tried to persuade its artist, Gabrielle Goliath, to remove a Palestinian poet from her work; she refused and was told she could no longer take part. In the end, after trying to cancel Ms Goliath, [South Africa](#) cancelled its pavilion. A nearby church offered a “radical refuge” for her show, “Elegy”. It features videos of women singing a single note on loop to honour women who have been killed. The church’s acoustics make it all the more haunting.

Elsewhere globalisation has given way to localisation. “A lot of the pavilions have become rooted in the countries themselves and are more inward-looking” this year, observes a longtime Biennale-goer. Many, such as Germany’s and South Korea’s, are focused on their own histories.



And then there's America's pavilion. After specifying that the exhibition needed to reflect "American values" and not touch diversity, equity or inclusion, the government did not work with the National Endowment for the Arts, the agency that typically vets proposals, for the first time "in the protocol's history", says Alexander Alberro, a professor of art history at Barnard and Columbia. Instead, the artist was chosen by a new non-profit, run by a woman who used to oversee a pet-food firm.

The artist chosen, Alma Allen, is a self-trained outsider to the liberal art world, which is probably to the Trump administration's liking (though it is not exactly on brand that Mr Allen emigrated to Mexico). His energetic sculptures surely have a message, but viewers are left wondering what exactly it is (see picture above). "We're not telling people what to think," says Jeffrey Uslip, the American pavilion's curator. Every sculpture is untitled. Only by the

exit is there any explanatory text. Mr Uslip notes that the first sculpture you encounter at the entrance, made of Iranian travertine, might appear to some viewers like a [mushroom](#) cloud or mountain; another one looks like a whale or even a body bag. But which are they intended to be? The exhibition is “sphinx and chimera. It is a riddle,” replies Mr Uslip. Unfortunately, it is a riddle that will leave plenty of visitors stumped.



Fittingly for such supercharged times, the most popular art in Venice involves spectacle and live performance. In the lead-up to the opening, hundreds swarmed Austria’s pavilion to see “Seaworld Venice” (pictured), which features naked women. One rings a bell with her body. Another sits in a tank of water with a scuba mask, connected to portable toilets, which guests can use. A short walk away, [Japan’s](#) pavilion, focused on declining birth rates, allows visitors to participate by picking up baby dolls, carrying them around and changing their nappies.

Art featuring nudity and novelty often appeals, but even more so when it distracts from the political tension and existential angst in Venice and everywhere else. However, the best works do not divert your attention but focus it.

That is the feat of Ukraine's excellent contribution, "Security Guarantees" (pictured top), which greets guests when they arrive in the Giardini: a hulking sculpture of an origami deer suspended from a truck. (The title refers to promises from America and others to protect Ukraine when it agreed to give up its nuclear arsenal in 1994.) The artist, Zhanna Kadyrova, removed her sculpture from Pokrovsk, close to the war's front line, and drove it across Europe, documenting the stops along the way. Since then the city has been flattened by Russia's bombardment.

The subject is heavy; the work is creative and even beautiful. People stop briefly to contemplate it, and then head off, presumably in the direction of Austria. ■

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Worth its weight

The weird, wild story of humanity's obsession with gold

A new book charts the gilded history of an ancient asset

5月 14, 2026 11:24 上午



The Secret History of Gold. By Dominic Frisby. *Pegasus Books*; 288 pages; \$29.95. *Penguin Business*; £22

IN THE 1980S Lloyd Blankfein, the future boss of Goldman Sachs but then a rookie gold trader, bought a kilogram of the metal for himself. He describes this in ["Streetwise", his memoir](#), as less an investment than a conversation piece—albeit one that cost around \$15,000

(\$50,000 today). When he handed it round at dinner parties, he found it better at prompting awe than speech. "People would become slightly mesmerised," he writes. "No one ever wanted to let go of it."

As Dominic Frisby, a financial writer, recounts, gold has captivated human beings since time immemorial. In doing so, it has shaped the course of history. The earliest known artefacts made of it are 6,700 years old, from the Neolithic period, and include crowns, brooches and a "gold phallus cover, with holes for threads to tie it on". Even then, in other words, gold was already bound up with wealth and power—as it still is today. (The phallus cover, Mr Frisby muses, perhaps indicated "the owner's status as a leading procreator".)

The "primal instinct" to covet gold pervades folklore. Greek myths heave with the stuff: there is a golden fleece (sought by the Argonauts), a golden apple (given to Aphrodite) and golden everything (touched by King Midas). Ancient rulers understood the power of this symbolism and put it to good use. When the Lydian empire struck the first coins in the seventh century BC, it made them from silver and gold. Some 200 years later, when [Alexander the Great](#) conquered the Persian empire, he carefully secured all its main gold-supplying regions. He then established 26 mints across Europe, Asia and Africa, and ensured that some of the most valuable coins had a gold purity of 98%.

This idea stuck, on and off, for over 2,000 years—and so gold's history is also that of money. It is therefore unfortunate that Mr Frisby's grasp of this topic is shaky. He writes reverently of the [gold standard](#), under which governments used to peg their currencies' value to the metal and for which no serious economist would advocate today. Its well-documented contributions to deflationary and financial crises, including the [Depression](#), go curiously undiscussed in this book. By contrast the author blasts the "pernicious consequences" of the "floating fiat currencies" that replaced gold-backed ones after America junked the international

gold standard in 1971. In fact, this switch set the stage for a great economic boom.

Part of the fun of this book is how much Mr Frisby embodies the stereotype of the goldbug as a crank. "Without the discipline of gold," he writes, governments have grown "fat on waste, war and welfare", as if these problems were born in the 1970s. Currencies not backed by gold are blamed for rising house prices, immigration and "feelings of hopelessness". "The connections," Mr Frisby darkly warns, "are undeniable once you understand the forces at work." This reviewer must confess to having finished the book unenlightened.

It is nevertheless worth reading, because the author has collected some cracking stories. There is the Spanish King Ferdinand II's order to the conquistadors to "Get gold, humanely, if possible, but at all hazards, get gold." There are the gold rushes of the 19th century, which transformed California and Australia. There is the Bank of Norway's daring—and amazingly successful—mission to keep its gold from the Nazis during the second world war.

It is also worth reading this book because gold still matters a lot. It accounts for over 80% of America's foreign-exchange [reserves](#). Meanwhile America's weaponisation of the dollar, through [sanctions](#) on the likes of Russia and Iran, has prompted a race for alternatives, whether backed by governments or based on [bitcoin](#). Yet as Mr Frisby notes, even the countries that are keenest on these alternatives, such as China, Saudi Arabia and Thailand, are clamouring to buy gold, too.

So are investors, because of gold's use as a haven from inflation and political chaos. Both have surged in recent years, as has the gold price: Mr Blankfein's kilogram would now fetch around \$150,000. As a basis for money gold is still, as John Maynard Keynes wrote in 1924, "a barbarous relic". But as a component in investors' portfolios, it is as important as ever. ■

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Morris miner

Jan Morris was a man, then a trans woman—but always a narcissist

A new biography digs into the life of an intrepid journalist

5月 14, 2026 11:25 上午



Ain't no mountain high enough

Jan Morris. By Sara Wheeler. *Harper*; 432 pages; \$37.50. *Faber & Faber*; £25

IN JULY 1972 the man once known as “James Morris” walked into a clinic in Casablanca. Days later, after a brisk operation, Jan Morris walked out. “I really am me!” She felt instantly different. As a man

her role had been to “push and initiate”; now it was to “yield and accept”. She felt closer to animals. She found herself “talking to the garden flowers, wishing them a Happy Easter”. Women are like that. You can barely move in London parks for women talking to flowers.

Not all women were so nice. Some, when they read “Conundrum” (1974), Morris’s account of her transition, did not smile at flowers and think pretty, yielding thoughts. Instead they said some pretty unyielding things. Morris is “to me a man who has eaten a great many pills”, wrote Germaine Greer, an Australian feminist. Morris was “a man’s idea of a woman”, said [Rebecca West](#), a British critic. Though not wholly a man’s idea of a woman. When it came to domestic labour, Morris’s daughter observed, “she did nothing.”

All lives are complicated. The life of Jan Morris—soldier, journalist, writer, man, woman, father, mother—is more complicated than most, as a new biography by Sara Wheeler, a travel writer, shows. (Her pronouns can feel complex too: this review, like the book, refers to Morris as “he” pre-transition.) Morris lived an “insanely interesting life”, witnessing the second world war, the conquest of Everest, the end of British rule in Palestine. “She *was*,” Ms Wheeler writes, “the 20th century”. Certainly, after he became world-famous for covering the first conquest of [Everest](#) as a journalist for the *Times*, Morris met many of its most interesting players. Harry Truman chatted to him; Walt Disney spoke with him about his cartoons.

Time erodes all lives, however great, into a few “Ozymandias”-like fragments: [Napoleon](#) is Waterloo and Elba; Caesar is the Rubicon, [Cleopatra](#) and his assassination; lesser lives are littler yet. Morris—who had been “James of Everest”—became the man who, in 1972, had had an operation and started dressing, says Ms Wheeler, like “a Walmart version of the Queen”. She was, as another trans woman said of herself, “a sex change first and anything else second”.

But Morris did so much. When he was born, in 1926, the British Empire lay over the map in “huge red slabs”—and empire coloured

his life, too. His wife, Elizabeth, was brought up in it (she lived in Ceylon, now Sri Lanka, with a pet baby elephant); Morris's job was "to help dissolve" it (he was sent to Palestine as an intelligence officer by the War Office); later, he chronicled it (in his "Pax" trilogy).

His big break came when he was sent by the *Times* to cover the Everest expedition (much to the irritation of the leader, John Hunt, who considered Morris "physically substandard"). The expedition was such hot news that its results had to be telegraphed in codewords: the death of a climber was to be "SIGNALBOX"; success was "SNOW CONDITIONS BAD". On May 30th 1953 Morris sat, dizzy with altitude in his tent, and typed: "SNOW CONDITIONS BAD STOP".

The ascent of Morris's career had begun. His family life was now thriving (he and Elizabeth eventually had five children), but Morris was struggling. At four he knew he "had been born into the wrong body". And so he began his transition in his early 30s. The description of this change is interesting—but far more interesting is Morris's unchanging narcissism. When their baby daughter died of meningitis, Morris was not at the hospital: he had refused to go. Morris may have talked to flowers, but paused to consider few other living things. Particularly not Elizabeth, who kept house, kept quiet over the gender transition and endured.

As this detailed (at times far too detailed) biography shows, her transition would, in the end, eclipse all else. "I want to be remembered as Jan 'Empire' Morris" she said. But she noted, "the headlines will read, 'Sex Change Author Dies'." Many, Ms Wheeler notes, "more or less did". Few people today read her works. The sun is setting on Empire Morris. ■

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In pod we trust

“Companion podcasts” are the latest hit format

Ready for more after bingeing on TV?

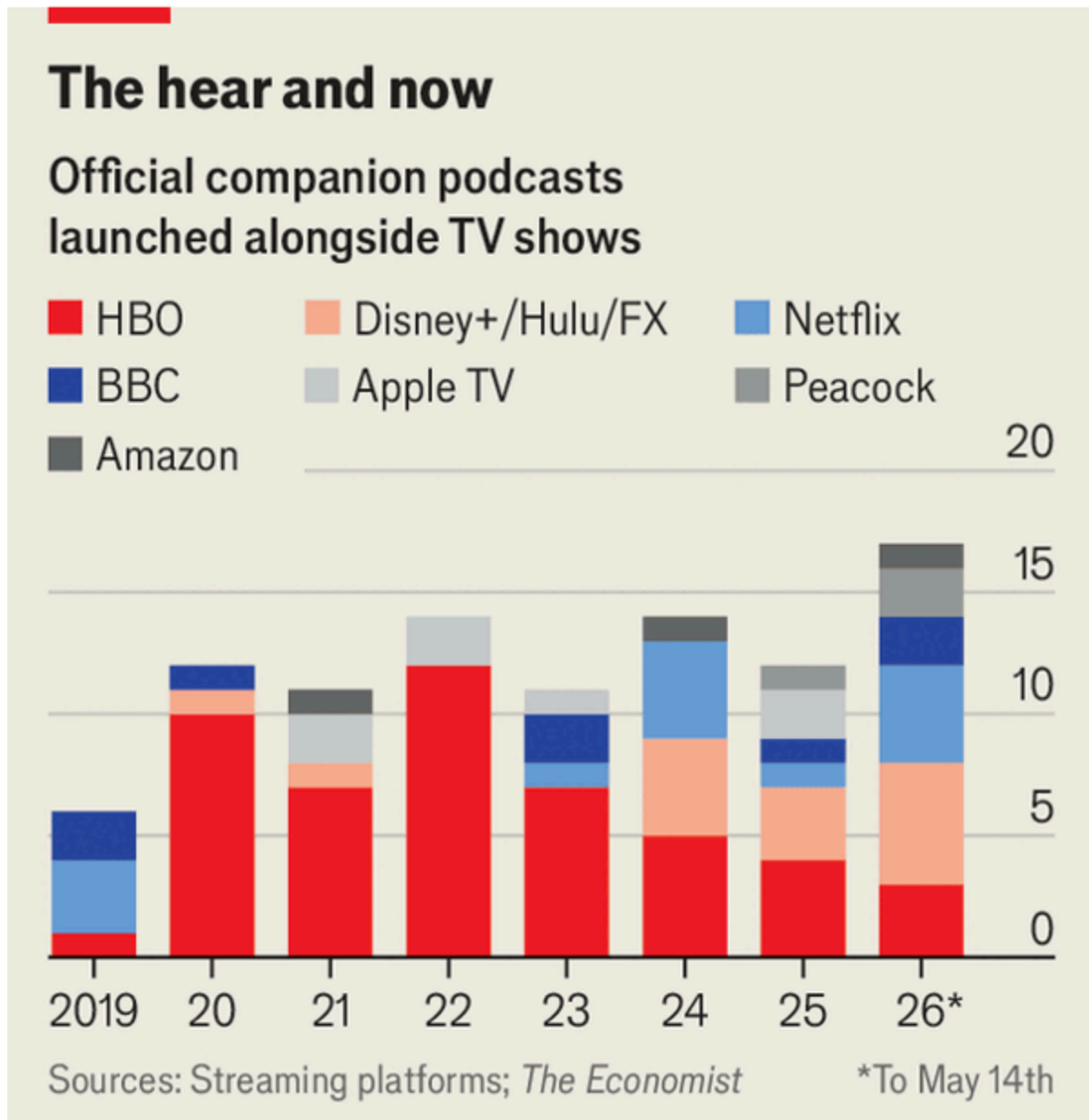
5月 14, 2026 11:25 上午 | NEW YORK



WHEN YOU are not watching your new favourite TV show, you may be thinking about it. How did they come up with that plotline—and how did the lead actor feel when he read the script? Where did they shoot that memorable scene, and with how many retakes? How long did it take to make that bejewelled costume?

A new format has emerged to satisfy fans' curiosity: the companion podcast. Recently listeners have devoured episodes about “Beef”, a mini-series, and plunged into “The Pitt”, a medical drama. This

month, ahead of its TV remake of “Harry Potter” in December, HBO is releasing a podcast revisiting the eight movies. And on May 15th viewers will return to Rutshire for the second season of “Rivals”, an adaptation of [Jilly Cooper](#)’s bonkbuster novel. An official podcast will chronicle “the joys and challenges of bringing 1980s television and naughtiness to life”.



At least 17 companion podcasts have launched this year alone (see chart). They tend to offer fans a glimpse behind the scenes, as the

TV show's cast and crew chat about the decisions and antics on set. Take, for example, Neil Druckmann, who developed the [video game "The Last of Us"](#), and became host of a podcast accompanying the television show. He let fans in on the adaptation process, including how he "just could not crack" a film and how he was "unburdened by teaching people how to walk, move, jump and crawl", as he rejigged entire plot points for a passive, non-gamer audience.

Becky Rho, HBO's director of podcasts, says the format appeals in an "age of information". Audiences are eager to know: "How did they pull off that stunt? How did this character or story arc come together?" Such podcasts should be "genuinely immersive and insightful", says Darby Dorras, a producer on the recent "[Peaky Blinders](#)" tie-in. It is no good "assuming the audience is going to stick around for a bit of a fun chat". Some podcasts bring in subject experts to add authority and analysis. A paediatrician has dissected the medical storylines in "The Pitt", and a space scientist has guided viewers through the astrophysics of "[3 Body Problem](#)".

There has long been demand for this kind of content. Back in the day, DVD box sets came with special features and interviews. (Streaming did away with DVDs and their behind-the-scenes bonuses, to the dismay of enthusiasts.) Unofficial "rewatch podcasts", in which fans scrutinise their favourite shows, filled some of the gap and gained a popular following. In the 2010s two comedians found a huge audience with "Gilmore Guys", an affectionate tribute to the teen drama "Gilmore Girls".

So for networks, companion podcasts are a no-brainer. They are relatively cheap to produce, bolster retention and can be enjoyed anywhere. "One of the core objectives here is to introduce content that can be consumed on the move," reckons Matt Trickett of Ampere Analysis, a research firm. Fans can be thinking about their favourite show all day long, not just when they watch it on the sofa after work.

In time, a saturation point will surely come. Can you imagine if even half of the 1,100 shows released in America in 2025 had an official podcast? But for now, they are thriving. Television audiences are primed for an earful. ■

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Fight or flight

Who wants to relax on holiday?

Daredevil vacations are becoming thrillingly popular

5月 14, 2026 11:24 上午



"A VACATION IS having nothing to do and all day to do it in," said Robert Orben, an American comedy writer. Summer holidays have long involved reclining on a [far-flung beach](#). But more tourists are forgoing sun loungers in search of adrenalin-packed pursuits, such as canyoning (scrambling down gorges) and abseiling (descending rock faces). "Darecations" are a top tourism trend of 2026, according to Pinterest, a social-media firm. Around 14% of international travellers are keen on such pursuits, suggests the Adventure Travel Trade Association (ATTA), a trade group.

Adventure travel involves “wanting to get out of your comfort zone”, explains Heather Kelly of ATTA. Sometimes that means trying an extreme activity: SportsCover Direct, an insurance provider, claims that the number of people buying travel insurance for sporting activities nearly tripled between 2023 and 2025. The fastest-growing endeavours include mountaineering, rafting, hiking and running events such as [marathons](#).

Other times darecations come with added comforts. “Soft adventures”, as industry folk call them, are on the rise. Such holidays can involve less strenuous activities—calm kayaking rather than white-water rafting—and luxury accommodation. On [Airbnb](#) bookings for nature and outdoor experiences, which include surfing and cycling tours, are outpacing all other activities.

There is “a shift away from fly-and-flop holidays”, notes Lisa Marçais of Airbnb, and towards “immersive and memorable travel experiences”. As the wealthy amass even greater riches, they have more to splurge on tailored trips. Darecationers say they want to get off the beaten track; many see adventure travel as a status symbol. Rare events, such as seeing a volcano erupt at sunrise, make great stories to tell friends.

Or better yet, show off on social media. Darecations offer the sort of enviable views instantly loved on Instagram. “The best things”, many captions attest, are found not on the beach but “on the other side of fear”. Holidays spent simply lounging about have never been such a flop. ■

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Point, click, destroy

The AI that transformed American warfare

Maven not only identifies targets—it tells commanders how to attack them, too

5月 14, 2026 11:24 上午



Project Maven. By Katrina Manson. *W.W. Norton*; 416 pages; \$31.99 and £23

THE MAVEN SMART SYSTEM is perhaps the most important weapon system you have never heard of. It has spotted [Iranian missiles](#) heading for Israel and rocket launchers in Yemen. It has detected migrants crossing America's southern border and drug boats in the

Caribbean. On one day in 2022 it found more than 260 potential targets for [Ukraine](#).

And Maven does not just sense such things: it can also co-ordinate the response. It fuses together different sorts of intelligence—photos, text, radio and electromagnetic pulses—and works out which plane, carrying which munitions, is closest to which target. With a single click by a human, Maven can turn data into ash. As one NATO official tells Katrina Manson, “This is the Microsoft Windows of warfighting.” It may well become to armed forces what Microsoft is to office drones.

In “Project Maven”, Ms Manson, a national-security journalist at Bloomberg, has written one of the most important books on war and technology in many years. It is a scintillating account of how Drew Cukor, a hard-driving marine, created a team of mavericks who put AI at the heart of America’s war machine—even though that team was often at war with itself and with the rest of the Pentagon.

It is also a story of Silicon Valley’s shifting relationship with war and the Pentagon. Google walked out of Maven in 2018 after employee protests over the tech giant collaborating on lethal tools. [Palantir](#) later became the single most important firm in Maven’s development.

It started out as a project harnessing AI to find objects in reams of drone footage, a job that previously consumed huge quantities of manpower. Early algorithms, tested during counter-terrorism operations in Somalia in 2017, were erratic. Algorithms would label clouds as flying school buses. The next year, in [Afghanistan](#), the software identified trees as people and rocks as buildings. But it improved.

On one occasion, just as American forces were about to launch a drone strike, an analyst spotted a shepherd walking into the field of view. It had taken him 40 seconds to notice the man; when they

tested Maven on the same video feed, it took the AI less than a second to detect him.

In 2019 Maven was used during the operation to kill [Abu Bakr al-Baghdadi](#), the head of Islamic State, in Syria, and [Qassem Suleimani](#), an Iranian general, by drone strike in 2020. When Joe Biden pulled American forces out of Kabul the next year, Maven would work out how many people were thronging the airfield during the mad scramble.

However, it was Russia's invasion of Ukraine that was the pivotal moment for Maven. The targeting tool was feeding what America euphemistically called "points of interest" to Ukraine on an industrial scale, at the cost of \$1m per month in cloud-computing bills. "Sometimes it felt as though the US was all but punching coordinates into the weapons systems themselves," Ms Manson writes.

AI is context-specific, the book makes startlingly clear. Models that had 70% success rates in Afghanistan dropped to 30% in the Philippines, where people walked in front of thick green jungle rather than dusty yellow ground. Similarly, the algorithms struggled to cope with Ukrainian snow and Russian tanks with their turrets blown off. Good data was crucial. Training a single algorithm might take 10,000 images, each one accurately labelled. In 2021-22 more than 1,500 algorithms were whittled down to just two dozen for use in Ukraine.

When Maven was launched, Pentagon officials portrayed it as an intelligence tool, far from the messy and controversial work of targeting. Ms Manson's book dispels this notion. From the start, Maven was intended to speed up America's kill chain: the process of finding targets, deciding what to do and conducting an attack. One official at the National Geospatial-Intelligence Agency tells Ms Manson that large-language models have speeded up the targeting process five-fold, allowing America to identify and hit 5,000 targets per day. "Ultimately," says General Chris Donahue, who pioneered Maven's use in Ukraine and now serves as the commander of

American land forces in Europe, “all this stuff will become automated.”

That raises profound questions around [human control of war](#). In a conflict between America and China or Russia, each side would face enormous pressure to strike quickly and decisively, before the other side could find targets and launch weapons. Even if people are overseeing the process, can they keep up, particularly if something goes wrong? Long after Maven was deployed in Ukraine, it was still producing ten incorrect detections for every square kilometre it assessed.

Now, as well as operating on distant servers, the algorithms developed by Maven sit inside weapons. The book describes two little-known weapons intended to overwhelm and slow down Chinese forces in any war in the Pacific. “Goalkeeper” is a loitering munition, or suicide drone; “Whiplash” is an explosives-laden jet ski, whose early versions were smuggled into Ukraine by the CIA for testing. Each type could be sent to find and attack targets on its own.

That makes thorough data more important than ever. When Mavenites tried to build a submarine-hunting algorithm, they found that P-8 sub-hunting planes wiped their hard drives at the end of each mission. After some resistance from America’s navy, such data were acquired and supplemented with hundreds of thousands of inputs from “boat cameras, port cameras, infrared systems...destroyers, combat ships, buoys, dhows” and more. One defence official says “We’re basically watching the [People’s Liberation Army] all the time...to get AI training data.”

Ms Manson has conducted scores of interviews with the people who built and use Maven, as well as its opponents. Mr Cukor emerges as an intriguing character—reprimanded by the Marine Corps for overseeing a toxic culture within Maven—whose intensity and drive shaped the programme’s success. He wants decision-makers in Washington to use his innovations wisely. “Let’s be able to look

ourselves in the mirror and make sure we are careful,” he says. “We have all this tech; are we the best custodians of it?” ■

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Economic & financial indicators

- [Economic data, commodities and markets](#)

Indicators ::

Indicators

Economic data, commodities and markets

5月 14, 2026 11:25 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	2.7	Q1	2.0	2.2	3.8	Apr	3.7	4.3	Apr
China	5.0	Q1	5.3	4.9	1.2	Apr	1.6	5.4	Mar ⁵
Japan	0.4	Q4	1.3	0.5	1.4	Mar	2.3	2.7	Mar
Britain	1.1	Q1	2.5	0.8	3.3	Mar	3.5	4.9	Jan ^{††}
Canada	0.7	Q4	-0.6	1.2	2.4	Mar	2.6	6.9	Apr
Euro area	0.8	Q1	0.6	1.0	3.0	Apr	2.6	6.2	Mar
Austria	0.6	Q4	0.1 [‡]	0.8	3.3	Apr	2.6	5.6	Mar
Belgium	0.7	Q1	0.8	1.0	4.3	Apr	3.0	6.3	Mar
France	1.1	Q1	nil	0.8	2.5	Apr	2.2	7.7	Mar
Germany	0.3	Q1	1.3	0.6	2.9	Apr	2.7	4.0	Mar
Greece	2.5	Q4	3.2	2.0	4.6	Apr	3.1	9.0	Mar
Italy	0.7	Q1	0.7	0.8	2.9	Apr	2.1	5.2	Mar
Netherlands	1.2	Q1	0.2	1.1	2.5	Apr	3.1	4.0	Mar
Spain	2.7	Q1	2.5	2.1	3.5	Apr	2.5	10.3	Mar
Czech Republic	2.5	Q4	2.9	2.2	2.5	Apr	2.2	3.0	Q4 [‡]
Denmark	3.3	Q4	1.0	1.8	1.3	Apr	2.0	3.0	Mar
Norway	2.2	Q4	-1.3	1.5	3.4	Apr	2.9	4.8	Feb ^{††}
Poland	4.1	Q4	4.5	3.5	3.2	Apr	3.4	6.1	Mar ⁵
Russia	1.0	Q4	2.8	1.5	5.9	Mar	5.7	2.2	Mar ⁵
Sweden	2.0	Q1	-0.8	2.3	-0.1	Apr	1.8	9.7	Mar ⁵
Switzerland	0.7	Q4	0.6	1.0	0.6	Apr	0.4	3.0	Apr
Turkey	3.4	Q4	1.5	3.0	32.4	Apr	30.1	8.1	Mar ⁵
Australia	2.6	Q4	3.2	2.1	4.6	Mar	4.3	4.3	Mar
Hong Kong	3.8	Q4	4.0	3.2	1.7	Mar	2.0	3.7	Mar ^{††}
India	7.8	Q4	7.1	6.5	3.5	Apr	4.8	6.7	Apr
Indonesia	5.6	Q1	6.0	5.2	2.4	Apr	3.3	4.7	Feb ⁵
Malaysia	5.3	Q1	1.6	4.7	1.7	Mar	2.2	2.9	Mar ⁵
Pakistan	4.8	2026 ^{**}	na	3.0	10.9	Apr	7.8	6.9	2025
Philippines	2.8	Q1	3.6	3.3	7.2	Apr	4.6	5.8	Q1 ⁵
Singapore	4.6	Q1	-1.3	2.4	1.8	Mar	2.3	2.1	Q1
South Korea	3.6	Q1	6.9	2.1	2.6	Apr	2.4	2.9	Apr ⁵
Taiwan	13.7	Q1	11.9	8.1	1.7	Apr	1.6	3.4	Mar
Thailand	2.5	Q4	7.8	1.6	2.9	Apr	2.5	1.0	Mar ⁵
Argentina	2.1	Q4	2.5	3.0	32.6	Mar	31.6	7.5	Q4 ⁵
Brazil	1.8	Q4	0.6	1.8	4.4	Apr	4.5	6.1	Mar ^{5††}
Chile	1.6	Q4	2.3	1.4	4.0	Apr	3.7	8.9	Mar ^{5††}
Colombia	2.2	Q4	0.5	2.7	5.7	Apr	5.7	8.8	Mar ⁵
Mexico	0.1	Q1	-3.2	1.5	4.4	Apr	3.9	2.8	Mar
Peru	3.2	Q4	-0.6	2.5	4.0	Apr	4.0	5.4	Mar ⁵
Egypt	5.3	Q4	0.8	4.5	14.9	Apr	13.5	6.2	Q4 ⁵
Israel	3.3	Q4	3.3	3.0	1.9	Mar	2.5	2.8	Mar
Saudi Arabia	4.5	2025	na	-2.0	1.7	Apr	2.5	3.5	Q4
South Africa	0.8	Q4	1.5	1.6	3.0	Mar	3.8	32.7	Q1 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

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	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 \$ May 14th	% change on year ago
United States	-3.4	-6.5	4.5	-3.0	-	
China	3.2	-5.8	1.5	-9.0	6.79	6.2
Japan	3.3	-1.8	2.6	113	158	-6.6
Britain	-3.1	-5.1	5.0	49.0	0.74	1.4
Canada	-0.4	-2.2	3.6	36.0	1.37	1.5
Euro area	2.4	-3.4	3.1	41.0	0.85	4.7
Austria	1.0	-4.1	3.4	27.0	0.85	4.7
Belgium	-3.1	-4.8	3.6	45.0	0.85	4.7
France	-0.6	-5.3	3.9	51.0	0.85	4.7
Germany	4.2	-3.7	3.1	41.0	0.85	4.7
Greece	-5.1	0.4	3.8	31.0	0.85	4.7
Italy	0.9	-3.0	3.8	10.0	0.85	4.7
Netherlands	11.7	-2.6	3.2	31.0	0.85	4.7
Spain	2.3	-2.6	3.5	25.0	0.85	4.7
Czech Republic	0.3	-2.6	4.9	71.0	20.8	7.3
Denmark	12.4	1.2	2.8	40.0	6.38	4.5
Norway	11.8	8.9	4.5	46.0	9.17	13.0
Poland	-1.3	-6.9	5.8	46.0	3.63	4.4
Russia	2.6	-2.4	14.7	-116	73.3	9.8
Sweden	5.7	-2.0	2.8	33.0	9.32	4.3
Switzerland	5.2	0.1	0.5	12.0	0.78	7.7
Turkey	-3.0	-3.6	31.9	10.0	45.4	-14.6
Australia	-1.9	-1.6	4.9	66.0	1.38	12.3
Hong Kong	10.2	-3.6	3.1	4.0	7.83	-0.4
India	-1.3	-4.5	7.0	76.0	95.7	-11.1
Indonesia	-0.5	-3.5	6.7	-11.0	17,498	-5.1
Malaysia	2.6	-4.1	3.6	nil	3.93	9.9
Pakistan	-1.1	-4.7	13.0	52.0	279	1.1
Philippines	-4.0	-6.4	7.3	115	61.4	-9.1
Singapore	16.5	0.8	2.1	-46.0	1.27	2.4
South Korea	4.7	-3.0	4.1	134	1,490	-4.9
Taiwan	28.5	0.8	1.6	1.0	31.5	-3.5
Thailand	1.2	-4.7	2.2	29.0	32.3	2.7
Argentina	-0.2	0.3	na	na	1,392	-19.2
Brazil	-2.6	-7.1	14.4	35.0	5.03	11.5
Chile	-2.2	-2.5	5.5	-22.0	887	6.0
Colombia	-2.5	-6.6	13.6	132	3,795	10.8
Mexico	-0.5	-3.8	9.2	-21.0	17.2	13.1
Peru	1.8	-2.4	6.2	-18.0	3.43	6.4
Egypt	-4.9	-7.5	25.3	78.0	52.9	-4.6
Israel	1.9	-5.2	3.9	-44.0	2.91	22.4
Saudi Arabia	-1.4	-4.0	na	na	3.76	nil
South Africa	-1.8	-4.4	8.7	-181	16.4	11.6

Source: Haver Analytics ^{§§}5-year yield ⁺⁺⁺Dollar-denominated bonds

Markets

In local currency	Index May 13th	% change on:	
		one week	Dec 31st 2025
United States S&P 500	7,444.3	1.1	8.7
United States NAS Comp	26,402.3	2.2	13.6
China Shanghai Comp	4,242.6	2.0	6.9
China Shenzhen Comp	2,949.1	3.9	16.5
Japan Nikkei 225	63,272.1	6.3	25.7
Japan Topix	3,919.5	5.1	15.0
Britain FTSE 100	10,325.4	-1.1	4.0
Canada S&P TSX	34,041.4	0.2	7.3
Euro area EURO STOXX 50	5,861.1	-2.8	1.2
France CAC 40	8,008.0	-3.5	-1.7
Germany DAX*	24,136.8	-3.1	-1.4
Italy FTSE/MIB	49,480.7	-0.4	10.1
Netherlands AEX	1,010.1	-2.1	6.2
Spain IBEX 35	17,654.9	-2.5	2.0
Poland WIG	132,379.2	-0.8	12.9
Russia RTS, \$ terms	1,157.5	5.0	4.4
Switzerland SMI	13,213.0	-0.5	-0.4
Turkey BIST	14,598.5	-2.1	29.6
Australia All Ord.	8,880.7	-1.5	-1.5
Hong Kong Hang Seng	26,388.4	0.7	3.0
India BSE	74,609.0	-4.3	-12.5
Indonesia IDX	6,723.3	-5.2	-22.2
Malaysia KLSE	1,746.3	-0.6	3.9
Pakistan KSE	167,451.1	-2.5	-3.8
Singapore STI	5,004.0	1.6	7.7
South Korea KOSPI	7,844.0	6.2	86.1
Taiwan TWI	41,374.5	0.6	42.8
Thailand SET	1,517.3	nil	20.4
Argentina MERV	2,738,354.0	-5.0	-10.3
Brazil BVSP*	177,098.3	-5.6	9.9
Mexico IPC	70,187.4	0.5	9.1
Egypt EGX 30	53,416.2	-0.4	27.7
Israel TA-125	4,385.8	-2.0	19.7
Saudi Arabia Tadawul	11,020.1	0.6	5.0
South Africa JSE AS	117,380.2	-1.5	1.3
World, dev'd MSCI	4,777.7	0.5	7.8
Emerging markets MSCI	1,705.2	0.3	21.4

US corporate bonds, spread over Treasuries

Basis points	Dec 31st	
	latest	2025
Investment grade	90	93
High-yield	334	354

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	May 5th	May 12th*	% change on	
			month	year
Dollar Index				
All items	153.9	158.2	4.0	16.4
Food	148.9	150.2	3.5	-2.4
Industrials				
All	158.1	164.7	4.4	36.1
Non-food agriculturals	149.1	149.4	2.3	16.2
Metals	160.4	168.7	4.8	41.6
Sterling Index				
All items	145.8	150.3	4.5	14.1
Euro Index				
All items	150.3	154.0	4.7	10.7
Gold				
\$ per oz	4,580.7	4,664.8	-2.7	43.7
Brent				
\$ per barrel	109.8	108.0	13.6	61.9

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

- **[Raghu Rai's whole canvas was India](#)**

Seeing with the heart :: The country's most famous photojournalist died on April 26th, aged 83

Seeing with the heart

Raghu Rai's whole canvas was India

The country's most famous photojournalist died on April 26th, aged 83

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IT WAS HARD to walk down a street with Raghu Rai. One friend estimated that, in a ten-minute trot to tea, he had stopped at least 100 times. He had seen what others did not see. A shadow on a wall that dramatised a woman passing, and the way her sari fell. Three sleeping dogs composing the centre of a terrace. Two commuters at

a railway station standing stock still, reading their newspapers, while the crowd surged past them. Two old men walking in opposite directions, one a well-suited businessman, the other a bent, ragged beggar. This was seeing that did not miss an inch of space; seeing, or *darshan*, that recognised the connection between all things. Through his camera he met his god.

Out in the fields he could spend hours too, enjoying the elegance of humped Zebu cattle and the texture of churned-up soil. He haunted Mughal ruins and the modern flats they sat beside. He celebrated the magnificent rivers. Avidly he kept an eye on the weather to catch changing light, gathering clouds and beautiful downpours of rain. It was in rural Haryana that this had all begun, when he was struck by the way light fell on a donkey foal in a field. At the time he was a civil engineer, like his father. Wielding his brother's camera he chased after the donkey until it tired, and stopped to face him. He took the shot; the *Times* in London published it. His instinct had told him to grasp a moment, and that was the end of civil engineering.





India in every aspect was his canvas, but it was the people who enchanted him. Throughout his more than 18 books of photo essays, there was barely a frame that did not show their intensity and energy. He was not an intrusive photographer. Only one camera, usually his faithful Nikon Z8 with a zoom lens, hung round his neck, and he carried no bags. His movements were leisurely. Over the years he had learned patience. Mud-sculptors making goddesses, near-naked wrestlers relaxing under Kolkata's Howrah bridge, the boy splashing paint and running off laughing, mourning women raising their arms, did not try to pose for him, and he did not want that. Humbly he preferred to merge with his people, a part of the beating whole, seeing them with a pure and unsentimental eye that was led not by his mind, but by his heart.

Only an Indian could do this, someone who understood from the inside his country's many layers. He could have been a photographer of the world, but when he was invited to join the Magnum agency in

1972—on the recommendation of Henri Cartier-Bresson, no less, who had seen his work at an exhibition in Paris—it took him five years to reply. Meanwhile he went to work for various Delhi-based magazines, especially *India Today*, where he stayed for a decade, showing India to itself.



He became famous though, outside India as well as in, for chronicling two of its worst moments: the Bangladeshi war of independence in 1971, followed by the plight of its unsuccoured refugees; and the explosion in December 1984 of a Union Carbide pesticide factory at Bhopal, in Madhya Pradesh. He was ordered by his editor at *India Today* to catch the first flight from Delhi and arrived, bleary, to find a war zone. Eight thousand people had died at once from inhaling toxic gas; 12,000 more were dying slowly all around him. His own feelings were close to suffocation. He did not know how to record something as huge as this; too much lay outside the frame. Yet he had a responsibility to do so, for photography alone could pick up the truth and ensure it lived for ever.

He captured what he could: the bodies of children lined up in rows, with funeral pyres burning behind them; the blinded sitting on walls, pressing rags to their eyes; mist, or maybe smoke, hovering among the huts and palms. Nothing satisfied him, for no single image could encapsulate the tragedy. Then, at one death-site, he saw a man brushing earth away from the small face of a child who had just been buried. The swollen eyes were open, staring. Mud and gravel framed the face. The touch of the hand was tender. This became the image of Bhopal that went round the world.

To catch that one moment of revelation was already his mission. For photo-shoots of celebrities he insisted on continuing until he found it: until the actress Aparna Sen laid her head on the table in mock frustration, or the actor Satyajit Ray, still smoking his pipe, suddenly twisted round to gainsay him; or until his favourite tabla-player, Zakir Hussain, entered a trance of silence. With the very famous he did the same. He caught tiny Mother Teresa slowly negotiating stairs, her sari filled with light; his friend the Dalai Lama, with an untroubled smile, taking a screwdriver to his TV; Indira Gandhi, in a moment of anxiety, contorting her face with her hands. An evening visit to a friend's house produced one of his favourite images, achieved only when he turned to look one last time: a view of the whole of Delhi, spread out under a darkening sky, with at its heart a small lit room in which a woman prayed.



Though his relations with Indira Gandhi, over many years, were warm, in his photo essays he held India's government firmly to

account. Several times in the 1990s and 2000s he went back to Bhopal, returning with images of wasted survivors, still living near the toxic site, struggling to see and breathe. He chastised India for failing to protect wildlife and the environment. His motivation was simple love for his country, a place where everything was possible but, because of its inherent chaos, nothing was.

His favourite city was Varanasi, the shining one, where the Ganges was revered and the dead were burned. Here he found subjects on every *ghat* and lane. A priest carefully carrying through crowds a small metal pot of Ganga water; young women offering marigolds; the wondrous glowing sun rising over the boats. Varanasi was the physical form of *dharma*, the dutiful acceptance of the flow of spirit and life. Most pilgrims found it by bathing in, or drinking from, the great mother-river. He found it by simply walking there with a camera in his hand. ■

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