

The Economist

America's ICE test

London: hub not hellhole

A deep dive into AI and jobs

In praise of power naps

JANUARY 31ST–FEBRUARY 6TH 2026

Xi's purge

Why it should worry the world

The Economist

[Jan 31st 2026]

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The world this week

Politics

1月 29, 2026 04:18 上午



The second fatal shooting of a protester by federal immigration agents in **Minneapolis** caused widespread outrage. Alex Pretti was shot dead by federal agents amid a street mêlée in which he was pepper-sprayed. With even Republicans raising questions about the tactics of immigration officers, Donald Trump said he would "de-escalate" their presence in Minnesota. Gregory Bovino, who was leading the Border Patrol's operation in the state, was pulled out and replaced by Tom Homan, Mr Trump's border czar. The administration also came under intense criticism from gun-rights organisations for suggesting that Mr Pretti shouldn't have been carrying his legally permitted gun.

Has the tide turned?

Net **migration** to the United States grew by 1.3m people from July 2024 to July 2025, according to the Census Bureau, down from 2.7m over the previous 12 months. The slowdown in immigration was the main reason why America's total population grew by just 0.5% for the year, the slowest pace since the pandemic, to 341.8m. South Carolina was the fastest-growing state.
https://t.me/demagazinesharing

Donald Trump warned **Iran** that a "massive armada" is heading its way. If Iran does not make deals on its nuclear programme, missile production and foreign policy, the next attack would be "far worse" than the strikes against its nuclear sites last year, he said. The *USS Abraham Lincoln* is thought to have reached the Gulf of Oman, from where its fighter jets could easily hit Iran. HRANA, a Washington-based human-rights monitor, confirmed 6,373 deaths in Iran's recent unrest. The real toll may be as high as 30,000 according to opposition sources.

Mr Trump warned that the return to power in **Iraq** of Nuri al-Maliki would be a "very bad choice". Mr Maliki, who was prime minister from 2006-14 and has links to Iran, has been selected by the ruling coalition of Shia-led parties as its nominee for prime minister.

Israel announced that the remains of Ran Gvili, a police officer who was killed fighting Hamas attackers on October 7th 2023 and whose body was taken into **Gaza**, had been identified and retrieved for burial. He is the last of the 251 hostages taken on that day to be returned, alive or dead.

South Sudan seemed to be returning to civil war, after a senior army commander instructed his troops to "spare no one", including children and the elderly, in their attempt to recapture areas from forces loyal to the vice-president, Riek Machar. Mr Machar is awaiting trial on a number of charges, such as treason, which he denies. The

government insisted it would protect civilians in any military operation.

A human-rights group in **Venezuela** said the government had released at least another 104 political prisoners, adding to the 156 who were freed in previous weeks. Delcy Rodríguez, the interim president, claimed that more than 600 have been released. America pressed the government to free all political prisoners after it ousted Nicolás Maduro from power.

Nasry Asfura was sworn in as president of **Honduras** following an election in November that the opposition claims was plagued by voter fraud. Mr Asfura was supported by Mr Trump in the election. America has promised to soon start talks on a bilateral trade deal.

The first trilateral meeting of American, Russian and Ukrainian negotiators since the start of the **Ukraine war** took place in Abu Dhabi. There was no breakthrough but future talks are planned. Reports emerged that America is insisting that Ukraine concede the Donbas region to Russia before it signs off on security guarantees to the Ukrainian side. Meanwhile, a Russian drone strike on a train in the Kharkiv region killed at least five passengers.

Mark Rutte, the secretary-general of **NATO**, told the European Parliament that Europe would still rely on America for its future defence, and that if anyone thought Europe could defend itself they should "keep on dreaming". Europe would have to spend more than the 5% of GDP on defence it has pledged, he said; replacing nuclear weapons would cost billions.

In the **Netherlands** the centrist D66 party reached an agreement to form a governing coalition following its victory in last October's election. It will be joined by the Christian Democrats and the centre-right VVD in a minority government. Rob Jetten, the leader of D66, becomes prime minister. Aged 38, he will be the youngest person ever to hold the job.

Around half a million illegal migrants in **Spain** will be given legal status to remain under plans announced by the Socialist government. The migrants, who come mostly from Latin America, will be given permits that are renewable after a year and could lead to Spanish citizenship.

The **French government** survived three votes of no-confidence over the budget. Meanwhile, the National Assembly passed a bill that would ban children under the age of 15 from using harmful social media. Emmanuel Macron supports the legislation, which now goes to the Senate. A similar ban for under 16-year-olds came into force in Australia recently.

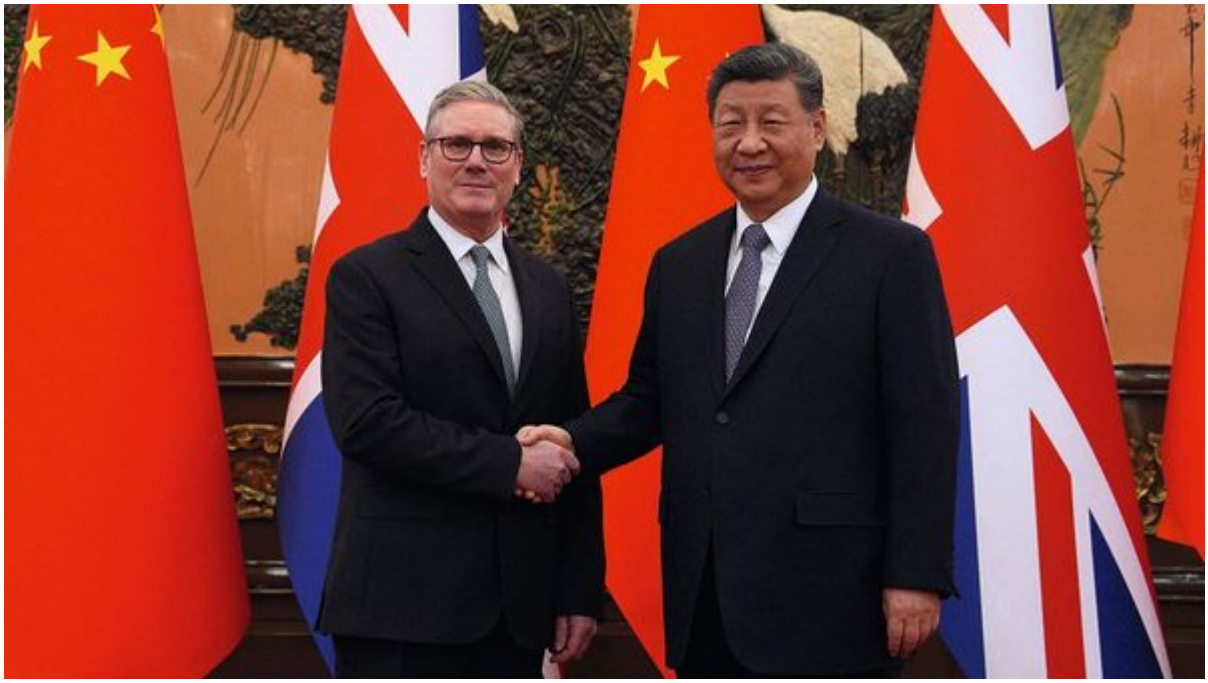
After two decades of talks **India** reached a trade deal with the **European Union** that will potentially remove or decrease tariffs on 97% of goods. India will slash duties on European cars from 110% to 10% over five years, potentially opening its market to the likes of Volkswagen and Renault. India is only the EU's ninth-largest trading partner, but the pact may put pressure on America, which has imposed stiff tariffs on some Indian exports, to reach a trade deal with India.

Mr Trump said he'd "work something out" with **South Korea**, after threatening to raise tariffs on the country's exports from 15% to 25%. The Americans are annoyed at the South Koreans for not yet enacting a trade deal that both sides agreed to last year.

Xi tightens his control

China announced investigations into two top generals including Zhang Youxia, the most senior uniformed officer in the armed forces. They have been accused of corruption and undermining the authority of the forces' commander-in-chief, Xi Jinping. These purges, and other recent ones, leave only Mr Xi and a general who supervises anti-graft work as active members of the Central Military

Commission, the high command of the People's Liberation Army. It is the biggest shake-up of the military leadership in decades.



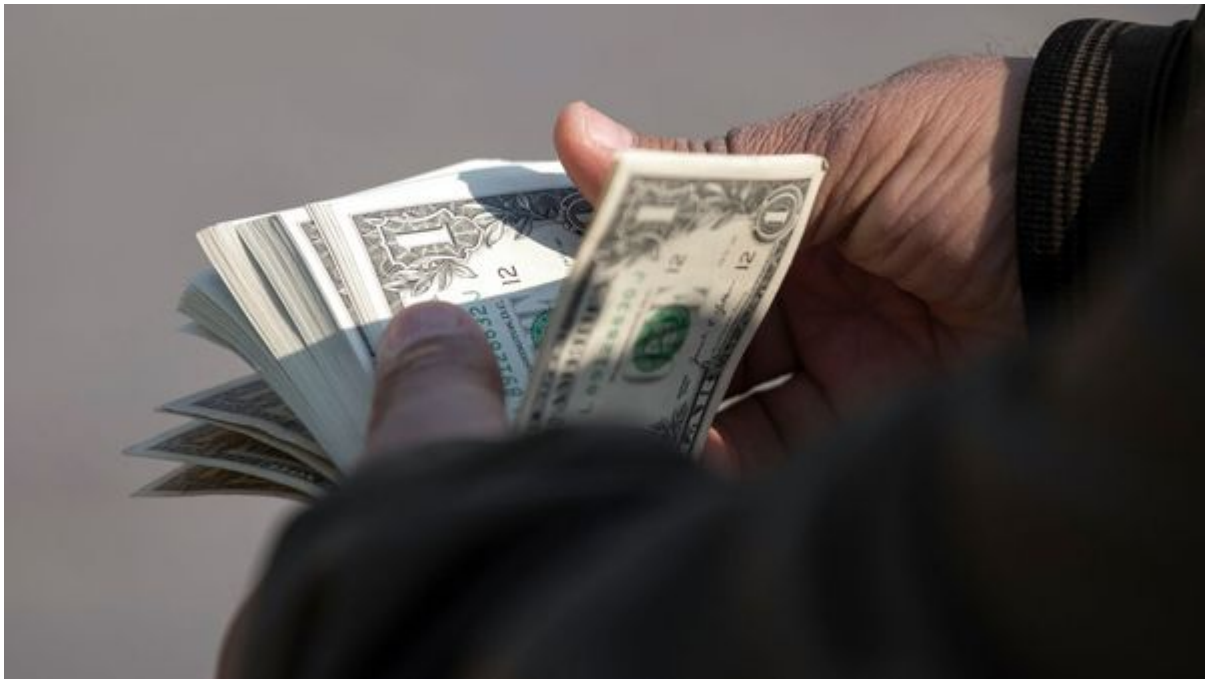
Leaving his own domestic leadership problems behind Sir Keir Starmer, **Britain's** prime minister, visited China, where he told Mr Xi that he wants to forge a "sophisticated relationship". Sir Keir hopes to improve trade relations with China, but has been criticised back home for visiting the country, given its human-rights record. Mr Xi said Britain and China should "rise above differences and respect each other".

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The world this week

Business

1月 29, 2026 04:18 上午



Speculation that America and Japan were considering a highly unusual co-ordinated intervention· to prop up a weak **yen** caused the Japanese currency to surge. American officials are worried about the recent turmoil in Japanese bond markets, which is spilling over into the long-term yields paid on American bonds. The **dollar** dropped·. Donald Trump reiterated that he wasn't concerned about its decline. "The dollar's doing great," America's president remarked, as the greenback slouched to a four-year low against a basket of currencies. It rebounded after the treasury secretary denied that America was intervening in markets.

There was little concern about the dollar among investors in equities, who pushed the **S&P 500** stock index briefly above the 7,000 mark

for the first time (it breached 6,000 in November 2024). The price of **gold** surged past $5,000 a troy ounce for the first time, to above $5,500, just three months after passing $4,000. Investors are seeking out havens amid increased international tensions. The **Swiss franc's** reputation as a haven has seen it reach its strongest level against the dollar in more than a decade.

Indonesia's main stockmarket registered its worst two-day fall since the Asian financial crisis of 1997-98 amid speculation that the country would be downgraded from an emerging market to a frontier market by MSCI, a provider of equity indices that are used to track investments. MSCI has raised concerns about the opacity of Indonesia's financial markets. The Indonesian rupiah fell to new lows recently when the country's president picked his nephew to sit on the board of the central bank.

The **Federal Reserve** left interest rates on hold at its latest meeting, following three back-to-back cuts in the latter months of last year. The Fed changed its assessment of the economy from "moderate" to "strong", which could mean that rate cuts are unlikely in the short term. That would displease Mr Trump, who has attacked the central bank for not cutting further and faster.

Recharging the business

In a huge shift to its operations **Tesla** said it would scrap production of its Model S and Model X vehicles and make more robots, as it reported its first-ever drop in annual revenue. It will also invest $2bn in xAI, Elon Musk's AI venture. Tesla still plans to launch its Roadster sports car in April.

Despite all the prognostications about slowing demand for **electric vehicles**, sales (measured by registrations) of new purely electric cars rose to 17.4% of the total car market in the European Union last year, and petrol and diesel fell sharply to 35.5%. According to ACEA, a trade body, hybrid-electrics took 34.5% of the market.

Although sales of Tesla cars have collapsed in Europe, cheaper models from the likes of BYD have filled the gap. In Germany EV sales rose by 43%. In Britain pure electrics accounted for 23.4% of new car sales, petrol for 26.2% and hybrid for 36.9%.

Boeing's revenues of $23.9bn in the fourth quarter were its highest since 2018—more evidence that the company is starting to put safety mishaps, production woes and workers' strikes behind it. It even reported a net profit for the quarter, its first in three years, but that was because it sold its digital-aviation business. Without the proceeds it would have recorded another loss.

Meta reported record quarterly revenue and said its capital expenditures on artificial intelligence would double this year. That seemed to please investors, although they took fright after **Microsoft's** earnings revealed a huge increase in spending on data centres.

ASML, which makes the lithography equipment needed to make high-end chips, reported strong quarterly earnings and suggested sales could grow by as much as 19% this year. Net order bookings more than doubled in the fourth quarter compared with the previous quarter. The Dutch company's share price is up by more than 30% since the start of the year.



A benchmark survey of American **consumer confidence** plunged in January to its lowest level in 12 years. The main components in the Conference Board's index fell, surpassing even the depths of the pandemic. Some of the chief concerns that consumers mentioned were prices and inflation, politics, war, tariffs and trade, and the labour market.

Amazon announced that it will cut another 16,000 jobs, in addition to last year's lay-offs. The company has said the increasing adoption of AI means that many routine positions will be shed. Amazon also decided to close its Amazon Fresh and Amazon Go physical stores,

and convert some of them into Whole Foods supermarkets, which Amazon acquired in 2017. Amazon Fresh will still be available online; the company is expanding its same-day grocery delivery service to more locations.

Meanwhile, another 30,000 jobs are to go at **UPS**, on top of the 20,000 that went last year. The latest cuts come as UPS reduces by half the volume of packages it handles for Amazon.

The age of Aquarius

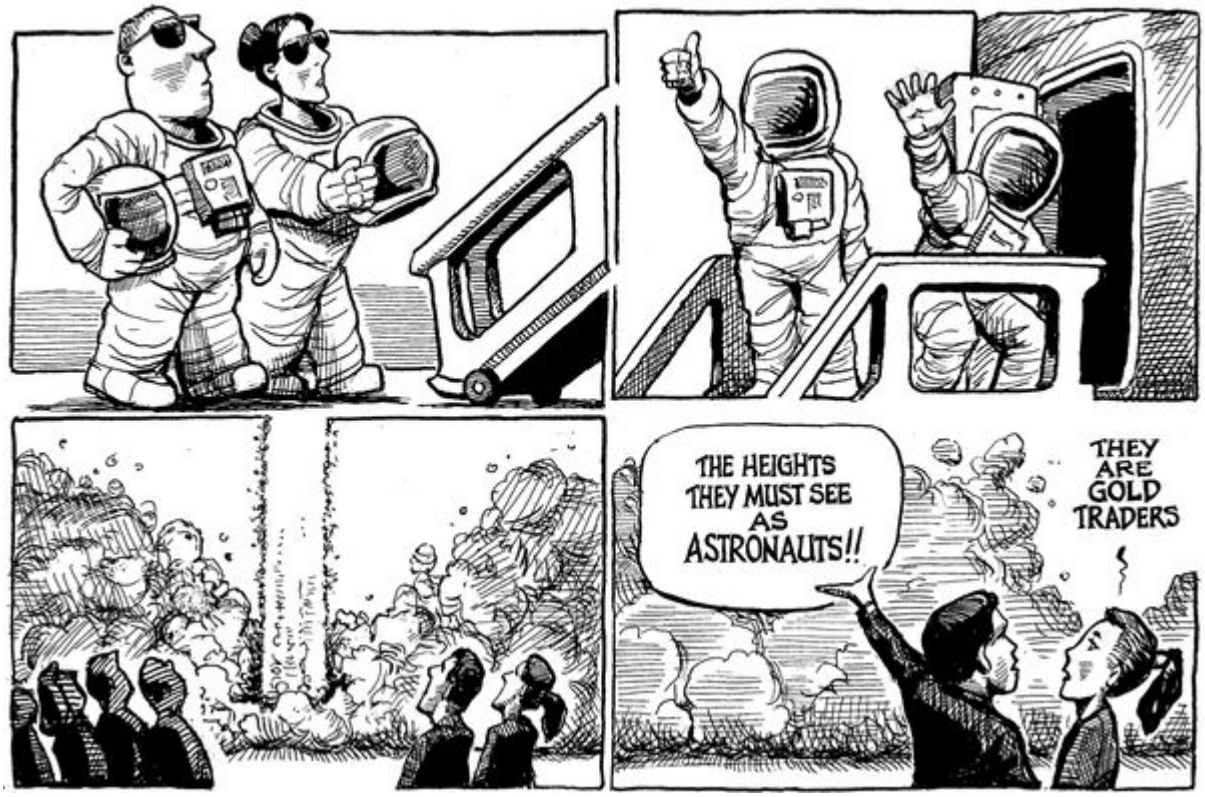
SpaceX, Mr Musk's rocket startup, is aiming to launch its blockbuster initial public offering in June, according to press reports. It could raise as much as $50bn in its stockmarket debut, making it by far the biggest IPO ever (Saudi Aramco raised $29bn in 2019). Some analysts think the firm doesn't have enough time to file for an IPO in June, though Mr Musk is apparently keen on that month because Jupiter, Venus and Mercury will appear in the sky in a rare alignment.

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The world this week

The weekly cartoon

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

For the first time in half a century, astronauts are going back to the Moon·
What is driving gold's relentless rally?

The editorial cartoon appears weekly in The Economist*. You can see last week's here.*

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Leaders

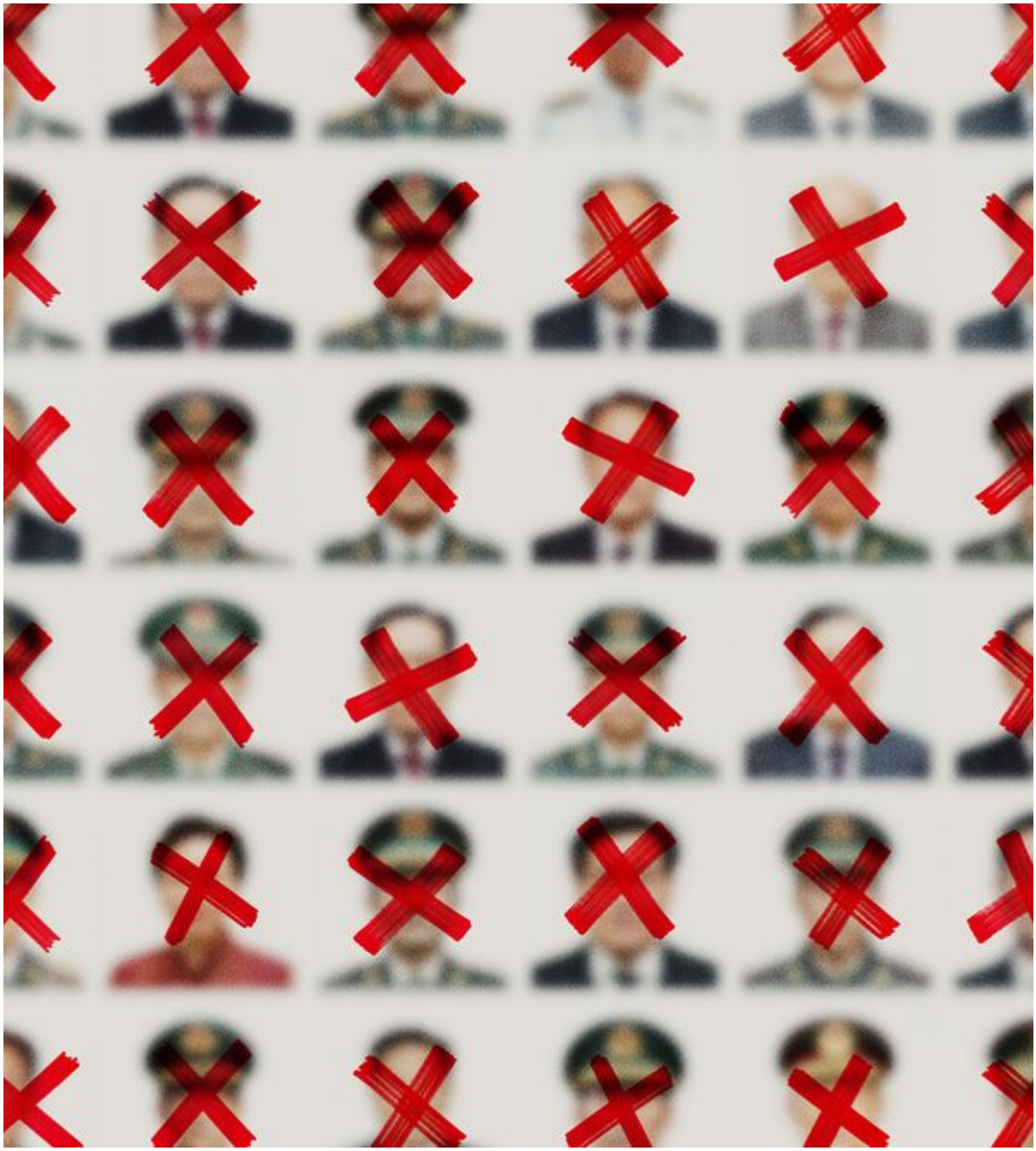
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  Militias and liberties :: Is America’s president building his own paramilitary militia?
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Chinese politics

Xi Jinping’s purge should worry the world

Installing his yes-men to lead the army could be dangerous for Taiwan

1月 29, 2026 05:47 上午



"IN AN UNCERTAIN world, China is the biggest certainty." So proclaimed a Chinese spokesman in December. Amid a war in Europe, turmoil in the Middle East and America's rewriting of the geopolitical order, some in the West may be inclined to agree. As *The Economist* went to press, Britain's prime minister, Sir Keir Starmer, was visiting China's president, Xi Jinping, the latest among

a series of Western leaders who have headed to Beijing in search of deals and dependability.

Yet in recent days politics in China has proved anything but certain. On January 24th the defence ministry said that the most senior uniformed officer, Zhang Youxia, and another top general, Liu Zhenli, were under investigation for violating discipline. Not since 1971 has there been such a purge at the apex of China's armed forces. That was when the heir-apparent to Mao Zedong, the defence minister, Lin Biao, died in a plane crash after an alleged coup attempt against the chairman.

Read the rest of our cover package

- What Xi Jinping's purge of China's most senior general reveals·
- Behind China's race to build aircraft-carriers·
- Taiwan's new opposition leader wants to talk to Xi Jinping·

The purge at the top of the 2m-strong People's Liberation Army (PLA) has come along with a huge increase in actions against party members and officials·. Although China's politics is a black box, the signs are that this is a measure of Mr Xi's total command over the Communist Party. The question left for the outside world is what the purge means for China's readiness to launch an invasion of Taiwan.

In 2025 Chinese authorities investigated over 1m people for corruption and deviant politics, 60% more than two years earlier and the most since Mr Xi came to power in 2012. Most of these purges are not the result of a power struggle, but a consequence of how the Communist Party disciplines itself. Above the law and without any scrutiny from a free press, the party has instead to depend on its own internal police to keep cadres on the straight and narrow.

In October, when senior officials met in Beijing, 37 of the 205 full-time members of the Central Committee were missing, presumed under investigation. However, the purge also reaches down into the

lower ranks, terrorising party members, forcing mistrustful cadres into close personal networks where they feel safe, and paralysing some of those who favour reform.

The effect on the PLA is particularly potent. The army's newspaper vaguely linked the toppling of the two generals to the war on corruption. But it also, in essence, accused them of insubordination towards Mr Xi. Calling the two officers' influence "extremely vile", it said they had caused "immense damage" to the "political ecology" of the PLA as well as to the building of its "combat capability".

If the generals' downfall did that to the PLA you might conclude the West should celebrate. Chinese forces are a growing threat. The navy is now bigger than America's. The Pentagon reckons it plans six more aircraft-carriers by 2035·, giving it nine compared with America's 11. China's nuclear arsenal is expected to have at least 1,000 warheads by 2030 on missiles, submarines and planes—fewer than America and Russia, but double its stockpile in 2023.

In fact, the consequences of the purge are more complicated. A Pentagon report in December suggested that in the short run Mr Xi's campaign could disrupt the operational effectiveness of the PLA, whereas in the longer term cleaning up the army could make it more proficient. However, the graver risk is one that the Pentagon passed over. This is the hollowing out of the team that would advise Mr Xi if a military crisis occurs, especially one over Taiwan.

American officials believe that China's president has ordered the PLA to be able to take Taiwan by 2027. Some suspect that the island could not defend itself for long without outside help. Although America supplies arms to Taiwan, including a record $11.1bn package agreed on in December, it might not help repel an invasion —no treaty requires it to do so. Fears of China's military prowess are causing some leading Taiwanese politicians to wonder whether pouring money into building up the island's defences is worthwhile·.

The seas around China are fraught. The country contests islands with Japan in the East China Sea. Several countries jockey with it over territory in the South China Sea. The Taiwan Strait is a perennial flashpoint. China is staging ever more shows of force in the area. American aircraft and warships patrol these waters; other Western countries sometimes join them. Western officials accuse Chinese forces of deliberately taking risks close to these patrols. Following a mishap, cool military heads would be needed to prevent escalation. To whom would he turn?

One such person was General Zhang. He was a rarity among China's top brass, with experience of the horrors of fighting a war, against Vietnam. Western analysts believe that he could stand up to Mr Xi. Family connections between the two men date back to the party's guerrilla days before it seized power in 1949.

Now that he and General Liu have gone, the Central Military Commission, the PLA's high command, is thin. Since 2022 China's president has ejected five of its six uniformed officers. The only two people left are Mr Xi himself, who heads it, and a political commissar in charge of fighting graft, who has little experience of military operations.

Imagine that Mr Xi appoints yes-men to fill the empty slots. Would his pliant new advisers be willing to tell him that, even with all its new hardware, China would still face enormous risks were it to mount an invasion of Taiwan?

Après the purge, c'est Mao

To be sure, Mr Xi himself must be aware of the potential costs. He will have studied Russia's disastrous campaign in Ukraine. He has heard from Western leaders how an attack on Taiwan would harm China's economy.

However, although Chinese politics is more than capable of packing surprises, few analysts doubt that the 72-year-old Mr Xi will use a party conference next year to underline that he intends to prolong his rule, and that he prizes obedience at all levels of the party. In an uncertain world, such a certainty offers no solace at all. ■

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Militias and liberties

ICE’s impunity is a formula for more violence

Is America’s president building his own paramilitary militia?

1月 29, 2026 05:47 上午



AMERICA STARED into the void this week, but pulled back. Federal action in the streets of Minneapolis goes well beyond immigration. It is a test of the government's power to use violence against its own citizens—a dividing-line between liberty and tyranny. And it will not be the last.

After immigration agents killed Alex Pretti on January 24th, and the Trump administration slandered a good Samaritan as a would-be mass murderer, America was spiralling towards civil unrest. Happily, protesters showed restraint. Public opinion has turned against ICE, the catch-all brand for America's deportation machine. Even some conservatives have doubts. And Donald Trump grasped that immigration, once one of his strongest issues, has become a liability. On January 26th the president sought to ease tensions, including by putting the operation in Minneapolis under new management.

Read the rest of our cover package

- Inside the movement challenging—and disrupting—ICE
- Immigration agents have become Donald Trump's personal posse

And yet the stand-off between ICE and local people continues. Mr Trump has not renounced his power to impose a paramilitary force on unwilling states. Americans should be on their guard.

ICE has a reason to be in America's cities. Mr Trump has a mandate to deport illegal immigrants. Having dramatically curbed illicit flows across the southern border, he claims to be seeking "the worst of the worst". But that is not what his enforcers are doing. Recently, only 5% of those detained have been people convicted of violent crimes. Instead ICE's brutal means indicate ends that are darker than immigration-control, for several reasons.

One is that the administration appears to believe ICE should be a law unto itself. In their zeal to fill quotas and live out their macho "destroy the flood" culture, ICE agents have revelled in the wanton use of force. Administration officials have nonetheless told agents that they enjoy "absolute immunity" as they go about their duties and, a judge complains, have defied court orders. They rushed to brand Mr Pretti, and Renee Good, a woman shot earlier, as terrorists. They have strained to ensure that investigations into those killings

are safely under their own control. Impunity is a formula for more violence.

Another reason to worry is that ICE and its leaders are trampling the constitution. By insisting that witnesses and protesters are criminals, they are denying people their First Amendment rights to free speech and association. In a state like Minnesota, when the head of the FBI says people cannot bring a gun to a protest he is denying their Second Amendment rights. And when ICE agents stop or arrest people without cause and search their houses without a court warrant, they are denying their Fourth Amendment rights.

Last, deploying ICE to Minneapolis, a city with relatively few illegal immigrants, seems to serve a disturbingly broad agenda: to draw attention to ethnic Somalis caught up in a benefits scandal there; to punish "sanctuary cities" that limit the help they extend to ICE; or perhaps as theatre to scare people and deter all kinds of migration to America. Mr Trump could also be trying to boost support for Republicans by portraying Democrat-run cities as disaster zones where lawless immigrants are protected by violent radical-left extremists.

The most disturbing possibility is that the president is creating a militia which answers only to himself. As our briefing explains·, from the Texas Rangers to Grover Cleveland's use of the army and marshals in the 1890s, Americans have periodically worried about the unaccountable use of state violence. Abroad, from El Salvador to the Philippines, would-be despots often turn the army and the police against their people in the name of keeping order.

Supporters of Mr Trump will treat this argument as wildly overblown. Early in its history America set up mechanisms to curb the president's power. Citizens have the right to bear arms. The states have national guards to counterbalance the army. The Insurrection Act sets out rare circumstances when the president may legally use the army to control the mob. The courts and Congress can step in.

Yet ICE is ideally placed to sidestep protections. Illegal migrants are spread across America and Mr Trump asserts that Democrats deploy them as voters. Agents can therefore stage provocations pretty much anywhere with impunity, including during elections. When a protest eventually turns violent, it is politically useful and a justification for further deployments. And when politicians complain about ICE, as have the governor of Minnesota and the mayor of Minneapolis, the Justice Department can investigate them for obstructing federal officers.

A theme of Mr Trump's second term has been the accumulation of presidential power. Even if the 47th president does not use federal agents as an all-purpose coercive tool, the 48th or the 49th might—and, Republicans should remember, they may be Democrats. If Mr Trump has no anti-democratic designs on ICE, he should be eager to limit its actions.

That would not be hard. The president should honour his pledge that the investigation into the killings of Ms Good and Mr Pretti will be "honourable and honest". As a first step on the long road to winning back public trust, ICE agents should be better trained, stop wearing masks and start wearing body cameras and identification numbers. Deportation quotas lead to brutal tactics and must end. Kristi Noem, the secretary of homeland security, has blatantly lied. She should be fired.

After this week, even that would not remove the spectre of a presidential militia. Hence the courts need to make clear that states can in fact prosecute federal agents who commit crimes; that ICE's view of the constitution is wrong; and that the federal government cannot ride roughshod over the states. And Congress needs to hold the administration to account. An early test, due as this was published, was withholding funds from homeland security unless Mr Trump agrees to reform ICE.

Americans woke up to a grave threat this week. But you cannot defend a republic with opinion polls alone. The guardians of America's institutions should see Mr Trump's change in tone not as a signal to relax, but an opening to force change. ■

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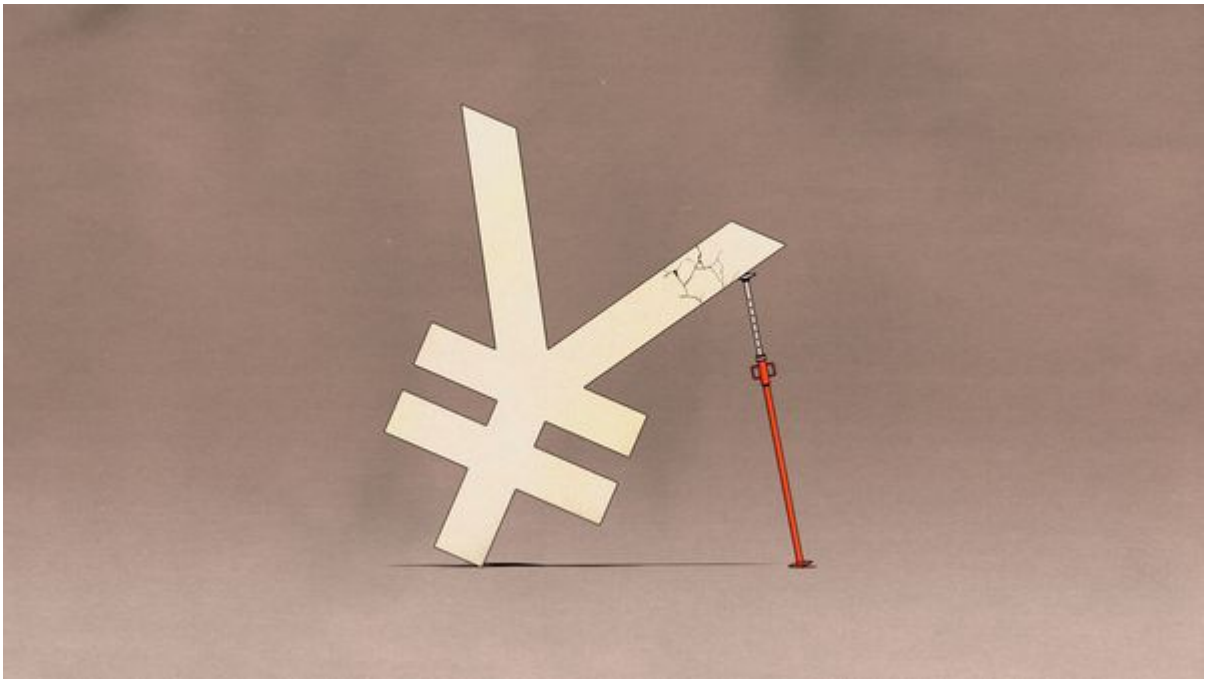
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The symptom, not the cause

The weak yen and the weakening dollar are signs of financial fragility

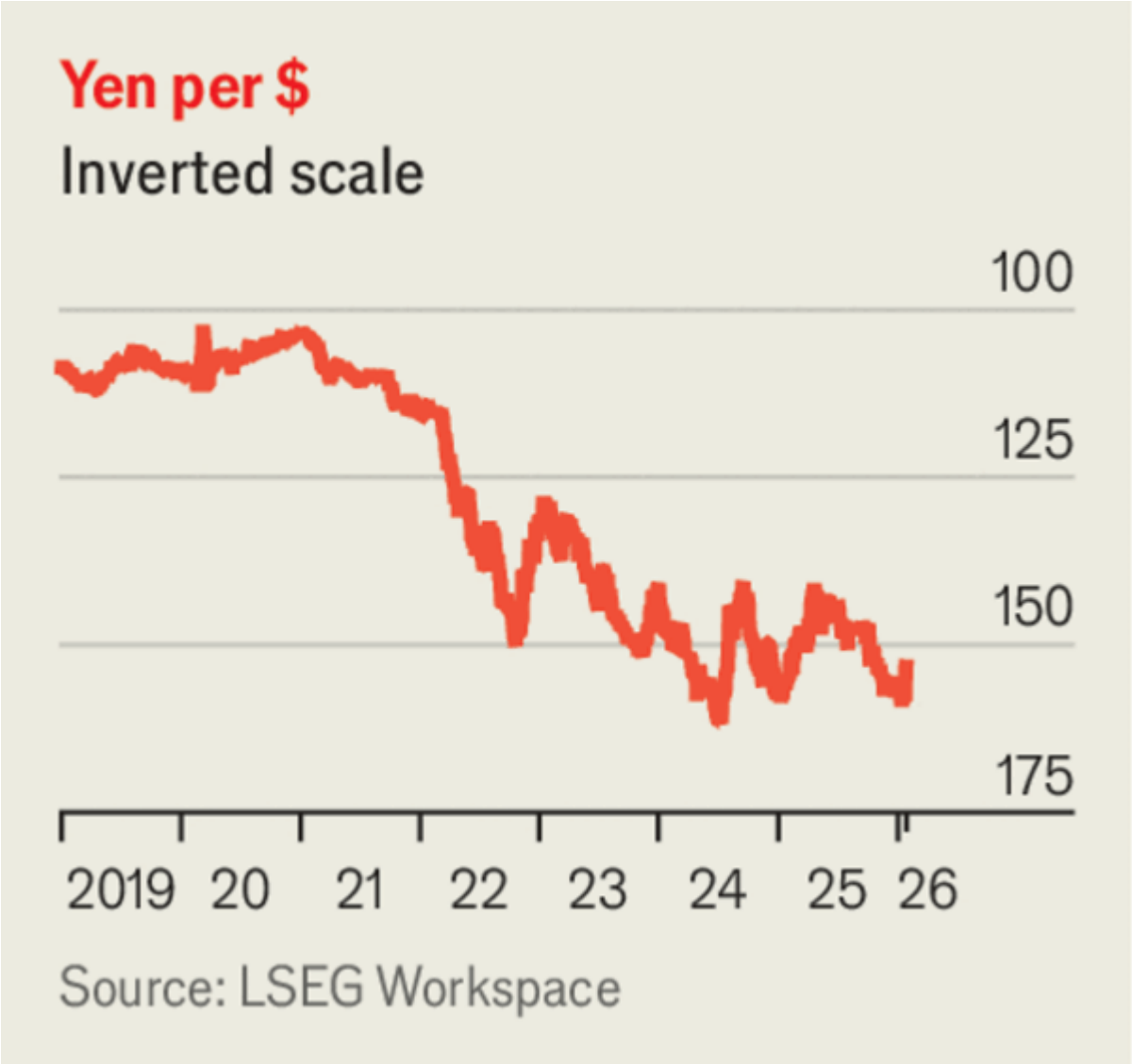
But neither Japan nor America should meddle with exchange rates

1月 29, 2026 04:19 上午



FOR DECADES Japanese investors sought higher-yielding assets abroad, while interest rates at home stayed low. As a result, the country has amassed foreign investments worth over $10trn, more than twice its annual GDP. Yet today rates are rising and the effects are rippling through markets. America's treasury secretary has blamed bond ructions in Japan for movements in long-term Treasury yields. After the yen fell this month to near its weakest against the

dollar since 1990, the Japanese and American governments are reportedly considering propping it up. Yet currency intervention is a distraction. It will not cut the risk of financial turmoil emanating from Japan.



The possibility of official purchases has caused the yen to rally since January 23rd, contributing to a sharp across-the-board fall in the value of the dollar. On January 27th President Donald Trump appeared to welcome the greenback's slide, which should help reduce the trade deficit. The fall was a continuation of a trend. Since Mr Trump came to office, his tariffs, attacks on the Federal Reserve

and appetite for debt have made investors keener to hedge their exposure to America. In 2025 the dollar fell by 7% on a trade-weighted basis.

Dig deeper

- Why is the yen still so weak?·

The fact that the yen has been so weak against a falling greenback is remarkable. It is doubly striking, because the gap between Japan's low interest rates and America's higher ones has shrunk by nearly a third over the same period. Converging rates would usually bring currencies closer into line.

Part of the explanation is that Japanese inflation has risen to an annual average of 2% in the 2020s, compared with 0.6% in the 2010s·. Unusually, Japan's inflation has lately outpaced that of its trading partners. Higher inflation often weakens a currency, as the exchange rate adjusts to reflect its lower purchasing power. But do not miss the wood for the trees. The yen would be far stronger if its value reflected Japanese prices. According to our Big Mac index·, which compares the price of burgers across countries, the currency is undervalued by roughly 50%.

That makes it plausible that the yen is cheap because investors are worried about the danger that Japan will lose its fiscal and monetary credibility. Inflation, by boosting nominal GDP and tax revenues, has recently helped shrink Japan's debt and deficit as a share of the economy. Yet at 130% of GDP net debt remains higher than in any other rich country, and 30-year yields hit their highest level on record this month. Takaichi Sanae, the prime minister, has called an election on February 8th and is promising an ill-timed fiscal loosening. As well as rightly spending more on defence, she pledges to suspend consumption taxes on food for two years. Although she has room to raise Japan's taxes, Ms Takaichi has no plan to pay for all this.

Japan at least has plenty of foreign-exchange assets which it can sell to prop up its currency. But buying yen will do nothing to reduce the danger of a crisis, and the effect on the exchange rate is anyway unlikely to last. Countries which set interest rates and allow capital to flow freely across borders cannot also control their exchange rates. Japan should view the yen as an indicator of the economy's health and the government's credibility, as well as the likely path of interest rates. It should not—and cannot—make it a target of policy.

As for America, if the government dabbles in the currency markets to try to manage its exchange rate, Mr Trump's economic management will rightly be seen as even more erratic and ill-judged. When demand for dollars falls, America's government, businesses and individuals face a higher cost of capital. That is why the government has traditionally favoured a strong greenback. Giving that up because of an ill-founded fear of the trade deficit would be a mistake. ■

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London-spurning

Haters on the right and left are wrong about London

It's a hub, not a hellhole. Labour should give it more love

1月 29, 2026 05:47 上午



BOTH THE right and the left enjoy bashing London. MAGA types depict it as overrun by machete-wielding youths. President Donald Trump claims it has "no-go" areas and is partly subject to sharia, or Islamic law. Nigel Farage, the leader of Britain's leading populist-right party, has claimed that "crime is out of control" and the city "is in a state of collapse".

Attacks from the left imagine a very different city. Rather than a woke hellscape, it is a place immiserated by fat cats who ate all the

caviar. Members of Britain's ruling Labour Party gripe that London has prospered for too long at the rest of the country's expense. The prime minister, Sir Keir Starmer, mentioned it only once in his party-conference speech last year—to demand more investment elsewhere. Such rhetoric plays well: a poll for *The Economist* found that only 17% of Britons think Britain would be better off if London were richer.

Dig deeper

- How London can rise again·
- London is far safer than violent viral videos will have you believe·
- How London became the rest of the world's startup capital·

Both these visions are wrong. London is one of the world's safest big capitals·. Violent crime has been falling there for years. The homicide rate is at its lowest since comparable records began. No big American city comes close: residents of Miami are almost six times more likely to be killed.

And far from prospering, London has struggled since the financial crash and Brexit. Output per worker there is lower in real terms than it was in 2008. That hurts Britain. London's lost productivity growth accounted for 42% of the nationwide slowdown in 2007-19.

There is not, as some assume, a zero-sum trade-off between London and the rest of the country. When London grows, it pays more taxes to subsidise everyone else and generates demand for regional businesses. It is the workhorse of the economy, producing a quarter of national output. Its competitors are not Manchester and Leeds, but New York and Tokyo.

Labour should be sweating Britain's strongest asset, not neglecting it. Despite its problems, London still has a story to tell. It remains the world's second-largest financial centre (after New York) and produces more unicorns ($1bn-plus startups) than anywhere else in

Europe. Four of the world's top-ten universities lie in its orbit. Above all, the world's best and brightest flock to the capital.

London's future—and Britain's—depends on continuing to be a magnet. The siren calls of places like Dubai are ever more tempting, with their low taxes and cheaper housing. Yet while Milan and Singapore roll out the red carpet for expats, Labour pulls up the drawbridge. Rather than squeezing non-permanent residents for extra taxes, the government should put the tussle for talent at the heart of its growth strategy.

What to do? One step is to overcome Britain's self-sabotaging migration rules. Mr Trump's curbs on skilled migrants have created an opportunity. *The Economist*'s footloose index finds that disgruntled American graduates would sooner go to Blighty than anywhere else. Yet Labour plans to reduce the length of graduate visas and double to ten years the default time to get permanent settlement. It should reverse high visa fees and charges (which can be over £10,000, or $13,800), provide easier paths to citizenship and make clear that—ten years after the Brexit vote—clever foreigners are still welcome.

Another obstacle is housing. Renting a flat gobbles up more of a typical income in London than in Paris or Tokyo. "Affordable-housing" rules discourage development; instead Labour should make it much easier to build. Last, London needs to renew its creaking infrastructure. The success of Crossrail, an east-west train line, shows the demand for new transport links. London does not need big handouts from central government to build them. It needs greater borrowing and tax-raising powers to be devolved to the mayor.

To Make London Grow Again, the government should tie commuter towns more tightly into London's economy, integrating transport links and relaxing green-belt rules that block construction there. London's footprint could grow—and its economy with it.

The 19th century offers a lesson. Then, London and Britain boomed together. Factories sprouted up across the north during the Industrial Revolution, their success buoyed by a surge in trade, finance and services in the capital. Revitalising London would benefit the rest of the world, too. Truly global entrepots are enablers of human progress, places where ideas, capital and talent can mingle and multiply. As America puts up barriers and China's cities remain hard to move to, such places are rare. Labour should show London some love. ■

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Awake, sleeping giants

Africa’s two biggest economies may be turning the corner

As Nigeria and South Africa revive, the continent’s growth may outpace Asia’s in 2026

1月 29, 2026 04:19 上午



NIGERIA AND South Africa are the two largest economies in sub-Saharan Africa, generating almost one-third of the region’s GDP. Tragically, in the past decade both have gone backwards. On average, individual South Africans and Nigerians are poorer today than they were in 2015. Since each country ought to be the

powerhouse of its part of Africa, their dismal performance has slowed progress across the continent.

So it is good news that Africa's sleeping giants seem to be waking up·. In South Africa prudent policies helped bring inflation down to 3.2% in 2025, lower than at any point in the past 21 years, and earned the country the first upgrade of its sovereign debt in more than 16 years. Reforms have opened state-owned firms such as Eskom, the electricity utility, to market forces, sucking private capital into energy projects.

Dig deeper

- The case for optimism in South Africa·
- Nigeria's economy may be back from the brink·

Meanwhile Nigeria has ditched the many official exchange rates that maddened and confused investors, and is allowing the value of the naira to be set largely by market forces. It has also ended budget-crippling, pollution-promoting fuel subsidies. Better security in the Niger Delta and targeted incentives have begun to revive oil production.

A turnaround in South Africa and Nigeria, if sustained, would add to a growing sense of optimism about Africa as a whole. Over the past two decades the fastest-growing places on the continent have been smaller economies, such as Rwanda, Ivory Coast, Ethiopia and Tanzania. If the largest economies grow faster and demand for minerals remains high—raising output in countries like Congo, Guinea and Zambia—there could be many more years in which African GDP outpaces Asia's, as the IMF forecasts will happen in 2026.

But it is too early to celebrate. Better vibes have yet to translate into significantly higher growth rates. For that to happen, both of Africa's giants will have to redouble their reform efforts.

Operation Vulindlela, a task force set up by Cyril Ramaphosa, South Africa's reformist but slow-moving president, must repeat the success in electricity in other parts of the economy, especially freight logistics and water. Businesses are delighted not to suffer so many power cuts, but they have other worries. More effort is needed to fight organised crime. Laws deter investment, by weakening property rights or requiring firms to meet racial targets. A reckless foreign policy, coddling rogue regimes in Iran and Russia, risks tarnishing the country's brand.

Nigeria has even more to do. It must curb wasteful spending so that more is available for education and infrastructure. A new tax regime aimed at raising much-needed revenue is being hampered by uneven enforcement and presidential meddling. Too little thought has gone into diversifying the economy away from hydrocarbons. Politically connected oligarchs find it easy to throttle competition.

Faster growth would make other problems easier to fix. South Africa's jobless rate, at 32%, is one of the highest in the world. Nigeria has more people living on less than $3 per day than anywhere else, having fallen behind India.

The moment's benign politics may not last. Nigeria holds elections in 2027, which could tempt the government to offer short-term giveaways. South Africa's coalition government will also be tested in that year, as Mr Ramaphosa is likely to be replaced as leader of the African National Congress, the biggest party, possibly by someone less trusted and less reform-minded. If the coalition collapses, the corrupt populists who wrecked South Africa under the previous president are eager for another turn at the trough.

So in both countries, a sense of urgency is essential. Africa's sleeping giants have started to wake up. It is no time to press the snooze button. ■

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Artificial intelligence

Stop panicking about AI. Start preparing

There is time to adapt. Use it wisely

1月 29, 2026 06:16 上午



SOLVING FIENDISH maths problems, making complex medical diagnoses, conjuring up new software in moments: the feats of generative AI get more impressive by the day. But anxiety about its social consequences is mounting, too. Kristalina Georgieva, the head of the IMF, has warned of a job-crushing "tsunami". Sir Demis Hassabis, boss of Google DeepMind, a leading AI lab, says he would support a slowing of innovation to allow society to adapt. Jamie Dimon, high priest of American finance, says governments should

ban lay-offs if it "saves society". The scene seems set for wrenching upheaval.

The course of AI is uncertain, obviously. Yet the latest series of Boss Class, our podcast on management, shows that there are good reasons to think society has more scope to adapt than these luminaries suggest. It takes time for a new technology to diffuse from the cutting-edge to the office cubicle. Firms and governments should use the breathing space to help those most at risk of being displaced.

Dig deeper

- How to avoid the most common pitfalls of AI in the workplace
- Why AI won't wipe out white-collar jobs
- How big a threat is AI to entry-level jobs?

So far labour markets seem unruffled. Service jobs are most exposed to generative AI, yet in America the number of white-collar jobs has gone up by 3m since ChatGPT was launched, while blue-collar jobs have stayed flat. Employment has risen even in areas that have been keen adopters, such as coding.

One reason for the slow economic impact is the technology's "jagged frontier": it excels at some tasks but then confidently spouts nonsense, or struggles to count the number of "r"s in "strawberry". This unpredictability means companies and workers need to spend time working out where to apply AI.

Moreover, business processes don't change overnight. Electricity was first harnessed commercially in the 1880s, but took 40-50 years to generate productivity gains on factory floors. Plants had to be redesigned and workflows rethought. This time, too, companies must think about how to encourage workers to use AI, how to mitigate the problems it poses, and how to apply it successfully.

This friction should be good news for those worrying about the speed of technological change. Asking developers around the world to down tools, when a winning lead could confer gigantic commercial and geopolitical rewards, would be a fantasy. But precious time elapses between invention and diffusion, and this can be used to identify who is most exposed to the technology and to work out how to help them.

Many jobs require skills that are hard to automate, such as judgment or empathy. AI tools could make these roles more productive, lucrative and even more enjoyable: think of a doctor liberated from paperwork. And new technology tends to create jobs; already there is a rise in white-collar jobs· that are so new they have no label in the statistics. Yet some roles also look dangerously exposed to automation. Much back-office work involves simple tasks and following a script. Young people in entry-level positions are often asked to crunch data, or summarise reports—precisely the sort of things AIs excel at.

Helping these groups find new work is crucial, and not just because of the impact on the people themselves. The loss of factory jobs through globalisation and automation in the West helped spur the rise of populism. No government wants a youth revolt on its hands. A backlash would be a sure way to stymie the economic gains of AI.

What to do? This time at least the disrupted are likely to be geographically dispersed: unlike factory work or mining, back-office and entry-level jobs are not concentrated in company towns. New opportunities should therefore be easier to find. But governments must also encourage movement by keeping labour markets flexible, rather than barring lay-offs as Mr Dimon suggests. Education will need an overhaul, to teach AI and skills that complement it.

Companies, too, must prepare. To thrive they need not only to make the best use of AI, but also to find and nurture the best people to work with it. Some back-office workers will lose their jobs. But

others with tacit knowledge of the business may be trained for new roles.

The biggest mistake would be to stop hiring young people altogether. That would not only choke off the pipeline for future talent, it would rob businesses of AI natives'. Instead, companies should rethink the type of work they offer young people—less grunt labour, more judgment and analysis; speedier rotations across the business so they gain insight that AI cannot have; piloting new roles and trying new approaches.

Disruption and job losses will be unavoidable. Such is the nature of technological progress. But, despite AI's feats, there is still time to cushion the blow. It should not be wasted. ■

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Letters

- **The chronic weakness of the British state**
  A selection of correspondence :: Also this week, central banks, British politics, marine conservation, a Supreme Court case, transporting ships, peace prizes

A selection of correspondence

The chronic weakness of the British state

Also this week, central banks, British politics, marine conservation, a Supreme Court case, transporting ships, peace prizes

1月 29, 2026 04:18 上午



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Institutional sclerosis

My research supports your report about the chronic weakness of the British state ("A state of distress", January 10th). Mostly things get

to happen in Britain when central government is not involved. The impetus for change comes from outside the Whitehall machine, from philanthropists, land owners, charities, universities and above all from local government.

Who built Britain's motorways? Who co-ordinated the national cycle network? Who built all those public-sector houses in the 1950s and 1960s? Who built Britain's reservoirs, parks, aqueducts and sewers? Who championed the idea for Milton Keynes, Britain's fastest-growing city? Who pushed successfully for the Channel Tunnel rail link? The answer is the same in every case and more: local government.

But Britain's local government these days is an emaciated shadow of its former self, hard hit by austerity, the loss of talented staff and low esteem. If Sir Keir Starmer wants to get the government machine moving, a good part of the answer lies beyond his policy advisers, in regions and town halls.

PROFESSOR IAN WRAY
Heseltine Institute for Public Policy, Practice and Place
University of Liverpool

Your coverage of state capacity ignores the digital panopticon facing the modern civil servant. We are witnessing the rise of defensive bureaucracy, a system where the primary goal of an official is not to achieve a mission, but to minimise attacks on social media.

When a single mistake can be decontextualised, memed and broadcast to millions, the rational response for any public official is to avoid making any decision at all. Think of social-media vitriol as a tax on innovation. The more ambitious the project, the higher the tax. Eventually the visionaries leave because they refuse to pay the tax. The seat-warmers stay because they never do anything worth noticing.

Thus, we end up selecting grey personalities, people without the passion or vision that might make them a target for the professional naysayer. If we want a state that can act we must first tackle a culture that makes doing nothing the only safe career path.

DESIKAN GANDARVA
Cleveland, Ohio

You reported on the problems faced by governments in Britain in actually getting things done. Obtaining desired outcomes in complex systems requires a clear focus on the agreed outcomes and empowering participants to achieve them. Those who lead effective organisations, such as in aviation safety, defence and complex projects, start by building clarity and consensus on what needs to be done to attain valid common goals.

Some key aspects for success are critical. First, power has to be devolved to everyone who needs to be involved, rather than being retained by those at the top. Who needs to do what, and will they do it? Thus, second, there must be consensus over the validity and importance of achieving the goals and outcomes. Time spent here at the start will enable the delivery phase to move swiftly. Third, barriers to achievement, which may be normally required for protection, need to be removed or revised. We make many laws but are slow to revise them. Fourth, what milestones and data will demonstrate progress towards the outcomes and show that everyone is making the required contribution?

This outcome-focused collaborative approach worked well in providing personal-protective equipment to defeat covid-19 at pace. The same methodology is succeeding now in various community and regulatory projects. Adopting fresh approaches to politics and projects would achieve results.

CHRISTOPHER HODGES
Emeritus professor of justice systems

Centre for Socio-Legal Studies
University of Oxford

On the never-never

You rightly defend independent control of central banking to ensure economic stability in the face of fickle politicians ("Interference day", January 17th). But lax fiscal policy is just as damaging to a country's financial health and can easily produce a similar stimulus to loose monetary policy, which itself becomes impotent in the face of excessive deficit spending. The euro zone attempted deficit limits for a while, until banking crises and a pandemic required a necessary Keynesian adjustment. But someone forgot to take the punch bowl away and the West has now got used to unfettered borrowing.

Politicians should be able to control the balance between tax and spending, but they shouldn't have unchecked access to endless borrowing. With the bond markets finally tamed then perhaps we could enjoy low interest rates as well as low inflation.

ADRIAN FOGARTY
London

Alive and kicking

As chairman of the National Conservative Convention, representing the grassroots membership, I strongly reject Bagehot's description of the party as being "close to death" (Bagehot, January 17th).

The Conservative Party is not a Westminster echo chamber. It is a national movement rooted in the small-c conservatism of millions of our compatriots who believe in a stronger Britain, sustained by volunteers who deliver leaflets in the rain, raise funds and fight

elections ward by ward. That grassroots grit and determination is undimmed.

Nor is the party financially, organisationally or intellectually hollow. We remain robust, solvent and are carrying out our most comprehensive review of policy in a generation.

Movements do not endure for centuries by accident. They endure because they adapt, absorb shocks and renew themselves. Our party has done so before and is doing so again. Predictions of terminal decline say more about the fashions of the moment than the fundamentals of British politics. Conservatism remains resilient, relevant and ready to serve again.

JULIAN ELLACOTT
Chairman
National Conservative Convention
Bristol

Seas the day

"Guardians of the deep" (January 3rd) highlighted the historic nature of the high-seas treaty that has just come into force. There is one other, vital point that will determine if the treaty's implementation is successful. Not all marine protected areas (MPAs) are equally effective. In fact, a vast number are only lightly or minimally protected, not enforced, funded, or even implemented, and therefore deliver few conservation outcomes.

Some MPAs even allow activities such as bottom-trawling that are incompatible with conservation. Scientific study after study has demonstrated conclusively that biodiversity is best recovered or protected when the MPA is fully or highly protected from abatable threats like fishing, mining, dumping or fossil-fuel exploration and extraction. Fully protected MPAs do not allow any extractive or

destructive activities; highly protected MPAs allow some of those activities if the impacts are minimal. Moreover, those same studies conclude that the social and ecological conditions that are in place when an MPA is established and implemented are key, and that enforcement, monitoring, funding and adaptive management highly influence its success.

The treaty's scientific and technical body and its conference of the parties will begin to make decisions about MPAs in 2026. They should heed the clear evidence and knowledge of those scientific studies.

JANE LUBCHENCO
Professor of marine biology
Oregon State University
Corvallis, Oregon



Some historical background

I enjoyed your discussion of the "supremacy-clause immunity" in America and its potential effect on the possible prosecution of the

federal immigration officer who shot dead a woman in Minneapolis ("States and rights", January 17th). You pointed out the relevance to this issue of *In re Neagle*, a Supreme Court decision from 1890 which held that federal law trumps state law. It found that David Neagle, a federal marshal, was immune from prosecution for killing the "would-be assassin" of Stephen Field, a Supreme Court justice. The assailant was David Terry, a former chief justice of the Supreme Court of California, who held a grudge against Field. At a rail station Terry struck Field, and Neagle intervened, killing Terry. It wasn't Terry's first brush with federal officers. Some years earlier he killed a senator in a duel.

TYLER GIPE
Washington, DC

Against all oars

I read your piece on river transport in Africa, which mentioned an Ethiopian passenger ferry that was hauled across desert and mountains from the Red Sea to Lake Tana ("Bring on the boats", January 3rd). It reminded me of "Fitzcarraldo", a film in which a classical-music fanatic tries to transport a steamship over the Andes in a madcap scheme to finance an opera house. When asked about the challenging production, Werner Herzog, the director, said "Every man should pull a boat over a mountain once in his life."

AUGUSTUS HANEY
New York

A Nobel pursuit

My prediction is that an early agenda item for the new Board of Peace will be the inauguration of a peace prize ("Get on with phase

two”, January 24th). Will anyone offer me odds on who the first recipient will be?

SEAMUS COLLUM
Manchester

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By Invitation

- **To protect itself, Europe needs the systems that make warfare work**
  Don’t buy American :: That means spending big, but wisely, on satellites, intelligence networks and the like, write Nico Lange and Fabrice Pothier

Don’t buy American

To protect itself, Europe needs the systems that make warfare work

That means spending big, but wisely, on satellites, intelligence networks and the like, write Nico Lange and Fabrice Pothier

1月 29, 2026 04:18 上午



EUROPE IS RUNNING out of time. With the talks in Abu Dhabi between America, Russia and Ukraine taking place with minimal European input, the clock is ticking. During the first year of Donald Trump’s second term, European governments were trying to buy time to build out their own defences. The latest crisis over Greenland has changed that calculus dramatically.

America’s retreat from and hostility to the transatlantic security architecture mean the ground is shifting faster than European governments can adapt. They have helped Ukraine survive. Survival, however, is different from security. If the continent wants lasting stability in the decade ahead, it must confront an uncomfortable reality: Europe remains heavily dependent on America for the systems that make modern warfare work.

Europe has manpower, armour, aircraft and, increasingly, political will. What it lacks are the “strategic enablers” that bind these assets into a credible fighting force: satellites, intelligence networks, electronic warfare and long-range strike capabilities. These crucial elements remain overwhelmingly American.

This dependence matters now. European NATO members are finally spending serious money on defence. But if new funds simply reinforce existing NATO plans built on an American backbone, Europe will remain a security consumer rather than a provider.

That is why the surge in defence spending must be used largely to build a European backbone of strategic enablers, drawing on European technology, industry and co-ordination. Supporting Ukraine and building these capabilities are not competing objectives. They are the same project. The systems Europe needs for its own defence are those Ukraine needs to survive.

Consider space. Modern warfare depends on satellites for imagery, secure communications, navigation and early warning.
America operates roughly 250 dedicated military satellites. Europe has around 50, many designed for narrow national missions rather than a shared purpose.

Satellites are the operating system of modern defence. They enable three essentials: seeing, connecting and timing. Ukraine’s experience underlines this. Without Western satellite support—mostly American—Ukraine would struggle to track Russian forces, co-

ordinate units or defend its airspace. Europe faces the same constraint. Without sovereign space assets, it cannot act independently in a crisis.

Europe's commercial space sector is thriving. But unless defence budgets are used to create a shared European space architecture, Europe will continue to operate with limited awareness and borrowed resilience. Providing Ukraine with European satellite data and communications should serve as a proving ground for systems Europe itself must ultimately rely on.

If space provides the strategic overview, ISR (for intelligence, surveillance and reconnaissance) delivers operational clarity. Satellites show what is happening; ISR explains what it means. This includes drones, signal-intercept aircraft and electronic sensors. Increasingly, it also includes civilian infrastructure—from highway cameras to acoustic sensors—capable of detecting sabotage, troop movements or drone incursions. Open-source intelligence, from social media to ship-tracking data, now complements these tools by allowing real-time verification.

Electronic warfare (EW) adds another critical layer, and one Europe lacks at scale. It allows forces to jam communications, disrupt drones and protect their own systems from interference. In Ukraine it has become decisive.

Europe is not short of ideas. Across the continent, startups are developing sophisticated EW systems, from anti-drone jammers to mobile electronic-attack platforms. The weakness lies in integration. Defence ministries struggle to identify viable technologies, and procurement systems move too slowly to adopt them. Deploying these tools in Ukraine offers the fastest way to test, refine and scale them—while building Europe's own EW ecosystem.

Debates about Europe's security often focus on long-range missiles. Existing systems are highly capable, but mostly American and made

in small numbers—and at great cost. Modern warfare, as Ukraine shows daily, is a contest of endurance. It requires strike systems that are accurate, cheap and simple enough to produce in huge quantities. Ukraine has improvised such capabilities with low-cost drones and missiles that reach behind enemy lines.

Europe has the industrial base to do the same. Carmakers, robotics firms and advanced manufacturers already produce high-precision components at scale and low cost. They know how to manufacture millions of units reliably—something traditional defence contractors find it hard to do. Linking these industries with Europe's defence startups and missile designers could yield long-range strike systems in the quantities modern conflict demands.

Helping Ukraine develop and field these systems would accelerate learning, enable industrialisation and reduce Europe's reliance on American cruise missiles and bombers. This agenda presents an opportunity. Europe has the money, the tech and the industrial capacity. What it lacks is urgency and co-ordination.

A Europe with its own space backbone, its own intelligence and EW capabilities and its own mass-produced long-range strike systems would shape events rather than just respond to them. It would be a stronger partner for America—not a dependent one—and better placed to deter threats before they reach its borders.

Helping Ukraine and strengthening Europe are the same task. Europe has shown solidarity. Now it needs to show spine. ■

Nico Lange is the founder of IRIS and a former German defence chief of staff. Fabrice Pothier is the chief executive of Rasmussen Global and a former NATO head of policy and planning.

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Briefing

- **Immigration agents have become Donald Trump's personal posse**
  ICE rage :: That is a liability for America and, increasingly, for him
- **How to avoid common AI pitfalls in the workplace**
  Tech at work :: Advice from our latest season of "Boss Class"

ICE rage

Immigration agents have become Donald Trump's personal posse

That is a liability for America and, increasingly, for him

1月 29, 2026 04:19 上午



THE FEDERAL government's assault on Minneapolis continues but, for the past few days, it is Donald Trump's shock-and-awe campaign to rid America of illegal immigrants that has seemed under siege. Widespread outrage at the killings first of Renee Good and, on January 24th, of Alex Pretti, two American citizens protesting against the conduct of Immigration and Customs Enforcement (ICE), the agency leading the deportation drive, has put the administration on

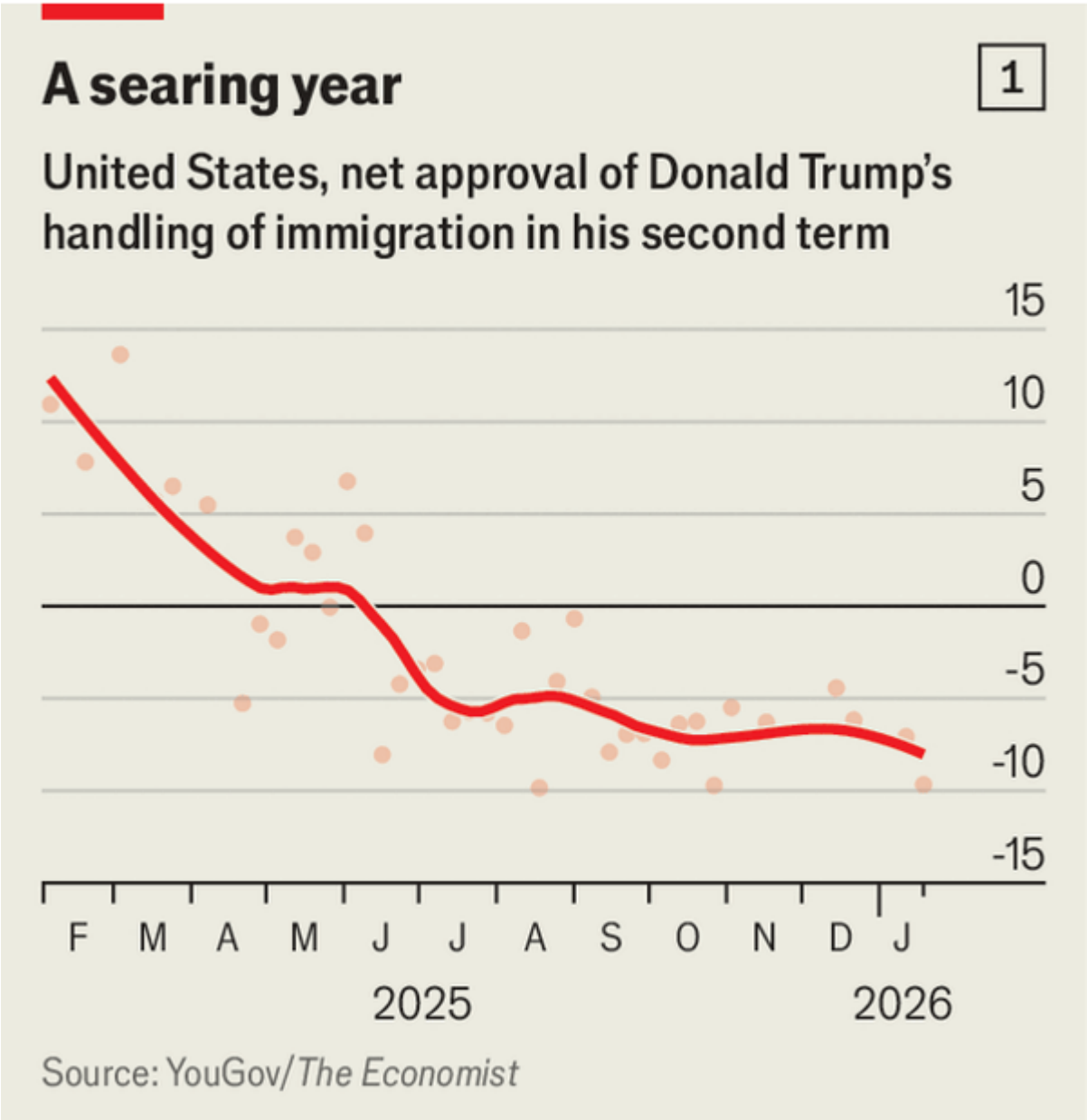
the back foot. An attack on January 27th on Ilhan Omar, a Democratic congresswoman from Minneapolis and bugbear of the right, further cemented the notion that events in the city were spiralling dangerously out of control.

Mr Trump is worried enough that he has dispatched Tom Homan, his border czar, to take charge of the roughly 3,000 agents who have flooded Minnesota's biggest city, hunting for undocumented migrants. Gregory Bovino, the Border Patrol officer in charge of such roving operations, has been banished to his home in California. "Bovino is very good but he is a pretty out there kind of a guy," Mr Trump told Fox News on January 27th. "In some cases that's good, maybe it wasn't good here." The president also put in an emollient call to Tim Walz, Minnesota's Democratic governor, whom his Department of Justice is investigating for conspiring to impede immigration enforcement in the state.

There's something happening here

The administration has changed its tune on the shootings, too. Before the particulars of either killing were clear (many details remain fuzzy), officials alleged without evidence that Ms Good was a "terrorist" and Mr Pretti intended to "massacre law enforcement". Now Mr Trump is lamenting the deaths: "Both of them were terrible…It's so sad," he told Fox.

Sadly, Ms Good and Mr Pretti are not the first people to be killed by immigration agents swarming Democratic cities. But their deaths were captured on video and, in the blink of an eye, shared around the world. More than half of Americans say they have seen clips of the fatal shootings.



The conclusions they have drawn have depended in part on their politics. For example, just 3% of Democrats think Ms Good was about to run over the ICE agent who shot her, as the Department of Homeland Security (DHS) claimed, compared with 53% of Republicans. But disquiet over Mr Trump's mass-deportation drive has been growing steadily. Net approval of his handling of immigration sank into negative territory last year, around the time the DHS, which oversees ICE and Border Patrol, ramped up raids in Los Angeles. It continues to fall (see chart 1). For a president who,

over the course of 11 years, through three presidential campaigns and two administrations, has made immigration his signature issue, the reversal must be alarming.

Mr Trump has promised to "de-escalate a bit", but is quick to deny that he is retreating. Over the past year he has not only instructed immigration agencies to be more forceful, he has completely reshaped them, securing a massive rise in their funding and thus their size and capacities. ICE and Border Patrol have come to resemble militias that answer to the president and operate with seeming impunity. The killings in Minneapolis reveal how quickly this evolution has occurred and how deadly its consequences are. The question now is how far Mr Trump will take his paramilitary experiment, given the obvious risks both to public order and to his own popularity.

Both ICE and Border Patrol were put under the control of the newly created DHS after the September 11th terror attacks in 2001. Border Patrol was the bigger agency: as recently as 2022 it had roughly three times as many enforcement officers as ICE, which was charged, among other things, with hunting down illegal immigrants who had left the immediate vicinity of a border. But a force of several thousand officers could never hope to catch the millions of undocumented immigrants living in America. Instead, in keeping with the times, ICE focused on public safety: finding and removing foreign criminals.

What it is ain't exactly clear

Even so, ICE was a political lightning rod. When Barack Obama, a Democratic predecessor of Mr Trump, oversaw an increase in deportations, some left-leaning cities adopted "sanctuary" ordinances, which limited their co-operation with federal immigration enforcement. Those policies proliferated during Mr Trump's first term. Progressives wanted to "abolish ICE" and the question of whether to dissolve or restructure the agency became a litmus test

for Democratic presidential candidates in 2020. "Even in times of calm and reason, which this is certainly not, the politicisation of ICE has made it such that half the country is going to hate you no matter what you do," says a former DHS official.

Mr Trump's decision to hasten deportations by deploying Border Patrol units, led by Mr Bovino, to help with ICE's raids has added to the controversy. Its officers are trained to chase smugglers across deserts and mountains, not uphold the civil liberties of protesters. They enjoy greater authority than ordinary police to stop and question people, but only within 100 miles of an international border, which Minneapolis is not. The agency's most elite squads, called BORTAC teams, resemble military special forces. One of Mr Pretti's killers was a Border Patrol agent.



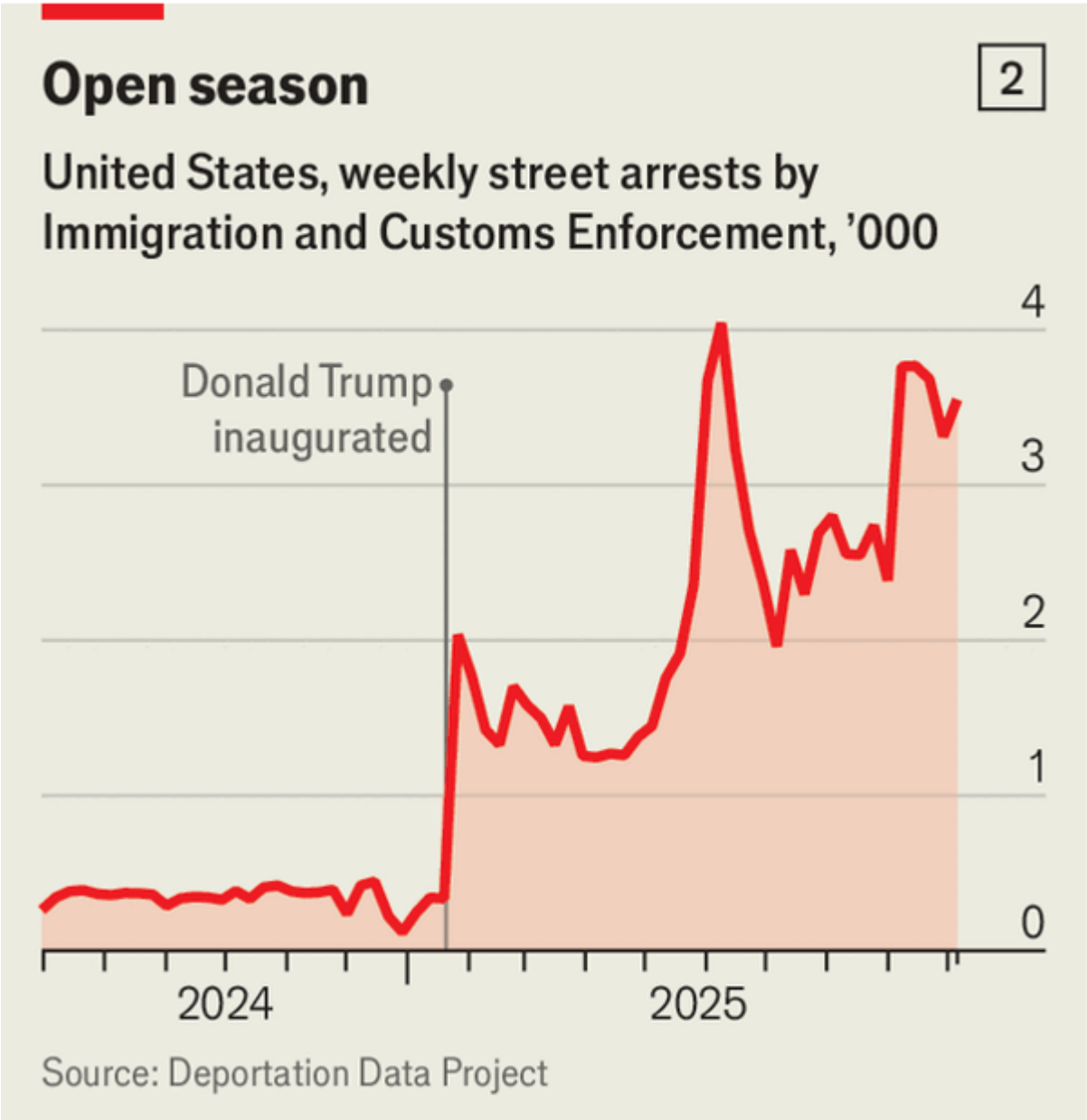
For his own safety

The Trump administration has taken these agencies and supercharged them. The One Big Beautiful Bill Act, passed in July, included a whopping $170bn for immigration enforcement—more than most countries spend on their armed forces. ICE has more than doubled in size over the past year, hiring 12,000 new deportation

officers. It is still expanding, enticing new recruits with signing bonuses and help with student-loan repayment.

DHS seems to want to hire political partisans. Both ICE and Border Patrol, for instance, were recruiting in December at AmericaFest, an avowedly Trumpy right-wing conference. ICE's recruiting portal says "America has been invaded by criminals and predators. We need YOU to get them out. You do not need an undergraduate degree." Several ICE recruitment posts on social media include dog-whistles such as "Which way, American man?" (an allusion to a white supremacist book) and "Destroy the flood" (a slogan from a video game about invasive parasitic aliens).

New recruits are rushed through training in 42 days. Many of them are former cops and veterans, but some will never have held a gun before, says a former ICE official. In contrast, says Alex del Carmen, a criminologist who helps train police officers, it can take up to a year for local cops to be deemed street-ready.



At one level, the deployment of these neophytes is working. Government figures analysed by the Deportation Data Project show that weekly deportations following an ICE arrest more than quadrupled in the first nine months of Mr Trump's term, to 6,000 a week. "Street arrests", as opposed to ICE collecting illegal aliens from jails, have rocketed (see chart 2).

Yet the killings of Ms Good and Mr Pretti indicate the excessive force agents are using. At least 32 people died in ICE custody last year, the

highest number since 2004. An autopsy report released in January showed that Geraldo Lunas Campos, a Cuban migrant held at Fort Bliss in Texas, was killed by his jailers. ICE had previously said he had committed suicide.

Even as it deploys ill-prepared agents, DHS has gutted internal oversight bodies. Julie Plavsic was forced to retire last year when Mr Trump all but eradicated the department's Office for Civil Rights and Civil Liberties. She describes how former staffers shared feelings of "horror and disgrace and disbelief" after the killings of Ms Good and Mr Pretti. "All of this is unprecedented," she adds.

In fact, America has a long history of frontier lawmen who operate with lots of discretion and little oversight. In 1918 a group led by Texas Rangers massacred 15 unarmed residents of a remote village and then lied and said the victims had died in a shoot-out. In 1894 Grover Cleveland sent the army and US Marshals to Chicago to manhandle striking railroad workers, over the objections of Illinois's governor. Their deployment provoked urban unrest, which the Marshals were ill-equipped to handle: at least 30 people were killed.

The authorities in America have also sometimes used private militias for violent repression. In the late 19th and early 20th centuries politicians watched as industrialists hired the Pinkerton Detective Agency to break strikes by force. For almost a century most southern Democrats were content to let the Ku Klux Klan terrorise and lynch black citizens.

But none of these groups were anywhere near as big or as well-equipped and organised as today's swelling immigration-enforcement agencies. The expansion of ICE and Border Patrol also marks a striking change for America in that the president is normally relatively impotent in matters of domestic law-enforcement, with the police under the supervision of local politicians and domestic deployment of the army severely restricted by law.

Indeed, the explosive growth of immigration-enforcement agencies seemingly answerable only to Mr Trump has prompted agitated critics to assert that he is creating a paramilitary to cow his political enemies and perhaps even to help rig the midterm elections in November. Mr Trump once urged a mob to storm the Capitol to try to overturn the result of an election he lost, after all. This year, the argument runs, he could claim that immigrants are trying to vote illegally, post menacing ICE agents at polling stations and so frighten Democrat-supporting ethnic minorities into staying at home.

It is true that would-be authoritarians often try to strengthen their grip on power by creating forces answerable only to themselves. These have several common characteristics. First, to encourage loyalty, they are usually paid well. Iran's Islamic Revolutionary Guard Corps, which reports directly to the supreme leader, has a far larger budget than the regular army and its officers run lucrative, coercive business empires on the side.

Second, whereas regular military forces are supposed to be politically neutral, at least in democracies, unorthodox ones may be fiercely partisan. India's Hindu-nationalist paramilitary groups (who tend to carry sticks rather than guns) are open about their support for the ruling Bharatiya Janata Party.

Third, a strongman's pet force is often allowed to break the law. In Venezuela it is illegal to kidnap and torture dissidents, or to stand outside polling stations shooting bullets in the air to intimidate voters, but motorbike gangs known as *colectivos* that are sponsored by the regime have done so without fear of arrest.

Fourth, leaders who sponsor the irregular use of force nearly always claim it is to protect the public. Rodrigo Duterte won the presidency of the Philippines by promising to "forget the laws on human rights" when fighting drug dealers. He urged the police to "fatten all the fish" of Manila Bay with the corpses of criminals to make the streets safe again.

Clearly, although America is a far cry from all these places, with vastly stronger institutions, there are some echoes in ICE's deployment, from $50,000 sign-up bonuses to the claim (since watered down) of J.D. Vance, the vice-president, that ICE agents have "absolute immunity" from prosecution for how they carry out their jobs. Ivan Briscoe of Crisis Group, an NGO, cites three warning signs that states are succumbing to paramilitarism. One is when governments start to rely on armed force as a first resort, rather than the last. Another is when internal disciplinary mechanisms cease to function properly. A final red flag is when forces looking for bad guys treat local civilians "as support networks of the enemy", perhaps because polarising politicians describe them as such.

Again, this list carries awkward echoes of events in Minnesota. But the alarmists ignore the fact that not all arms of the state are at Mr Trump's beck and call. The courts may eventually curtail ICE's worst excesses. Local governments are probably even less inclined to co-operate with the federal one on immigration as a result of recent events. Democrats in Congress are threatening a government shutdown unless ICE is curbed. The persistent peaceful protests· and civil disobedience of Minnesotans have, if anything, been energised by the brutal tactics of immigration agents.

Yet it is hard to escape the conclusion that, however it ends, ICE's victimisation of Democratic-leaning cities like Minneapolis is more about politics than stemming illegal immigration. If the intention were truly to maximise deportations, ICE would target states and cities with large undocumented populations. But in 2023, the most recent year for which estimates are available, Pew Research Centre reckoned that Minnesota was home to only about 130,000 illegal immigrants, putting it 24th out of the 50 states. Just 10,000 unauthorised migrants· are thought to live in Maine, where DHS is running "Operation Catch of the Day". "We have now turned from professional policing to politics," says Geoffrey Alpert, a criminologist at the University of South Carolina.

There is little truth to the claim that ICE is hunting down "the worst of the worst". In fact, it is becoming far less discriminating: when Joe Biden left office, 62% of those it arrested were convicted criminals; by November that proportion had fallen to 30%. Stephen Miller, the architect of Mr Trump's immigration policy, has pushed the agency to meet arrest quotas to boost deportations. That has led to the detention of lots of seemingly harmless pensioners and even children, as well as people who turn out to have been present in America entirely legally.

There's a man with a gun over there

Over the past year Mr Homan has also suggested that ICE must resort to street raids because Democratic cities will not let it into their jails. On January 25th Mr Trump called on Congress to ban such policies. Yet at least some sanctuary states allow local officials to co-operate with immigration agents when an individual has been convicted of grave crimes. What is more, Minnesota does not have state sanctuary laws, although Minneapolis does not comply with ICE requests to detain immigrants already in local custody.

A more obvious interpretation of ICE's focus on left-leaning cities is that the administration hopes to provoke protesters to violence, thereby justifying the deployment of federal agents and strengthening the case for a crackdown. For months Mr Miller has referred to protesters who are impeding immigration agents as "insurrectionists" and "domestic terrorists", perhaps laying the groundwork for the president to invoke the Insurrection Act to secure the authority to deploy the army at home. .

Mr Trump has flirted with the idea since his first term. He has consistently used the spectre of a national emergency or perceived threats to the state to claim extraordinary powers. That, after all, is the basis of most of his tariffs. And last year he claimed that America had been "invaded" by a Venezuelan gang as a pretext for invoking

an eighteenth-century law that gave him greater power to deport foreigners living in America.

But if the idea is to rally voters who are worried about law and order and paint Democrats as defenders of criminals, the campaign in Minneapolis appears to be backfiring. Right after Mr Pretti's death, more Americans supported than opposed ICE's abolition, according to YouGov, including 47% of independents. Mr Trump's recent change of tone may only be a feint but, politically speaking, a sincere shift might serve him better. ■

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Tech at work

How to avoid common AI pitfalls in the workplace

Advice from our latest season of "Boss Class"

1月 29, 2026 06:22 上午 | Plano and San Francisco



THE PIZZA HUT in Plano, north of Dallas, looks much like any other. Cars draw up at the drive-through window. Inside the restaurant, staff slide pizzas out of the oven into cardboard boxes. But this restaurant is special: it is a laboratory for the chain's new ideas. And that means it is a place where the worlds of melted cheese and artificial intelligence (AI) collide.

Customers place orders by talking to a voice-enabled AI model. Machine-learning algorithms work out which orders the kitchen

should make first. A screen shows AI-synthesised customer feedback from review sites and social-media platforms. Fast-food restaurants tend to have high staff turnover: new joiners here can query a chatbot to see how much of each ingredient ought to go on a medium-size pizza.

> *In the new season of our subscriber-only podcast, "Boss Class", our Bartleby columnist examines how companies are using generative AI in the workplace and shares hard-won secrets. Listen in the app or visit* ***economist.com/bossclass****.*

The Plano Pizza Hut is a small parable of generative-AI adoption by firms. The technology is making its way into all corners of the workplace. But it still feels incremental, not transformative. AI boosters talk of superintelligence, the end of work and of data centres in space. Here on planet Earth, the technology merely increases the chances of having the right number of pepperoni slices on your next takeaway.

Humble experiments such as these raise important questions for companies trying to use generative AI in the workplace: are the benefits just incremental and, if so, what is holding up progress? Last, what should companies do to make the most of it? All these questions are tackled in the new season of "Boss Class", our subscriber-only podcast on work and management, released on January 29th. It finds that although AI models are improving rapidly, adoption still takes time. Organisations and employees have to adjust to make the technology work.

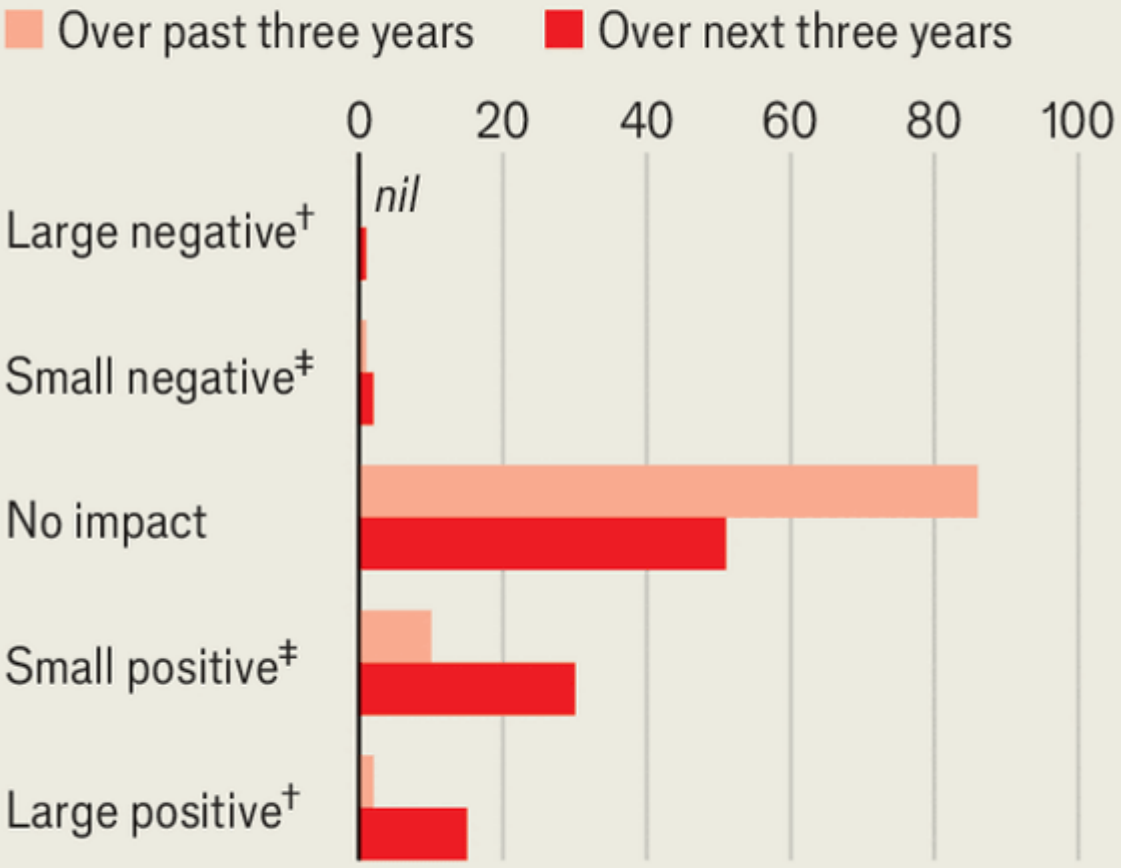
On the first question, as to whether AI is worth its salt, boosters will rightly argue that a pizza restaurant is not the best test of the technology. But that is another way of saying that its impact is very unevenly distributed. A recent analysis by Indeed, a jobs site, found that a large majority of skills mentioned in a typical posting for a software-development role could be profoundly affected by AI; most

of the listed skills in a typical nursing job are currently beyond the technology.

The firms behind the AI models point to rising volumes of activity and claim these lead to hefty productivity gains. In December OpenAI reported that ChatGPT Enterprise was saving users an average of 40-60 minutes on each day they used it. The newest models are approaching parity with industry experts on many real-world tasks, according to GDPval, an evaluation published by OpenAI in September. Their capabilities are improving all the time.

Lord, make me productive

Estimated effect of the adoption of AI on volume of sales per employee, Nov 2025-Jan 2026, % of businesses responding*



*Over 4,000 firms in Australia, Britain, Germany and United States †Over 5% ‡Under 5%
Source: "Firm data on AI", by Ivan Yotzov et al.

But many firms are still waiting for the benefits to materialise. A big new survey of executives in America, Australia, Britain and Germany, conducted by researchers from the Federal Reserve Bank of Atlanta, Macquarie University, the Bank of England and the Bundesbank,

shows that almost three-quarters of businesses are using AI in some way. Yet 86% of bosses across these four countries report the technology has had no impact on labour productivity over the past three years (see chart).

If this makes for a confusing picture, it echoes the experience of actually using the technology. An AI model can outperform the world's best mathematicians while still being stumped by the number of "r"s in "strawberry". Its confidence in asserting things that are completely wrong would make an economist proud. Working with AI involves a mixture of achievement, sycophancy and disappointment. This is a faithful reflection of office life, but not exactly what was promised.

As for the question of why progress is halting, the best answer is that general-purpose technologies, from electricity to the internet, all take time to have their full impact. The era of generative AI is still in its infancy. "It's like we're all accountants and Microsoft Excel was invented last weekend," says Bret Taylor, the chairman of OpenAI and a co-founder of Sierra, a startup that builds customer-service AI agents (tools which act autonomously).

The firms behind the AI models—the likes of OpenAI, Anthropic and others—are all trying to make their products more useful to organisations. Mike Krieger, who works on new products at Anthropic, the firm behind Claude, makes a distinction between models' horizontal and vertical capabilities. Horizontal capabilities are the kinds of generic activities that are useful to almost all white-collar workers: writing, conducting research, making a PowerPoint slide without becoming homicidal.

Vertical capabilities are harder to get right because they involve specific skills: building a cashflow model in banking, say. The big AI firms are trying to amass more industry expertise by hiring specialists, among other things. But working out what it is that people do all day is hard enough when you sit right next to them, let

alone if you're a software engineer with no experience of the outside world.

A host of AI startups is trying to plug gaps of this sort, but it also takes time for markets to mature. Mr Taylor recalls that in the early days of the internet, firms spent shedloads of money to make their websites work. Now they can get much of what they need off the shelf. In time, he says, the same will be true of AI agents. "I'm hopeful that five years from now, it'll be a very mature landscape of vendors who sell agents as solutions to problems rather than people selling models and saying, 'Here's a bunch of wood, build a house.'"

In other words, companies are still having to make sense of the technology for themselves. And that leads to the third question: how to manage all the problems that generative AI throws up in firms. These problems are behavioural, technical and organisational.

Behavioural problems can affect the average worker and the corner office. Employees are best placed to come up with uses for AI, says Ethan Mollick, a professor at the Wharton School at the University of Pennsylvania. But they also have lots of reasons to avoid AI, or to keep quiet about using it. They might want to take credit for work done by machines, or avoid advertising that they have more free time. Above all, they might not want to signal that their jobs can be done by AI. ("Look, boss, I'm redundant." "Yes, you are.")

Wage against the machine

Firms encourage adoption in all sorts of ways. Some offer cash bonuses to employees who automate tasks. Some have dashboards that show how each department uses the technology. Performance reviews can specifically call out AI adoption.

But carrots and sticks of this sort get you only so far if trust is lacking between employees and executives. Being honest about the uncertainty that lies ahead might sound like a bromide, but it is vital.

“There are jobs that are going to disappear,” says Nimish Panchmatia, the head of AI at DBS, South-East Asia’s largest bank. “But new jobs are going to get created as well.” The bank runs programmes to help its employees learn new skills that might, for instance, help turn a customer-service agent into a salesperson.

Often the behavioural problem to solve is not apprehension but convenience. Glowforge, a Seattle-based manufacturer of desktop laser-cutting machines, tried a third-party AI sales-coaching tool that emailed summaries of sales calls to its staff. “Every single sales rep had routed it directly into the bin,” says Dan Shapiro, its CEO. “It was too noisy and it didn’t have a place in the rhythm of the team.”

Glowforge has since built its own tool. It, too, automatically listens in to sales calls and emails its views on what went well and badly. But now the AI’s feedback forms part of a weekly discussion between the salesperson and their managers; the expectation that it will be talked about means people pay much more attention to the tool. “You can have a superior product, but if it doesn’t fit into somebody’s workflow, if it doesn’t fit into their day, it’s tough to get adoption,” agrees Cameron Davies, the head of AI for Yum! Brands, the owner of Pizza Hut, Taco Bell and other brands.

Overenthusiasm is another behavioural problem to solve. The unpredictability of AI’s strengths and weaknesses—what Mr Mollick and others have christened the “jagged frontier”—means that it takes time to develop intuition for how to use the technology. Painful lessons are learned in the initial rush to adopt AI. Last year the Australian arm of Deloitte, a consultancy, issued a partial refund to the federal government for writing a report littered with AI-generated errors. This month the West Midlands police force in Britain admitted that a decision to ban Israeli fans from a football match in Birmingham was partly based on an AI hallucination about a match that never took place.

Avoiding horror stories like these also means solving a variety of technical issues. Yet the hidden costs of doing so are easily overlooked, says Rama Ramakrishnan, a former tech executive who now teaches at the Massachusetts Institute of Technology. The first cost is to adapt the model to the specific use case. This means training it on the right data, fine-tuning it and driving hallucinations down. Mr Davies of Yum! Brands says that by drawing on small language models, which are trained on subsets of data and focused on specific tasks, voice-ordering applications at the firm's restaurants have less scope to hallucinate. "I don't need the model that you're ordering a pizza from to be able to tell you about the most famous economist in the world." (Nice idea, though.)

Still, sometimes even hallucinations can be valuable. Brice Challamel, the head of AI strategy at OpenAI, describes AI as a teammate capable of playing several different roles—an assistant that helps with repetitive tasks, an expert that explains complex concepts, a coach that provides feedback and a creative partner that comes up with ideas. What counts as a hallucination if it comes from the expert persona could count as imagination when the AI is being asked to brainstorm.

Glowforge's sales-coach tool is a good example of how errors can be tolerated, or even turned to advantage. The AI often gets its feedback wrong—asserting that a sales opportunity has been missed, say, when the call was designed to tend a client relationship. But the tool has also been engineered to be "low conviction" in its judgments: its views are deliberately designed to be fodder for discussion.

Because generative AI works on the basis of probabilities, you can never know for sure what it is going to come up with. So the second hidden cost is to put safeguards in place for those use cases where errors matter. Sierra, for example, uses a "supervisor model" to monitor real-time interactions between customers and its AI agents, with humans on hand to step in if needed. Another model evaluates

conversations after the fact and pushes tricky cases towards human reviewers.

Problems become much more tractable when the tasks given to agents are narrow, says Mr Taylor. Retailers have standard criteria for returning items, for example, which means a customer-service agent can ask specific questions about when the item was bought and whether it has been used, before working out what to do.

The same kind of thinking is visible at Garfield, a British startup that was the first firm in the world to be regulated to provide AI legal services. Garfield helps creditors pursue small claims, defined as unpaid debts below £10,000 ($13,800). Taking people to court for unpaid bills is a daunting process for most people; if a lawyer gets involved, it quickly becomes uneconomic. Generative AI can make this much more affordable. Businesses can connect their accounting software to Garfield, which ingests invoices and tells them whether they have a valid claim; it can then send out letters for action, which are often enough to prompt debtors to cough up, and help claimants in court, too.

Philip Young, one of the firm's co-founders and the only lawyer on the team, says that the idea works in part because the small-claims process has "relatively well-defined inputs and outputs and has a relatively finite universe of possibilities". More complex litigation claims would have to cope with many more permutations, which would increase the potential for errors.

As well as behavioural and technical issues, firms must also solve a variety of organisational problems to make AI work for them. Finding the right talent is an obvious issue. Failing to give the machines access to the right data is another common pitfall.

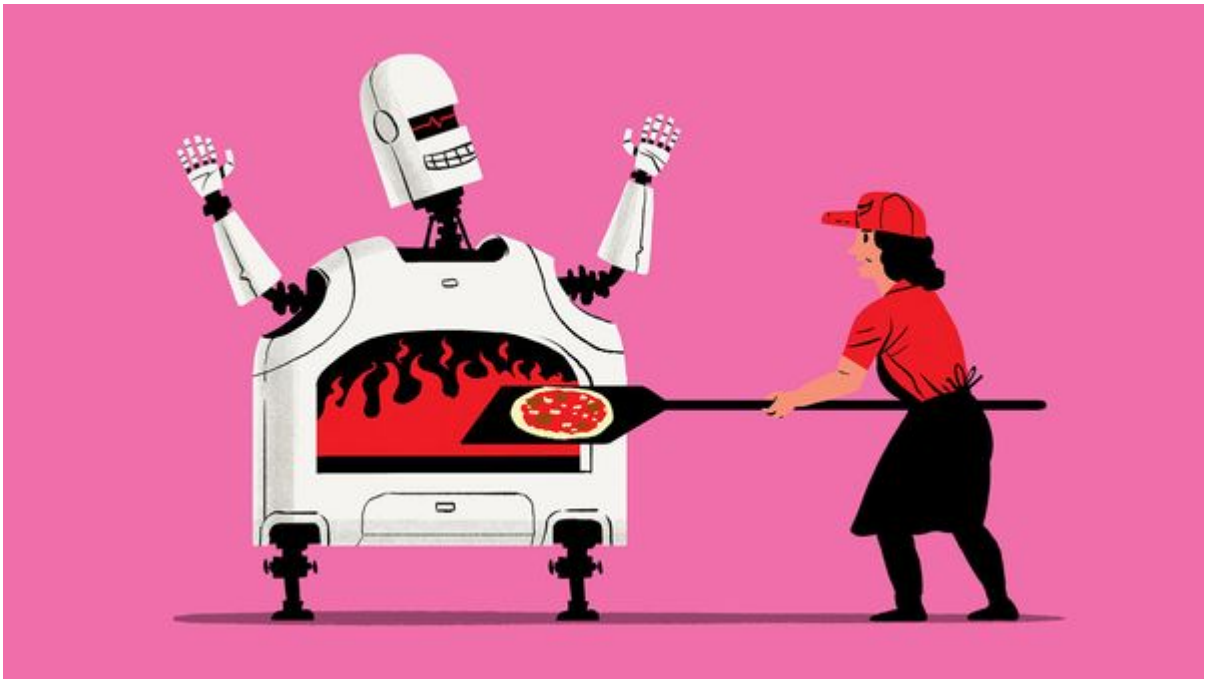
Models also have to be evaluated to ensure that the output is high-quality. For some tasks, this is quite simple. Sarah Guo, an AI investor in Silicon Valley, says that one of the reasons software

engineering is in the vanguard of AI adoption is because verifying whether a bit of code works is relatively easy. In other areas, evaluating whether something is up to scratch is much harder. Trying to make a model funny, she says, is much harder because funniness is "soft and fuzzy".

Lots of corporate tasks fall into this fuzzier category. So human experts are needed to define what counts as good enough. They are also needed to supply unwritten knowledge about how to get stuff done (the GDPval evaluation which suggests that frontier models can rival industry experts excludes tasks that depend on tacit knowledge). Harnessing this kind of in-house expertise is, in part, an organisational challenge. Mr Mollick points to the example of one large firm in which senior engineers and subject-matter experts are being put into small cross-departmental teams to move fast on specific projects.

Moving faster in one area can cause bottlenecks in another, however. Vibe-coding, a slangy term for using natural-language prompts to get an AI to write a computer program, makes it much easier for novices to create apps and features. In one way, this approach is a boon. Coding tools like Claude Code and platforms like Lovable or Replit allow end users and product managers to show what it is they want to build, rather than wasting endless hours on PowerPoint decks and lengthy documents. The phrase "demo, don't memo" is now circulating inside some tech firms.

But that leads to a new problem. "You've stopped having the bottleneck at how quickly can you write code, and now you've got the bottleneck at how quickly can you review the code," says Hannah Calhoon, the head of AI at Indeed. Jim Swanson, the chief information officer of Johnson & Johnson, a pharmaceutical firm, says that he used to hear managers in different territories rave about how they had used AI to improve the invoicing process, forgetting that meant more work piling up for the finance team.



J&J is an example of how the early rush to experiment with AI has evolved into something more measured. The firm started off with a let-a-thousand-flowers-bloom ethos. That led to a lot of weeds, too. According to Mr Swanson, 85% of the value generated was attributable to just 15% of these applications. J&J has now switched to a more focused approach, in which a central AI council and a data council ensure that the most fruitful projects are being nodded through and that the right data are available to make them work.

Metrics are also maturing, away from crude targets for AI usage and towards things that matter to the business. "One of the most important things you can do…is specify a business outcome you're trying to drive more than a technical outcome," says Mr Taylor. His startup, Sierra, uses outcomes-based pricing, which means clients are charged only when the AI agent actually solves a customer's problem; if a human has to get involved, it's free.

None of this is to downplay how remarkable generative AI is, or how quickly it is advancing into the workplace. As it makes more technical advances, tasks that were beyond it will become feasible. New business models and organisational forms will follow. Bosses in

America, Australia, Britain and Germany may not have seen much impact from AI yet but the new survey shows they expect large job losses and productivity gains in the next three years.

It also helps not to get too carried away by the idea of an alien intelligence. To make AI work within organisations, a prosaic set of management problems needs to be solved. These include well-designed incentives for adoption, guardrails to mitigate problems, and systems for choosing, measuring and implementing applications. You need a mixture of pragmatism and ambition, says Mr Swanson. You need to be "a cynical optimist". ■

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Jaw v war

Taiwan’s new opposition leader wants to talk to Xi Jinping

Cheng Li-wun tells The Economist she hopes to meet China’s president early this year

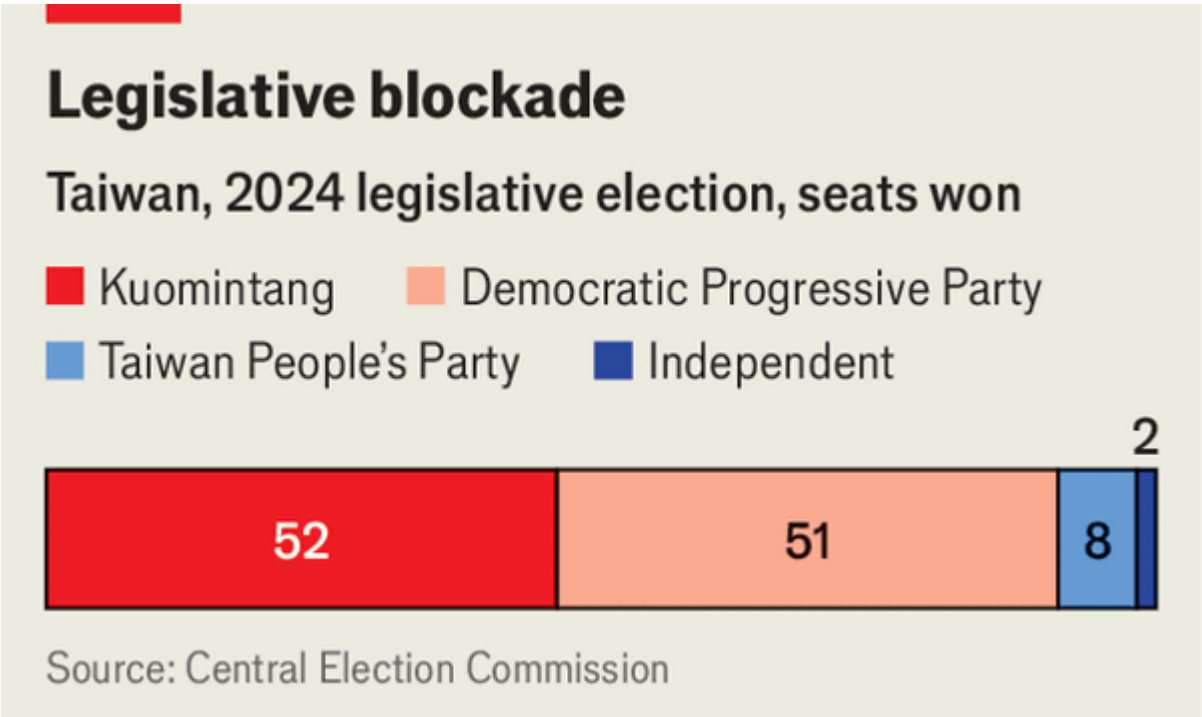
1月 29, 2026 05:47 上午 | TAIPEI



RISK COMES naturally to Cheng Li-wun, Taiwan’s opposition leader. She began her career as a student activist in the 1990s, seeking independence for her homeland and castigating the Kuomintang (KMT), the ruling party at the time. Then she stunned colleagues by joining the KMT. Now, as that party’s new leader, she is making her biggest gamble yet. As China steps up military drills around Taiwan,

which it sees as its territory, she is blocking efforts to boost defence spending. She thinks Taiwan's people should accept that they are Chinese. And she hopes to bring her party back to power by pursuing reconciliation with China's leader, Xi Jinping.

"The most important task of my tenure is to advance peace across the Taiwan Strait," she told *The Economist* in an interview on January 27th. To that end, she revealed that after a nine-year hiatus, the KMT will resume dialogue with China's Communist Party in early February, starting with exchanges between their think-tanks. She says she hopes to visit China in the first half of 2026 to meet Mr Xi (who sent her a congratulatory telegram after her election in October, expressing hope that they could work together towards unification). "We must stop deliberately vilifying everything related to China," she says.



It is a controversial strategy, even for some within her party. The KMT lost the past three presidential elections to the Democratic Progressive Party (DPP), which views Taiwan as a separate country. Opinion polls show that a majority of Taiwan's people distrust China's

government, have little appetite for unification and consider themselves Taiwanese rather than Chinese. Ms Cheng's platform is also troubling for America, which is committed to helping the island defend itself but insists Taiwan must spend much more on its own armed forces. American officials believe Mr Xi has ordered his generals to be capable of taking Taiwan by 2027.

Yet Ms Cheng, 56, believes that she can help avert an attack—and win round voters by the time of the next presidential election, in 2028. She admits that her views on national identity are out of step with public opinion but blames the DPP's efforts to "de-Sinicise" Taiwan. Besides, she believes that national identity will not be the defining political issue of the next few years. "What matters more is cross-strait relations," she says. "That's what I believe will truly determine how people vote."

Her message plays on two main fears. One is that if the DPP wins again in 2028 China's leadership could lose hope of peacefully unifying Taiwan with the mainland. "Once it holds no expectations for Taiwan, the only way it can resolve or address the Taiwan issue would be through means none of us wish to see," she says. The other fear is that American support for Taiwan is wavering. She cites President Donald Trump's demands that Taiwan increase defence spending to 10% of GDP and shift to America 40% of its semiconductor industry, which produces most of the world's top-end chips. "For many Taiwanese, piecing together this information makes them feel that America is abandoning Taiwan," she says.

Critics view such talk as scaremongering. Although China has developed formidable capabilities to invade or blockade Taiwan (and often practises doing so), it is far from clear that it could succeed without suffering huge losses and devastating the global economy. Mr Xi has also just purged his military leadership. DPP leaders accuse Ms Cheng of echoing Chinese propaganda and endangering Taiwan's security by blocking defence spending. Taiwan's president, Lai Ching-te, has pledged to increase military spending to 5% of GDP by 2030.

He has also proposed a $40bn supplementary defence budget this year, mainly for American weapons. Yet both plans are being blocked in parliament by the KMT and its allies, which together hold a majority.

In Ms Cheng's telling Mr Lai is to blame for not providing more details of his military spending plans. The figure he has proposed "crowds out all other needs", she says. She declines to specify how much Taiwan should spend on defence, but says it can never match China's firepower. Instead, she argues Taiwan's security should be achieved through "reasonable" military spending combined with negotiations with Mr Xi. And she faults Mr Lai for refusing to accept the consensus agreed with China in 1992, when the KMT was in power. That stipulated that both sides of the Taiwan Strait are part of "one China", while allowing for different interpretations. Because the DPP rejects that formula as legally invalid (and a trap), China has suspended official talks since it came to power in 2016. Embracing the 1992 consensus today "would significantly reduce the likelihood of military confrontation", Ms Cheng says.

As to the desired outcome of such negotiations, Ms Cheng chooses her words carefully. In meeting Mr Xi, she says her main goal is to secure an explicit public commitment that both sides should work to maintain peace, acknowledging that war would bring "unimaginably catastrophic consequences". Can he be trusted? To avoid damaging its international image, China must "be true to its word", she says. "Credibility is paramount."

For the longer term, she declines to say whether the ultimate goal should be peaceful unification (as a former KMT president has suggested). Within her four-year term, she says it would already be a big achievement to set up a framework for maintaining peace. "As for whether the status quo might change thereafter, I only hope it occurs under circumstances acceptable to people on both sides," she adds.

Her talk of reconciliation is all the more striking, given her past. Though her father was a soldier in the Nationalist army that fled to Taiwan from the mainland in 1949, she became a student protester who was drawn to the DPP. She left it in 2002, disillusioned by what she saw as corruption and intolerance of dissent within its ranks. Joining the KMT three years later, she quickly earned a reputation as a combative public speaker. But she only recently became more outspoken about her own sense of Chinese identity.

Whether she will be the KMT's presidential candidate in 2028 is unclear: she says she is focusing on her current job. But as the party's chairwoman, she will shape its platform for local elections this November, as well as the presidential vote. Already, she is shaking up Taiwan's politics in ways that could alter the precarious balance of relations between Taiwan, China and America. The stakes have never been higher. And Ms Cheng is all in. ■

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The last panda

For the first time in 54 years there are no pandas in Japan

It is a sign of worsening relations with China

1月 29, 2026 07:20 上午 | TOKYO



Going home

ON JANUARY 25TH tearful crowds bade farewell to Xiao Xiao and Lei Lei, twin pandas at Tokyo's Ueno Zoo. Some 110,000 people applied for 4,400 viewing spots. Many who missed out went along anyway, waving flags that read "Thank you, Xiao and Lei."

For the first time in 54 years Japan is without pandas. In a country where they have cult status, their absence is hard to ignore. It is also emblematic of cooling relations with China. The country's panda

diplomacy dates to 1972, when China gave Japan its first pair to mark the normalisation of diplomatic ties. The animals sparked a craze. Since then, dozens have lived in Japanese zoos. "Pandas have been the face of this place for over 50 years," says Kaneko Mikako, a deputy director of Ueno. "It's sad that this chapter is ending."

Officially, Xiao Xiao and Lei Lei left because their loan expired. But "if relations were good, China would have sent replacements straight away," reckons Maeshima Kazuhiro of Sophia University in Tokyo. At the end of last year Takaichi Sanae, Japan's prime minister, suggested Japan might intervene militarily if there were trouble over Taiwan. China furiously suspended seafood imports from Japan and restricted exports of dual-use goods. Meanwhile, South Korea looks poised to receive new pandas following a cordial meeting between the two countries' presidents.

When—or if—pandas will return to Japan is unclear. Ms Takaichi's stance seems to have buoyed her ratings; she is unlikely to back down over a few fluffy cubs. Among voters, too, love for pandas doesn't always extend to China. "I adore pandas, but China scares me," admits Matsui Saeko, a zoo visitor. One poll in 2024 showed that nearly 90% of Japanese have negative views of China. For now, though Ueno's panda house sits empty, zookeepers hope to keep the memory of Xiao Xiao and Lei Lei alive with paw prints and replicas of their droppings. ■

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Indian farming

The too-slow change of Indian agriculture

It should be the next target of Narendra Modi's reform drive

1月 29, 2026 04:19 上午 | SOHNA



Old ways aren't the best ways

NARENDRA MODI could be forgiven for bearing a grudge towards farmers. Twice the Indian prime minister has attempted much-needed rural modernisation, and twice he has ended up with egg on his face. At the beginning of his first term he was forced to withdraw a land-acquisition law after his government was branded a "suit-boot *ki sarkar*" (captured by, well, suits). His second got bogged down by a year-long protest, in which a small but noisy group of farmers from the north and the west resisted reforms to agricultural markets.

Could the third time be a charm? Mr Modi has been in a confident mood of late, pushing through a series of tricky changes, including to employment laws. More red tape is expected to be slashed in a budget on February 1st. But with a string of state elections coming in the spring, the government may be wary of another tilt at farming, lest it produce another pitchfork-waving mob. Already, farmers' unions say they are planning a nationwide march in the run-up to the polls.

Yet agriculture remains badly in need of a shake-up. Though yields have risen steadily for 60 years, they remain poor. Indian rice-growers harvest about a third less than their Chinese peers. Pulses are grown more efficiently in crisis-ridden Myanmar. That is not just bad for farmers: low productivity slows urbanisation, because rural poverty means people lack the resources to move into cities.

Much of the blame lies with the distorted incentives produced by a web of subsidies, from cheap power and fertiliser to government-backed price guarantees for certain crops. Politicians make things worse by imposing socialist controls whenever consumer prices rise: a ban on exporting wheat has been in place since 2022. "It's like having one foot on the accelerator and the other on the brake," says Ashok Gulati, an agricultural economist.

Now would be a good time to try a different approach. On the back of two good monsoons, agricultural wages have outstripped those of other workers, according to Goldman Sachs, a bank. Last year they rose by 4.5%, the biggest jump in eight years. At a bustling *mandi* (a state-run market) in Sohna, a town in the breadbasket state of Haryana, farmers who have come with coriander, beans and potatoes hardly sound mutinous. "We are happy," says Tarun Sharma, standing beside a handsome haul of cauliflower. His sole complaint is a lack of investment in irrigation.

It is easy for politicians to fear farmers, given that around half of voters depend economically on agriculture. Since 2020 some farming

leaders have talked up their clout. Yet today the ground does not look nearly so fertile for a rural-grievance movement. On top of rising wages, villages benefit from an ever-increasing array of benefits, including a $25bn food programme and an $8.5bn housing scheme. Many expect that the protests will be a damp squib. "There are now so many factions," admits Gurnam Singh Charuni, a union leader who operates across north-west India.

The kernel of Mr Modi's 2020 proposal was the idea of giving farmers freedom to sell their produce as they pleased. That failed largely because big landowners and powerful middlemen convinced them that it was a one-way path to exploitation. Yet Rajesh Kumar, a middleman in Sohna, says it is happening "by the back door". Sitting cross-legged next to sundry bags of wheat, two calculators and a safe, Mr Kumar says his business has been squeezed because politicians have found ways of nudging farmers to sell outside the *mandi*, like encouraging contracting. "I have done this all my life so I am trapped, but I wouldn't let my son or daughter enter this business."

In Haryana the state government has given farmers incentives to diversify into more valuable crops. The central government has just announced plans to reform a giant rural employment scheme. Yet to create incentives that would truly raise productivity, agriculture needs a 1991 moment, argues Mr Gulati, referring to the point at which socialist-era controls on other bits of the economy started to be swept away. If Mr Modi does that, farmers should be the first to thank him. ■

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Thai politics

Thailand’s liberals face a tricky election

The momentum is with the energetic new prime minister

1月 29, 2026 04:19 上午 | Bangkok



THAILAND’S YOUNG liberals gave their former leader a reception fit for a rockstar as he returned to the campaign trail on January 25th. Thousands of supporters packed the plaza at a rally outside a posh shopping centre in Bangkok, the capital. They chattered about whether Pita Limjaroenrat might approach from this direction or that. When the dapper Mr Pita (pictured) finally arrived, they roared.

But the liberal icon won’t be on the ballot when Thais go to the polls to elect a new lower house on February 8th. Although Mr Pita led his

Move Forward party to a first-place finish at the previous election, in May 2023, he was promptly blocked from forming a government by the Senate, whose members had been appointed by the army. The following year, the constitutional court dissolved Move Forward and banned Mr Pita from running for office for ten years. It ruled that the party had violated the constitution when it pledged to reform Thailand's strict laws that criminalise any criticism of the monarchy.

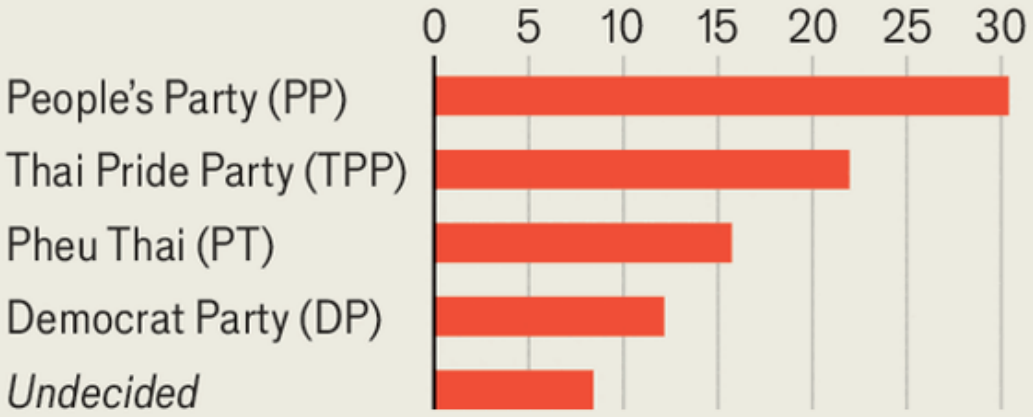
Most of Move Forward's members have since regrouped into a new outfit, the People's Party. At the rally in Bangkok its supporters sported orange colours and a triangle logo calculatedly reminiscent of Move Forward's. But the court ruling has forced them to drop the stance most closely associated with the banned party, on reforming Thailand's laws on *lèse-majesté*. The new People's Party also lacks the star power of either Mr Pita or his predecessor, Thanathorn Juangroongruangkit, whom the court had banned from party politics in an earlier round of repression. Although polls suggested that 45% of Thais preferred Mr Pita as their prime minister before he was banned, only 25% now say the same about his successor as party leader.

Though unable to run for election themselves, Mr Pita and Mr Thanathorn have been asked by the new party to campaign heavily in the final fortnight. The hope is that their presence will boost the People's Party to win a majority in the lower house. In theory, that would give it a fresh chance to form a government, because for the first time since 2013 the Senate will play no role in choosing the next prime minister.

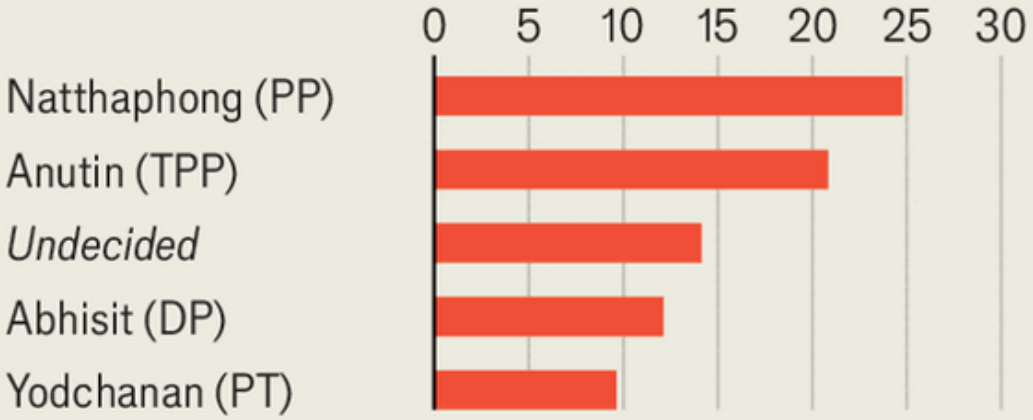
Not so nice for Natthaphong

Thailand, January 5th-8th 2026, % responding
Top five responses

Which political party are you likely to vote for in your constituency?



Who would you support to be prime minister today?



Source: NIDA Poll

But the People's Party is languishing in the polls. Part of its problem is structural. Voters will elect 400 members of parliament through a first-past-the-post system and another 100 through proportional representation. In 2023 Move Forward won 38% of the proportional vote, but only 25% of the constituency seats. That was good enough to win 30% of lower-house seats. This time, though, Thailand's most reliable opinion survey has the People's Party falling back to 30% of the proportional vote (see chart). And its leaders acknowledge that they will probably fare even worse in the constituencies, where they refuse to buy votes like old-school Thai pols.

It is not just a charismatic leader or a willingness to engage in dirty politics that the new party lacks. After two dissolutions and bans on 27 of its leaders, some jaded former supporters doubt whether the country's pro-monarchist courts will ever let a liberal party form a government. For good reason. An anti-corruption body is investigating 14 candidates from the People's Party for ethics violations for co-sponsoring a bill in 2021 that would have reformed the *lèse-majesté* laws. Among them is the liberals' current leader, Natthaphong Ruengpanyawut. Although less popular than Mr Pita, surveys show he is still voters' top pick for prime minister. He too could be banned from politics if he is found guilty.

The beneficiary of the People's Party's recent slump normally would have been the populist Pheu Thai party, which won the second-most seats in 2023. But it has also lost support, following its decision that year to team up with royalist and militarist parties in order to form a government after Move Forward was blocked. Nor was it helped by the constitutional court's disqualification of two of its own leaders while each was prime minister, throwing the government into disarray.

Instead, the momentum appears to be with a construction tycoon, Anutin Charnvirakul, and his once minor Thai Pride Party. Appointed prime minister at the head of a minority government in September

2025, Mr Anutin has since then skilfully combined a populist economic programme with support for the monarchy and the army. Though it won a piffling 3% of the proportional vote at the 2023 election, the Thai Pride Party has since then surged to 22% support in the most recent reliable poll. A short border war with Cambodia in December has done it nothing but good, as Thais have tended to rally behind the army.

As a standard-bearer for the establishment, the confident and easy-going Mr Anutin is a more appealing choice for voters than the martinet generals who led other conservative parties into the past two elections. He may find it easier to form a coalition, too, than his principled liberal opponents. The People's Party has promised that it will appoint technocrats to ministerial roles rather than dole out cabinet seats to coalition partners according to traditional formulas. But Mr Anutin is a dealmaker unbothered by such practices. While he has appointed professionals to the finance, commerce and foreign ministries, the rest are up for grabs. In an interview at Government House on January 23rd before flying off to the countryside to campaign, he told *The Economist* that he could work with any party that accepts the first two articles of the constitution, which protect the role of the monarchy.

Still, it is too early to count the People's Party out. Thailand's election is a three-cornered fight between liberals, populists and conservatives. Such contests are notoriously tricky to forecast. In 2023 Move Forward enjoyed a late surge in support after a series of gaffes by opponents. In the final two weeks of the campaign, Mr Pita took on the mantle of an idol. With Mr Pita now back on the campaign trail, the party is hoping it can catch lightning twice.■

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Banyan

Takaichi Sanae relies on her keenest fans in Japan

The prime minister's hopes for her snap election depend on their ardour

1月 29, 2026 04:19 上午



TAKAICHI SANAE, Japan's prime minister, models herself on the Iron Lady. Like Margaret Thatcher, she carries a signature bag, a handcrafted black leather number known as the "Grace Delight Tote". After Ms Takaichi took office last October, bag in hand, Hamano, the 145-year-old Japanese firm that makes them, had to introduce a waiting list to keep up with demand.

The bag boom is but one sign of the passion Ms Takaichi has inspired. She hopes that will translate to a thumping mandate in the snap lower-house election she has called for February 8th. But her ruling Liberal Democratic Party (LDP) currently commands a one-seat majority together with its coalition partner, and its ratings are no higher than during the last lower-house elections, in October 2024.

Much therefore depends on the depth, rather than the breadth, of Ms Takaichi's popularity. Her administration has enjoyed approval from over 70% of the public for much of its tenure, putting her near the dizzy heights achieved by the most popular Japanese leader in recent decades: Koizumi Junichiro, whose wavy hair, rock-star looks and reformist zeal inspired "Koizumi fever" during his reign in 2001-06. On social media, enthusiasm for Ms Takaichi has even acquired a name of its own: *Sanakatsu*, a play on the concept of *oshikatsu*, itself a portmanteau of the characters *osu* (to recommend) and *katsu* (activities), typically used to refer to the great lengths that pop fans go to demonstrate their devotion.

Just how devoted are Ms Takaichi's acolytes? Her appeal comes more from what she represents than from what she has done during her three-month tenure. Somewhat paradoxically for a staunch social conservative who croons about Japanese traditions, Ms Takaichi represents change. "Something feels different compared with previous prime ministers," says Uehara Yuki, who works in a gift shop in Ms Takaichi's hometown of Nara, where the shelves are filled with Takaichi-themed merch.

She is Japan's first female prime minister, which undoubtedly plays a role. "The fact that she is a woman helps people feel closer to her," Ms Uehara muses. Though Ms Takaichi has upset some Japanese feminists with her opposition to change on bellwether social issues, such as allowing married women to retain their maiden names, she has also shone a spotlight on women's health and the unequal burden of care work. Her move to the prime minister's residence was delayed while adaptations were made for her husband, who is

wheelchair-bound following a stroke; Ms Takaichi has been his primary caregiver. Many in ageing Japan can relate to such struggles.

Ms Takaichi, a former TV anchor and a one-time heavy-metal drummer, also has a performative flair that sets her apart. At a summit in early January, she got behind the drums with her South Korean counterpart to play a song from a hit animated film, "KPop Demon Hunters". Such panache stands in stark contrast to Ms Takaichi's bookish predecessor, Ishiba Shigeru.

Perhaps most important is the break that Ms Takaichi seems to represent with the LDP's mores. The party has dominated Japanese politics since its founding in 1955, but in recent years voters have grown frustrated with its opaque fundraising practices and backroom politicking. Unlike many of Ms Takaichi's predecessors, who inherited their parliamentary seats like family jewels, Ms Takaichi worked her way up from humble roots. Whereas LDP leaders have traditionally spent evenings dining with other privileged folk in fancy Tokyo restaurants, Ms Takaichi has tended to avoid such gatherings, preferring to arrive at the office before dawn to study briefings. The refrain of her administration has become her pledge to "work, work, work, work, work".

But by calling the snap election, Ms Takaichi may have undermined her powerful claim to be a different kind of leader. Most Japanese appear to disapprove of her decision, seeing it as a typically LDPish political machination, stemming from concern for her own power rather than their welfare. Approval of Ms Takaichi's administration has declined in many polls taken since the announcement: *Nikkei*, a Japanese newspaper, has recorded a 16-percentage-point drop in net approval. Such swings suggest a more fickle form of fandom than true *oshikatsu*. If the mighty LDP falters on election day, it is Ms Takaichi who will be left holding the bag. ■

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China

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  The pinging of brass hats :: A purge of the high command, unmatched since Mao’s death, may affect China’s ability to fight
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The pinging of brass hats

What Xi Jinping’s purge of China’s most senior general reveals

A purge of the high command, unmatched since Mao’s death, may affect China’s ability to fight

1月 29, 2026 04:18 上午



AMONG CHINA’S generals, one had long seemed immune to sweeping purges of the high command in the past two years. Zhang Youxia, its most senior uniformed officer, was not just a personal friend of Xi Jinping, China’s leader. He was one of the few military commanders with combat experience, having fought with distinction in clashes with Vietnam more than 40 years ago. That bolstered his authority

as the senior of the two vice-chairmen of the Central Military Commission (CMC), which commands the armed forces and is headed by Mr Xi. Some analysts viewed General Zhang as the mastermind of some of the recent purges. Now even he has been toppled, in the most dramatic blow yet.

On January 24th the defence ministry announced that General Zhang, 75, and another member of the CMC, General Liu Zhenli, had been placed under investigation for "suspected serious discipline and law violations". General Liu, who is 61, heads the joint staff department, which oversees operations, intelligence and training. He also has close ties to General Zhang as another veteran of the war with Vietnam. The defence ministry gave no further details. But an editorial the next day in the *People's Liberation Army Daily*, the official military newspaper, accused the two men of various offences, including fuelling corruption, impairing combat readiness and undermining Mr Xi's authority as commander-in-chief.

The investigations mean that Mr Xi has now hollowed out his entire military leadership in a purge unmatched since an alleged coup attempt in 1971. Although Generals Zhang and Liu have yet to be officially removed from the CMC, investigations such as this normally entail detention and are routinely followed by formal dismissal. Three more of the six generals on the CMC that was formed in 2022 have already been sacked from Communist Party and military posts. As a result, the body that oversees the roughly 2m-strong People's Liberation Army, or PLA, now just has two active members—Mr Xi as its chairman and the PLA's disciplinary chief, General Zhang Shengmin, who became the second-ranking vice-chairman in October.

The latest probes are the most striking evidence yet of the scale of the problems that Mr Xi still faces in trying to transform the PLA into a fully modern fighting force. Soon after taking power in 2012 he began tackling pervasive corruption and a lack of focus on real combat by axing dozens of generals and launching a big overhaul of

the PLA's structure. A new wave of purges started around 2023 with the Rocket Force, which handles China's nuclear arsenal, and later spread to other services as well as the PLA's equipment-development and political departments. Yet corruption endures and Mr Xi's structural reforms are incomplete. He may now be showing his frustration with General Zhang's failure to deliver better results ahead of next year's deadline, set by Mr Xi, for the PLA to be capable of taking Taiwan.

Another possibility is that General Zhang or his family members were involved in corruption in the past, perhaps when he headed the graft-prone department responsible for weapons development and procurement between 2012 and 2017. Old allegations could have resurfaced or new ones emerged as Mr Xi's investigators expanded their efforts or were fed information by rivals (or protégés) of General Zhang after they were purged.

Year of the snake, not the old goat

But this latest turmoil in the CMC could also have been triggered, in part, by Mr Xi's concerns about General Zhang's expanding clout. "This is the most stunning development in Chinese politics since the early days of Xi's rise to power," says Dennis Wilder of Georgetown University in Washington, DC, who is a former China analyst at the CIA. He believes that many of the recent purges were due to rivalry between a faction led by General Zhang and another group who mainly built their careers in eastern China, some of them when Mr Xi was an official there. General Zhang's faction prevailed when General He Weidong was purged last year as the junior vice-chairman of the CMC. That left General Zhang with unprecedented authority. But it may also have made him a potential threat to Mr Xi. "He is a tough, profane old goat and, while he had allied with Xi, he was never his subordinate," Mr Wilder says of General Zhang.

Several other experts said the most serious official allegation against the two generals was outlined in the military newspaper's editorial. It

said they had "seriously trampled on and undermined the system of ultimate responsibility resting with the CMC chairman". Mr Xi introduced that "chairman responsibility system" in 2014 to centralise authority in the military leadership, and ensure his own and the party's control over the armed forces. "The charge implies that Zhang had challenged Xi's authority over the PLA and Xi's position as the commander-in-chief," says M. Taylor Fravel of the Massachusetts Institute of Technology. Mr Xi and General Zhang may have disagreed over the timeline for developing the PLA's capabilities, according to K. Tristan Tang of the Jamestown Foundation, a think-tank in Washington.

But there is speculation about even more egregious offences. On January 25th the *Wall Street Journal* reported that General Zhang had been accused of leaking information about China's nuclear weapons programme to America. Some PLA experts are doubtful. Even so, the one thing that most observers agree on is that the official explanation for the purges does not tell anything like the whole story.

General Zhang's family connection to Mr Xi goes back to when their fathers fought together in China's civil war. General Zhang's father later became a three-star general; Mr Xi's became a civilian leader. Mr Xi demonstrated his trust in General Zhang in 2017 by overseeing his appointment to the Politburo, which includes the party's top 20 or so leaders, and as the junior CMC vice-chairman. Then in 2022, when Mr Xi secured a third term as party chief, General Zhang became the senior CMC vice-chairman despite being 72, which would have disqualified him under previous retirement norms.

General Zhang stood out in other ways. Drew Thompson, a former Pentagon official who is now at Singapore's Nanyang Technological University, spent a week hosting a military delegation including General Zhang on a visit to America in 2012. "He had an aura of competence around him," Mr Thompson said. "The other PLA generals and staff officers could see it, and they respected him for it.

They stood up faster and straighter when he entered a room." He recalled in particular a tour of an army base, during which General Zhang relished the opportunity to fire a machinegun and ask questions about American military technology and doctrine. "Seeing Zhang Youxia tour a military base and absorb what he was offered revealed an intellect that stood out from his peers," Mr Thompson said.

If General Zhang is now formally dismissed, he would be the highest-ranking active-duty military officer ousted by Mr Xi. And if he also loses his seat on the Politburo, it would be the first time that two of its members have been purged in the same five-year term since the PLA crushed the Tiananmen Square protests of 1989. That would send a powerful message to other members of the armed forces and civilian elite, especially "princelings", as those from prominent revolutionary families are known: ties to Mr Xi are no guarantee of protection. But it also presents Mr Xi with a problem: who should he choose to replace all the generals he has purged?

Since taking power, Mr Xi has tried to promote generals who are both politically loyal and qualified to lead the PLA's transformation into a more nimble force that can combine air, land, sea, cyber and space-based operations. He started by replacing generals appointed by previous leaders. More recently he has targeted many of his own appointees. And many of the remaining generals are either too inexperienced or are tainted by their association with one or more of the disgraced military commanders. Another risk is that those he promotes will not dare to give him honest advice about the state of the PLA. This may make it more likely that Mr Xi will overestimate its strength when considering whether to attack, say, Taiwan.

The upheaval is also starting to affect the PLA's ability to fight, according to some Western assessments. At least in the short term, that could reduce the likelihood of an attack on the island. "It has to be having real-time operational impacts," says Chris Johnson, another former CIA China analyst. Mr Xi "knew that would be the

case, but it seems clear he had concluded it is worth risking temporary vulnerability and serious breakage to get the PLA to meet his operational objectives", he says. The Pentagon's annual report on China's armed forces, published in December, noted that the removal of senior PLA officers had "caused uncertainty over organisational priorities". But it also warned that the PLA could emerge as a "more proficient fighting force" if efforts to tackle the roots of corruption were successful. On that point, at least, Mr Xi will be hoping the Pentagon is right. ■

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Fighting graft

Xi Jinping is immensely powerful. Why can’t he stamp out corruption?

His purge of the top brass is part of a wider campaign

1月 29, 2026 04:19 上午



AFTER SECURING an unprecedented third term as Communist Party chief in October 2022, Xi Jinping led senior officials on a pilgrimage to the party’s “red holy city”. His choice of destination was Yan’an in north-western China, where Mao Zedong’s guerrillas were once based. It was a clue to Mr Xi’s priorities for the years ahead. He told his entourage that Yan’an was where the party had forged its fighting spirit and committed itself to the “correct political direction”.

But Yan'an's legacy is also dark. There in the early 1940s, encircled by Japanese and Nationalist forces, Mao launched the party's first great "rectification" campaign, crushing rivals and tightening his grip on power. What began with compulsory study of Mao's teachings soon devolved into a paranoid purge: of the 40,000 revolutionaries present, 15,000 were branded traitors. Torture was common. Many were executed or driven to suicide.

When Mr Xi talks of promoting the "Yan'an spirit", he is not suggesting a need for similar bloodletting—Mao's orgy of violence does not feature in official mythology about the place. But it is intended as a call for ideological purity, including a rejection of corrupt and hedonistic behaviour. Mr Xi has been waging a fierce war against graft since he took power in 2012, jailing thousands of officials and punishing millions of others. He has called this a "self-revolution" of the party, involving "turning the blade inward". The latest targets, announced on January 24th·, were the two top generals, including the armed forces' most senior uniformed officer, Zhang Youxia. They are among dozens of generals he has purged in recent years, leaving a tattered high command.



Mr Xi promised early in his tenure to build a party in which officials "dare not, cannot and do not want to be corrupt". And to be sure, ordinary folk say Mr Xi has reduced the sort of brazen street-level graft that was ubiquitous under previous leaders. But in 2025 the authorities investigated over 1m people for corruption and political indiscipline, more than in any other year of Mr Xi's rule. Also last year, 983,000 were punished (see chart 1). The number of investigations was at least 15% higher than in 2024 and 60% more than in 2023. Over seven years ago Mr Xi declared a "crushing

victory" in his war on graft. Then in January last year he acknowledged that the party had not yet tamed it. "Even under strong pressure, some people still dare to act recklessly," said the *People's Daily*, a party newspaper.

Look first at the 2m-strong People's Liberation Army (PLA), as the armed forces are called. The PLA is the party's army and Mr Xi is its commander-in-chief. Even so, its tight networks based on personal loyalty, its ability to operate secretly and its control of vast resources have traditionally made it a breeding-ground for corruption. Big increases in its budget and a kit-buying splurge over the past two or three decades have opened up new opportunities for graft. All units have political commissars who are supposed to watch out for corruption as well as make sure that soldiers are indoctrinated with Mr Xi's wisdom. But their supervision can be lax.

The buying of posts in the armed forces remains a problem. According to the *Wall Street Journal*, high-ranking officers who were briefed about the investigation of General Zhang were told that he had allegedly helped to promote a former defence minister, Li Shangfu, in exchange for large bribes. Mr Li was dismissed and stripped of his rank as general after disappearing from public view in 2023, just months after taking office. Last year MERICS, a think-tank in Berlin, said recent purges in the PLA suggested that Mr Xi's efforts to stem corruption in the PLA soon after he came to power had failed. "Ranks and promotions were routinely up for sale, and bribery was rampant," it reported.

Help me up the ladder

Promotion-buying is also common among civilian officials. In 2024 a boss of the national fire administration was convicted of selling positions to his junior officers. Between 2016 and 2023, a fire chief in the southern city of Beihai paid more than 1.3m yuan ($186,925) to be bumped up the ladder. To raise such money, some officials sell procurement contracts or, in the case of the fire brigade, overlook

building-code violations in return for kickbacks. Often they sell lesser posts to fund the purchase of more senior jobs for themselves.



One reason investigations are surging is that Mr Xi is pushing his campaign further into the lower ranks. The hunt for misbehaving members has stepped up across the board and is ensnaring hundreds of thousands of lowly officials as well as ordinary party members such as businesspeople and NGO workers. As a share of total investigations, bribery and gift-giving crimes have risen.

Between April and September, a monthly average of 7,271 people were punished for accepting or giving bribes of cash or other valuables (see chart 2). In the same period ten years earlier, the number was 586. Analysis by Andrew Wedeman of Georgia State University suggests that by 2024 almost all of those punished for giving or accepting gifts became corrupt or continued their crooked dealings after Mr Xi came to power.



This is in spite of penalties that are getting tougher. In 2014 only about 30% of cases led to punishments such as prison or expulsion from the party, which means exclusion from most government jobs. Others implicated had to write self-criticisms and undergo "education". Today more than 70% of cases end in the harder sanctions, according to the Organisation for Research on China and Asia, a Delhi-based think-tank. The number of suspects held without charge in the hope that they will confess climbed by 46% in 2024. Detention usually involves solitary confinement. Torture is rampant. At least five prominent entrepreneurs died by suicide after being detained between April and July, while others have died in custody.

So why do officials take the risk? In some cases, the rise in investigations is linked to gushes of government spending in strategic sectors, such as computer chips and military procurement. Anti-graft police disciplined more than 60,000 people in the pharmaceutical industry in 2024, for example, as China's biotech sector benefited from government support. But corruption is not always motivated by greed, notes Jonathan Czin of the Brookings Institution, an American think-tank. It can be about self-preservation. Officials often feel pressured to accept cash or face suspicion from their peers that they are a rat.

Paradoxically, notes a Chinese scholar, Mr Xi's campaign may have deepened a kind of "small-circle politics", with fearful officials relying even more on close personal networks and reinforcing an informality in which corruption thrives. Gifts, such as expensive liquor, are a "signal" by which the recipient "immediately understands there is a request, even if nobody says it openly", the academic argues. An official's decision to accept the gift or return it is a sign of trust in the giver. "They would rather favour someone they know well than take a risk on an unknown actor."



Mr Xi portrays corruption as an existential threat to the party. Whether a local mayor fails at implementing a central diktat or accepts money from a property developer, both are signs of an ideological and moral failing and, ultimately, disloyalty to Mr Xi. In his telling, such types were responsible for the disintegration of the Soviet Union. That history haunts Mr Xi. He often refers to the Soviet collapse.

So he persists, despite the risk of making enemies. Last year an online furore erupted over arbitrary detentions and deaths in custody; in a speech published in November Mr Xi rebuked party members for saying the campaign was "damaging the party's image". In fact, he said, "scraping the bone to remove poison will not only not damage the party's image and prestige, but will actually enhance them." He is doubtless anticipating a lot more time in the operating theatre. ■

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The Chinese navy

Behind China’s race to build aircraft-carriers

It will soon have more carriers in the Pacific than America

1月 29, 2026 05:47 上午 | SINGAPORE



Catapulting China’s naval ambitions

JUST BEFORE Christmas, the Pentagon quietly released its annual report on the Chinese armed forces. The public document, based on classified intelligence assessments, was quickly picked over by military analysts around the world. Buried on page 16, they found a startling statement: China plans to build six new aircraft-carriers before 2035.

That prediction would see China building aircraft-carriers at more than twice the clip of America, which plans to construct only three of them over the same period. But America also plans to retire three carriers in the coming years, meaning that by 2035 America will have 11 such vessels to China's nine. And because China will probably concentrate its navy in Asia, Chinese carriers will soon outnumber American ones in the Pacific.

That alone would be a big power shift in a region where the American navy's seventh fleet has dominated sea lanes for over 80 years. America's carriers are the crown jewel of the world's leading maritime power. But China is not just building more carriers—it is also making more sophisticated ones. Its latest, *Fujian*, was commissioned in November. The new ship (pictured) launches aircraft using an electromagnetic catapult, rather than steam. It is only the second such system in the world; the other is on America's latest carrier, *USS Gerald R. Ford*. And China's first nuclear-powered carrier is under construction in the northern port city of Dalian. Subsequent carriers are likely to be nuclear, too. That will give them more range than conventionally powered ships.

Whether China can make the most of these new vessels remains an open question for many experts. To be considered effective, a carrier needs to be able to launch at least 100 sorties a day, says Alessio Patalano of King's College in London. It is not yet clear if the Chinese carriers can do that. But in other ways, China's existing carriers are making progress. In October 2024 the Chinese navy conducted dual-carrier operations for the first time. Two carriers worked together as they sailed, allowing them to pack a bigger punch than two operating alone would have done. And they are sailing on more distant sorties from China than ever before. In December a carrier was spotted near Palau, one of a string of island states aligned with America in what strategists call the "second island chain", an arc that extends from Japan to Papua New Guinea.

A bigger question is why China wants so many carriers. In debates about the future of America's carrier fleet, some Western analysts say such ships have no future. Advances in anti-ship missiles and drone warfare, they say, have made them obsolete. But China appears to be ignoring such talk. Its potential adversaries lack large stocks of long-range anti-ship missiles, which are thus less of a threat to Chinese carriers than to American ones. And many drones are limited in range, reducing their power as an anti-carrier weapon.

Still, in a fight with America over Taiwan, carriers might be less useful. After all, Taiwan is well within range of airbases on the Chinese mainland. China's carrier plans, then, point to much broader ambitions. Aircraft-carriers would be particularly valuable in protecting shipping bound for China, and stanching the maritime trade of adversaries in the event of war. "These are power-projection platforms for achieving sea control," says Tom Shugart of the Centre for a New American Security, a think-tank in Washington. It is becoming clearer that China aspires to be top gun far beyond its shores. ■

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Chaguan

China fears a flood of unemployed workers in rural areas

Fading ambition may pose a bigger problem

1月 29, 2026 04:18 上午



CHINA IS LIMBERING up for its annual great migration, when hundreds of millions take cars, planes and, above all, trains to reunite with family for the lunar new year. It is a joyous time. This year, however, there is concern that rural folk who normally work in cities may stay in the countryside after the holiday because the jobs they do—especially on building sites and in factories—are getting harder to find. In November China's rural-affairs ministry sounded a

warning. It declared that the government must "prevent a large-scale" problem of migrants "sticking around" in their home villages.

It is rare for officials to voice concerns that bluntly, so the ministry's statement caused a stir. To get a sense of what is actually happening, Chaguan recently travelled to a couple of places that traditionally have been big sources of outbound migrant workers. The government's concerns appear to be overblown. On balance, jobs and opportunities will lead most migrants back to cities after the new year. Yet attitudes are shifting in ways that will trouble officials gunning for economic growth.

The new-year holiday happens to fall in mid-February. But signs of the approaching human wave are already visible. On a bright chilly afternoon, Mr Zhao stands in front of a railway station with an overstuffed suitcase and a white bucket for carrying tools. For the past ten months he worked laying tiles in Nanjing, a wealthy eastern city. Now he is heading to his home village in Henan province, 400km farther inland. The wiry 60-year-old explains why he began his journey a full month before the start of the holiday. "There were just no more jobs," he says. He laments how his monthly income had fallen, from about 9,000 yuan ($1,290) a few years ago to 5,000 yuan. Nevertheless, after the holiday he expects to return to Nanjing.

His decision to go home early may seem nothing new. When the global financial crisis devastated China's export sector in 2008, migrants returned to their rural homes en masse. The countryside was a safety valve: workers had negligible welfare support but could farm small plots of land until the economy roared back, as it did after massive stimulus.

There are crucial differences this time. The economic downshift feels more permanent. Weakness in the property market looks likely to persist, reducing the construction jobs that had absorbed many migrants. At the same time the countryside no longer provides much

of a backstop. Many rural citizens such as Mr Zhao have relinquished their land-use rights, leasing them to others who have stayed behind. In 2008 less than 10% of rural households had contracted out their land rights; today the figure is closer to 40%. The peril of sticking around in the countryside was laid bare early in the covid pandemic when restrictions on movement trapped many migrants back in their hometowns for months with little work to do.

Not far from Mr Zhao's village is Zhoukou, a mid-sized city. In a shopping mall, the government is running an office to help people find local jobs. A woman at the desk says the numbers coming home have surged over the past month because export factories in coastal regions have closed early. She says she can connect them with temporary gigs as delivery drivers but that is about it.

Elsewhere trends are slightly more promising. The central government wants towns around the country to build up their industries and to encourage some of their outbound migrants to return—particularly those with the skills and capital to start local businesses. In the neighbouring province of Hubei, that is happening. Residents used to flock to garment and shoe factories in the south of China for work. But in recent years companies have set up in Hubei towns like Tianmen, to tap into the local workforce directly. The highway there is lined with new factories and dormitories for employees.

Given all that development, you might assume that places like Tianmen would welcome people back in droves. But local economies can only absorb so many. Indeed, the more that people return to inland towns and compete for a limited number of jobs, the more that wages there will face downward pressure. Mr Huang, a cheerful man in his 40s, returned to Tianmen from the south to be with his son as he prepares for the college-entrance exam. Yet his wife remains in the southern city of Guangzhou. "It's possible to find work here, but the pay is lower than in Guangzhou and lower than in previous years," he says.

The good sticky stuff

China's economic slowdown thus presents migrants with an unfamiliar dilemma. Moving to large faraway cities near the coast used to be a no-brainer. Such places still offer more work and better pay. But prospects are not what they once were. For the younger generation, other factors are also at play, notably a recognition that there is more to life than work. Many are staying closer to home. Of China's roughly 180m rural folk who move away for employment, 47% crossed into other provinces in 2014; now, a decade later, just 38% do.

Near the job centre in Zhoukou, a ruddy-faced He Gaoqiang waits for his wife and daughter to come out of a shop. As a skilled handyman he could find better-paid work in bigger cities. But he returned to Zhoukou after his daughter was born and he did not want to follow in the footsteps of his father, who had spent decades away as a construction worker, only coming back for the lunar new year. "Being with my family just feels right," he says. Getting stuck in a smaller town is not a problem for him; it is what he wanted. For state planners who count on hard-driving migrants to help fuel China's economy, this is a new and not entirely welcome trend: people are settling down.■

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United States

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From protest to disobedience

Inside the movement challenging—and disrupting—ICE

A non-violent network of activists is forming across America

1月 29, 2026 05:47 上午 | Minneapolis



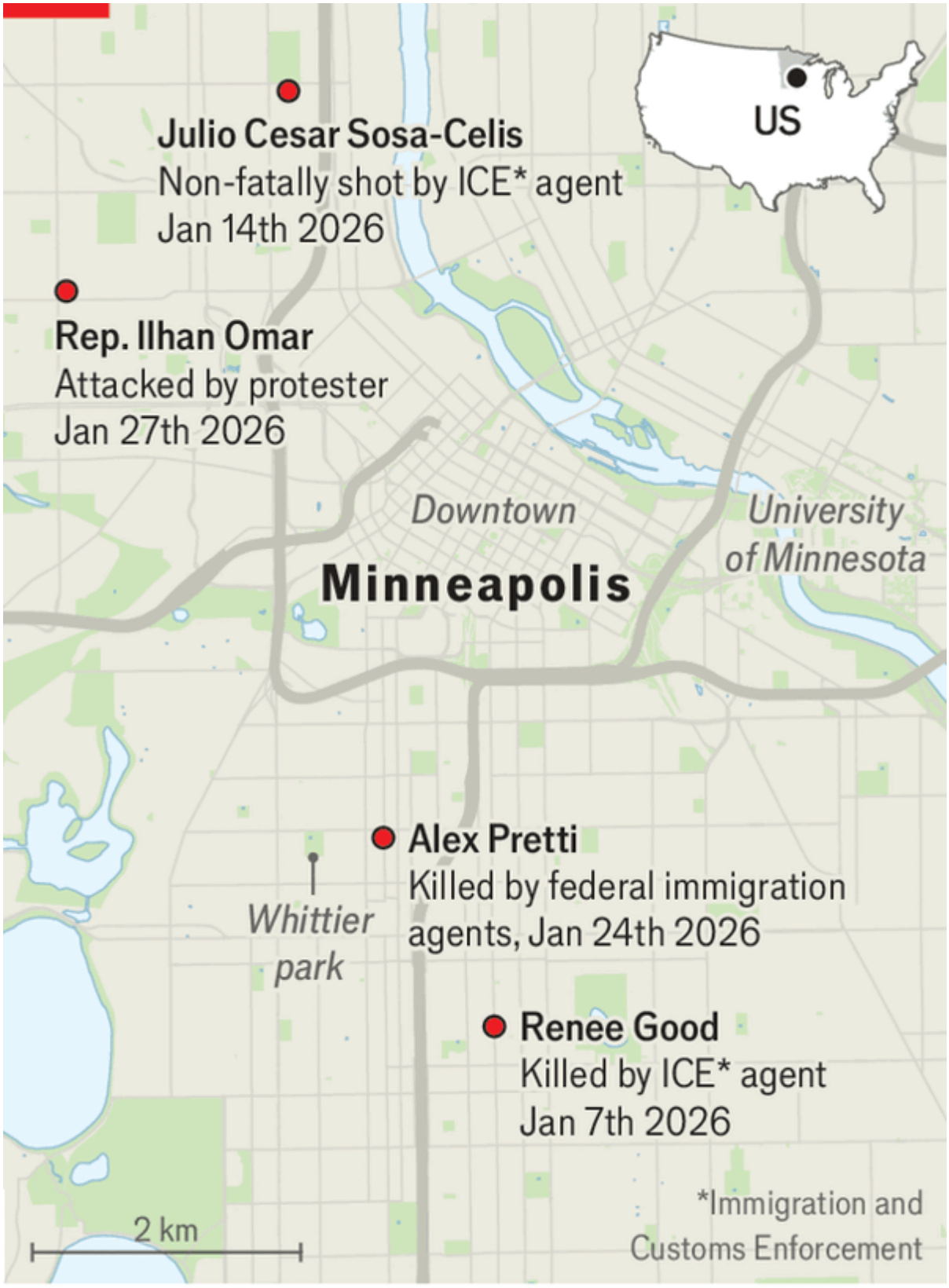
IT IS 10AM on January 28th in north Minneapolis and Will Stancil, a civil-rights lawyer and relentless social-media poster, is in a car chase. He and two passengers are following a black government SUV full of federal police officers. For the best part of 40 minutes the officers, assumed to be from Immigration and Customs Enforcement (ICE), have moved around a quiet residential neighbourhood, skipping red lights, making sudden turns and

otherwise driving erratically. “I’m kind of excited,” Mr Stancil says. As it looks like the officers may get out and confront his group (with whom your correspondent is embedded), he says he is unworried. “What are they going to do? Pull me out and take me to Whipple? I don’t care.” (Whipple is a federal building and detention centre near the Minneapolis-St Paul airport.)

As the chase goes on, Mr Stancil’s car risks running out of petrol. He and other activists in the car call their colleagues, trying to get more vehicles to follow. A live audio dispatcher crackles through Signal, a messaging app on Mr Stancil’s phone. Mr Stancil chatters away in response, almost like a police officer himself, reporting his direction and cross streets as he swerves to follow the vehicle ahead. At the same time, reports crackle through about ICE vehicles in other parts of the city, and the “commuters”, as the activists call themselves, hop between various Signal groups.

Over the past few weeks, this sort of activism has grown into an enormous phenomenon. It is intended to both witness and disrupt Operation Metro Surge, the immigration-enforcement operation in Minnesota. Outraged by scenes of immigrants and citizens alike being dragged out of cars, pepper-sprayed and beaten, Minneapolitans have rushed to take part. Thousands of people have joined Signal groups to track federal agents; hundreds are dedicating time each day to chasing heavily armed masked men.

This style of disruption, which first emerged in Los Angeles and was honed in Chicago last year, has been perfected in Minneapolis. It is now spreading through liberal cities preparing for their own sieges. It is a sign of how the strategy of protesting against Donald Trump’s administration is moving away from rallies and electoral organising towards direct action. It is becoming one of the most significant civil-disobedience efforts in America since the civil-rights movement.


US
Julio Cesar Sosa-Celis
Non-fatally shot by ICE* agent
Jan 14th 2026
Rep. Ilhan Omar
Attacked by protester
Jan 27th 2026
Downtown
University of Minnesota
Minneapolis
Alex Pretti
Killed by federal immigration agents, Jan 24th 2026
Whittier park
Renee Good
Killed by ICE* agent
Jan 7th 2026
2 km
*Immigration and Customs Enforcement

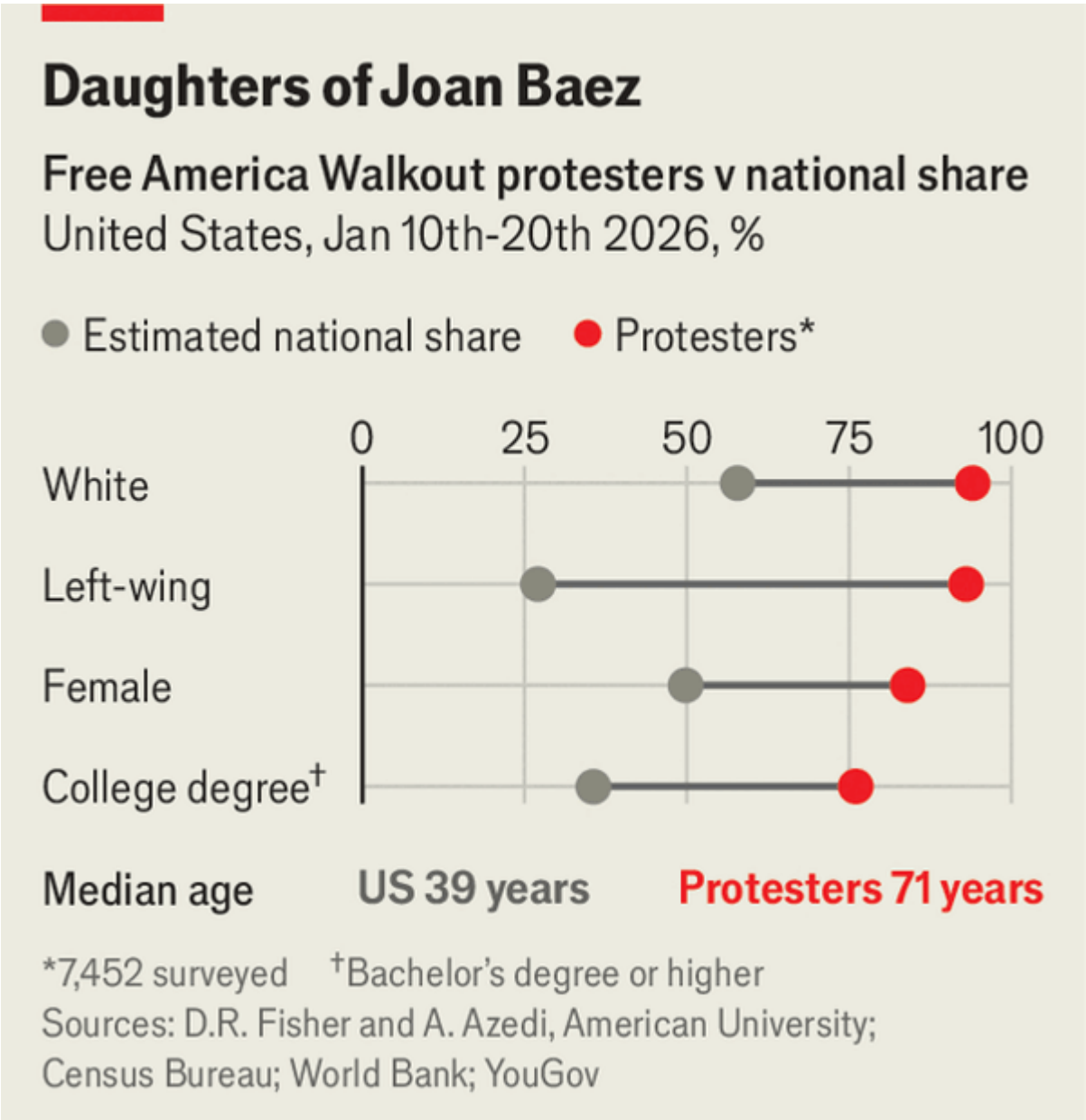
Tragedy has turned the situation in Minneapolis into a setback for Mr Trump. ICE and Customs and Border Protection (CBP) agents killed two activists—Renee Good and Alex Pretti, both 37 years old—on January 7th and January 24th, respectively. The killings seem very difficult to justify. Both Ms Good and Mr Pretti were observing federal agents who then assaulted them. Videos of the killings taken by both activists and people who just happened to be on the street have shocked viewers across America and beyond.

In both cases Trump administration officials initially rushed to criticise the victims, referring to them as "domestic terrorists". Their allegations that Ms Good was trying to run over an agent and that Mr Pretti was intent upon a "massacre" were contradicted by the available evidence. Ms Good was turning away from Jonathan Ross, the officer who shot her, and moving at slow speed. Mr Pretti was carrying a legally owned gun but had been disarmed when he was shot ten times. Agents fired repeatedly into his body when he was already prone on the ground.

On January 26th, as questions about the killings spread even among many Republicans, Mr Trump removed Greg Bovino, a senior Border Patrol officer, from the city, together with at least some of his agents. Mr Bovino, who likes to throw tear-gas grenades himself, had become the most visible face of the crackdown in Minneapolis. Mr Trump has also spoken to the governor of Minnesota, Tim Walz, and the mayor of Minneapolis, Jacob Frey, and reportedly told them that he would de-escalate.

This represents a notable victory for activists, if a limited and possibly temporary one. Their effort is dominated by white people on the left, many of whom are older women. Dana Fisher and Arman Arzedi, scholars at American University who study community activist movements, surveyed some 7,500 people who signed up for the "Free America Walkout", a national protest that took place on January 20th. The survey was self-selecting, so there is a response

bias which probably exaggerates the results; older people, for instance, may be more likely to take the time to answer.



The scholars found that 84% of respondents were female, three-quarters were college-educated, and that the median age was 71 (see chart). Some 99% of these mostly ageing boomers said they supported non-violent civil disobedience, and 65% of them said they would be willing to take part themselves. "I call this the ladder of

engagement," Dr Fisher says. It is suggestive of an underlying demand for more forceful protest.

Julie Gann, a middle-aged bartender who works near where Mr Pretti was killed, is among those becoming more active. Before federal agents arrived in Minneapolis, the only protest she had ever attended was the women's march in 2017, at the start of Mr Trump's first term. Recently she attended an online training session with some 5,000 other activists to prepare for much riskier work. "Peaceful protest has just not worked as much as non-violent disruption," she says.

Republicans have a pejorative nickname for women like Ms Gann: AWFULs, for affluent white female urban liberals. Their actions go beyond just "commuting". Some activists have started delivering food to undocumented immigrants and transporting their citizen children to school. Others are organising blockades and sit-ins. On January 23rd around 100 clergy, mostly from liberal churches, blocked the entrance to the Minneapolis airport until they were dragged off and arrested by local police. There are also traditional protests—but these are hardly risk-free. Outside the Whipple building, Tim Lundell, a retired teacher, says he has come out eight times since the killing of Ms Good. He has been shot twice with pepper balls by federal agents. It has only made him more committed.

What can protest achieve? Despite the removal of Mr Bovino, it is unclear whether—and for how long—the federal government is retreating. On January 27th Mr Trump said Mr Pretti's death was "very sad" but blamed him for carrying a gun. He said the changes he had made were not a "pullback" and again called the protesters "paid agitators" and "insurrectionists". He promised an investigation, but it seems DHS will investigate itself, rather than the FBI or another outside agency. The CBP agents who shot Mr Pretti have still not been identified, but those involved in the killing have reportedly been placed on administrative leave.

For now, Operation Metro Surge continues, seemingly as before. Your correspondent's car chase came less than 24 hours after Mr Trump's comments. The day before at least one ICE spotter was knocked off her bike, punched and hauled away to the Whipple building. The etymology of the word "martyr" leads back to an ancient Greek word meaning "witness". Unfortunately, unless Congress· or the courts restrain Mr Trump's immigration agents, there will probably be more like Ms Good and Mr Pretti. ■

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Cracks in the crackdown

Republicans are waking up to the awful optics in Minneapolis

A partial government shutdown over the president's immigration campaign looks likely

1月 29, 2026 04:18 上午 | Washington, DC



FOR A YEAR the plight of Democrats in Washington has been that of the protester at a "noise demo" who clangs pots and pans: loud, righteous and mostly ineffectual. Completely shut out of power, they have watched Republicans roll over as Donald Trump seized authorities once held by Congress. Democrats' only leverage is their ability to withhold government funding, a trick they tried in October

and are set to deploy again as a budgeting deadline looms on January 30th, this time in outrage at the president's siege of Minneapolis. Now even some Republicans acknowledge that the immigration crackdown there has gone deeply wrong after the shooting of two citizens by federal officers.

One cause of this change in mood seems to be the administration's immediate impulse to smear Alex Pretti, a protester killed on January 24th. Stephen Miller, a White House adviser, called him a "would-be assassin" and "domestic terrorist". But Republicans could see the videos that clearly showed otherwise. That the administration vilified Mr Pretti for lawfully carrying a firearm rankled gun-rights groups. Some have demanded a proper investigation. Even MAGA loyalists such as Kevin Stitt, Oklahoma's governor and chair of the National Governors Association, said the president was "getting bad advice" and asked: "What is the endgame?"

A second explanation of the change can be found in the polls. Mr Trump's deportation campaign increasingly looks like a political liability. Three in five Americans say immigration officers' tactics are too forceful. More want to abolish Immigration and Customs Enforcement (ICE) than want to preserve it. Support for that far-left proposition has risen even among Republican voters. Now nearly a fifth back it, up by ten percentage points from June.

This suggests the inescapable tension in Mr Trump's pledge to launch the largest deportation operation in history. The campaign envisaged by hardliners like Mr Miller—a programme of indiscriminate, mass removals—is neither pretty nor popular. It requires detaining law-abiding immigrants and instilling so much fear that people "self-deport". Sarah Pierce, an analyst at Third Way, a think-tank, says the animating question among her fellow immigration-watchers is whether Mr Miller's ideas prove so powerful in this administration that they can survive the negative polling.

For now, his boss seems sensitive to the numbers. He has recalled Gregory Bovino, the bellicose face of his campaign, from Minneapolis. Tom Homan, who advocates a more targeted approach, has taken charge. Two Republican senators, Thom Tillis and Lisa Murkowski, have called for Kristi Noem, head of the Department of Homeland Security (DHS), to resign.

In the meantime the federal government is heading for a partial shutdown come January 30th, when funding for six agencies, including DHS, runs out. Democrats are demanding constraints on ICE as part of any legislation. What little leverage they have lies in the Senate, where a unanimous Republican caucus, if one can be forged, still needs seven Democrats to overcome the filibuster. Republicans could limit the impact of a shutdown by decoupling DHS funding from the other five agencies; but with the House out of session until February 2nd, they say the soonest they could do that is next week.

Democrats want several guardrails. One is a guarantee that the feds will co-operate with local investigators probing ICE misconduct. Another is better training for agents and a mandate that they wear body cameras. Yet another is to enact the "Bivens fix", extending the scope for plaintiffs to sue federal officials who violate their constitutional rights. Decades ago, in *Bivens v Six Unknown Named Agents*, the Supreme Court established that right—only to chip away at it in subsequent cases. Beyond the wrangling over specific concessions, though, is a broader fight. Democrats do not want to fund an agency that has run amok and hand it any more cash than it already has.

Indeed ICE got such a massive infusion over the summer from Mr Trump's One Big Beautiful Bill that it can fund its operations twice over for the next three years, says Bobby Kogan of the Centre for American Progress, a progressive think-tank. Customs and Border Protection has enough to last between nine and 11 months. Republicans, then, can ignore Democrats and wait out the shutdown

without impacting ICE at all. They took that tack during the shutdown last autumn, and Democrats eventually folded. If Republicans give ground this time, it will be because public opinion tells them they must. ■

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The art of keeping schtum

How Congress viewed Donald Trump’s Greenland grab

The crisis has subsided. For now

1月 29, 2026 04:19 上午 | Washington, DC



Objects of desire

DONALD TRUMP’S effort to annex Greenland, a Danish sovereign territory, is on hold. On January 28th, American, Danish and Greenlandic officials met to discuss a new “framework agreement” which Mr Trump had announced triumphantly in Davos. But there is little clarity about what it might involve.

In the days after the Davos discussions, there was chatter that America might secure so-called sovereign base areas on Greenland,

pockets of American land covering sites like Pituffik Space Base. But officials in Copenhagen and Nuuk have reiterated that questions of sovereignty are not up for discussion. In an op-ed published on January 29th, Jeff Landry, Mr Trump's envoy for Greenland, insisted that the agreement being discussed "will lead to the United States' gaining total, unfettered access to the island". That is far short of Mr Trump's public demand for the "acquisition" of Greenland. It could suggest that talks are focusing on revisions to the 1951 treaty with Denmark which governs America's presence on the island.

"I think Europe has learned some lessons over the past few weeks," noted Mette Frederiksen, the Danish prime minister, visiting Emmanuel Macron, France's president, in Paris. One is that Mr Trump can be deterred by standing firm. Mr Macron announced a new French consul to Greenland and gave a message in Greenlandic, the island's Inuit language.

But Europeans ought not to be too gung-ho. The fact that their American ally had threatened NATO territory is extraordinary enough. The passivity of most Republicans in Congress in the face of Mr Trump's bellicosity is also striking.

America's founders gave Congress the power to declare war. Over time, however, the legislative branch has surrendered its authority to the commander-in-chief. The War Powers Act, passed in 1973 despite a veto by Richard Nixon, sought to limit the war-making ability of presidents, but it has rarely constrained them. Mr Trump offers the latest example. In the past year he has bombed Yemen and Iran, struck suspected terrorists in Somalia, Syria and Nigeria; blasted alleged narco-traffickers at sea; snatched Nicolás Maduro, Venezuela's dictator; and threatened Colombia and Mexico. Throughout, he has ignored sporadic objections from the legislature.

Republican politicians know that incurring the president's ire is a career-threatening act, given the devotion of the party's MAGA base

and the risk of being ejected in primaries. Those who speak up are either the few surviving mavericks, or those who have little to lose after announcing their intention to retire from Congress.

The Greenland saga has fitted this pattern. Republicans in Congress can be divided broadly into three groups, notes one staffer. Some supported the president's neo-imperial quest outright. Among them was Ted Cruz, a senator with presidential aspirations. A few opposed it outright, such as Don Bacon, a member of the House of Representatives who warned that Mr Trump risked another impeachment. Most privately disagreed with the president but feared crossing him, or at least think private lobbying works better.

Mr Trump's dominance of the party has been demonstrated anew as successive bills to prevent further military action against Iran and Venezuela without congressional approval have been defeated. On January 8th five Republican senators voted to advance a war-powers resolution on Venezuela. A furious Mr Trump declared that they "should never be elected to office again". A week later two of them recanted; the resolution failed after the vice-president, J.D. Vance, cast a tie-breaking vote. A similar bill in the House was defeated when the vote ended in a tie.

The Greenland crisis has at least subsided. Marco Rubio, America's secretary of state, said that the meeting of the American-Danish working group on January 28th would be a "regular process"—and one kept out of the public eye. Lars Lokke Rasmussen, Denmark's foreign minister, said he was "slightly more optimistic" than he had been a week earlier. "Now we are back on track." For now. ■

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Good neighbours

Knocking down social housing helped poor children prosper

New research shows the impact of mixed-income developments

1月 29, 2026 08:25 上午 | Philadelphia



Subsidising tidiness

SMART TERRACED houses line Lex Street in West Philadelphia. A few wind chimes dangle from white porticos. The tidy, suburban vibe is a stark change from a few decades ago. In 2000 the neighbourhood was the site of one of the worst mass murders in Philadelphia's history, when seven were killed in a dilapidated row house. The area had "turf wars and gang wars", remembers Cassandra Green, a community organiser.

In an attempt to arrest the decay, much of the neighbourhood was demolished, including three 17-floor public-housing towers. In their place, over 600 houses were built. Although the majority were council housing, others were sold or rented to low-income tenants. The redevelopment has been a success, says Ms Green. Residents have "raised their children there. Now, they're raising their grandchildren there," she says. "It's a great model."

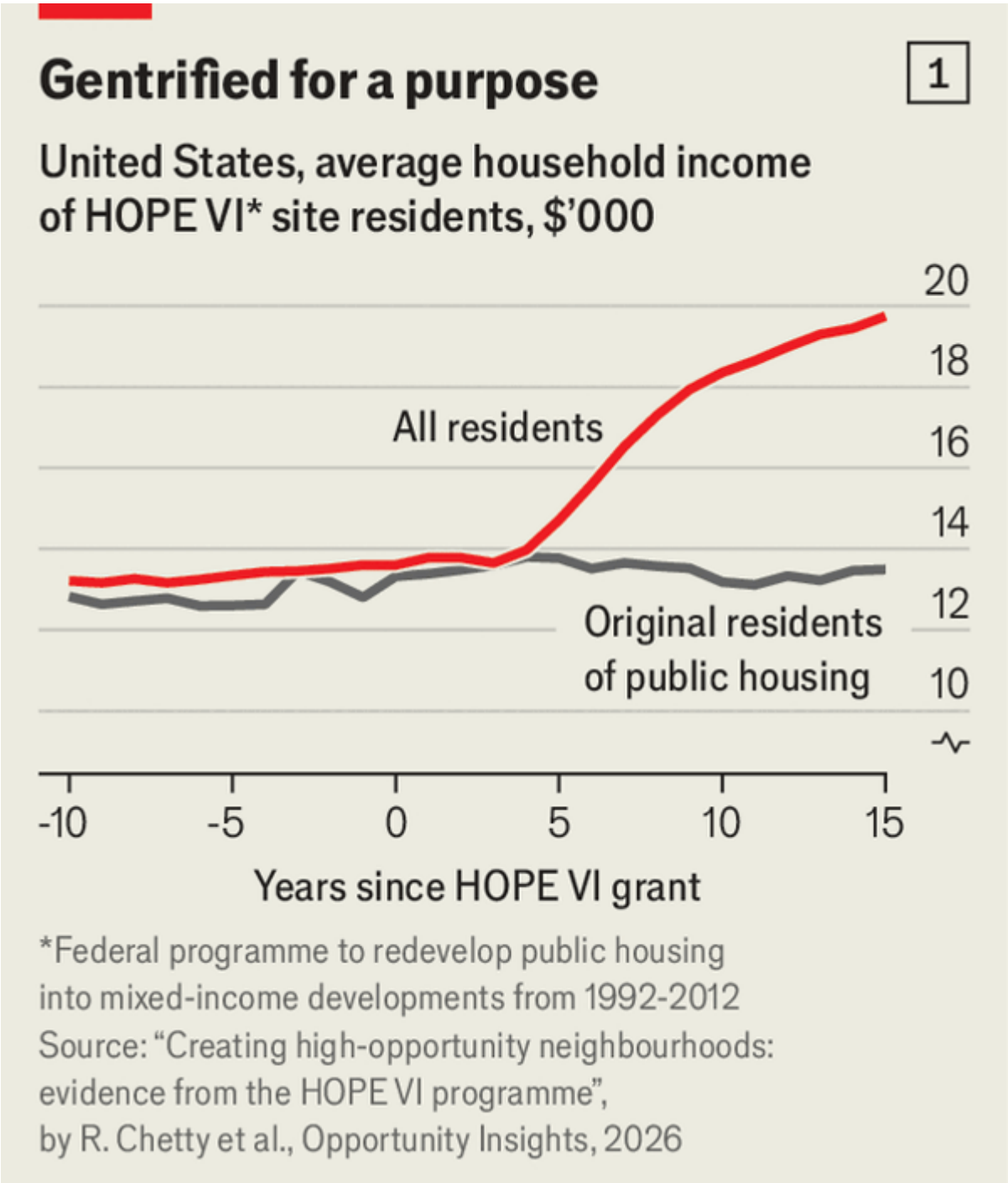
A new study backs her up. Led by Raj Chetty, a Harvard economist and a pioneer of inequality research, it looks at HOPE VI, the turn-of-the-millennium public-housing redevelopment programme that remade the Lex Street area and others like it across the country. The programme invested $17bn of public and private money to bring down decaying towers and replace them with houses, mixing market-rate with public housing. It was one of the most ambitious efforts to remake high-poverty communities ever undertaken in America.



While the programme did not greatly change adults' economic outcomes, the new research finds that children who grew up from birth in the new public housing would go on to earn about 50%

more, largely because of interactions with wealthier neighbours. The researchers conclude that these improvements are "really driven by the causal effect of place", as Matthew Staiger, one of the paper's coauthors, puts it. The effect came from interactions with wealthier families who modelled and boosted the economic mobility of their less well-off neighbours.

The scale of the HOPE VI programme can be hard to imagine today. From 1993 to 2010, nearly 100,000 public housing units were torn down and replaced with smaller-scale housing. Only three-fifths were replaced by new public housing units; the rest were affordable and market-rate homes. While this opened HOPE VI to accusations of gentrification, it caused the neighbourhood mingling which, the new paper claims, led to the most dramatic results for poor children.



Although adults' average incomes in HOPE VI areas went up dramatically, this was due to new arrivals who could afford alternatives to public housing: the incomes for those living in public housing stayed the same (see chart 1). But HOPE VI children saw remarkable differences: those who moved into revitalised public

housing earned 16% more at the age of 30 (see chart 2), were 17% more likely to attend college and, among the boys, were 20% less likely to go to jail or prison (girls were never particularly likely to be incarcerated). There were big differences compared with the families that never moved to HOPE VI neighbourhoods, and even between siblings where one child spent more time in the rejuvenated area.



The findings build on earlier work by Mr Chetty. He pioneered research into the impact of relationships on economic mobility, showing that interacting with wealthier families can boost poor children's life chances by offering better opportunities and role models. This was not just interactions with new neighbours on the

estates, but also nearby families who mingled more after the renovations.

The study puts a new perspective on the complaint that HOPE VI pushed out former residents. Only about a quarter of the original households returned to the new developments. But without the wealthier neighbours, some of the gains for the poorest children would not have been possible. Other research has also shown that because these estates were so crummy to begin with, many children actually benefited from being displaced.



Whether these lessons will be acted on is a different question. Many poor areas are now just as isolated and dilapidated as the original sites were, but the ambition of housing planners has contracted. The vast majority of poor people do not live in public housing, notes Kevin Corinth of the American Enterprise Institute, a think-tank. He points to housing deregulation and school choice as more scalable alternatives that tap into the same mechanism as identified in Mr Chetty's work.

The chances of Americans being better off than their parents have slowed in recent decades, Mr Chetty says. The fact that the neighbourhood where children grow up has such a big impact offers some hope. “You don’t need to look back to 1950 to find a point when people had great chances of thriving,” he says. “You just need to look a few miles down the road.” ■

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Academic freedom

Republican states are censoring universities

New laws restrict what professors can teach

1月 29, 2026 06:23 上午 | College Station, Texas



PLATO WAS no advocate for free expression. He argued that the state should censor poetry because it obscures truth in pursuit of art. Two millennia later America's biggest university has chosen to ban students from reading his work. In January administrators at Texas A&M told Martin Peterson that he could either strike Plato's "Symposium" from the syllabus of his introductory philosophy course or be reassigned. Reading Plato, they argued, exposed students to one of Texas's banned topics: gender and race ideology.

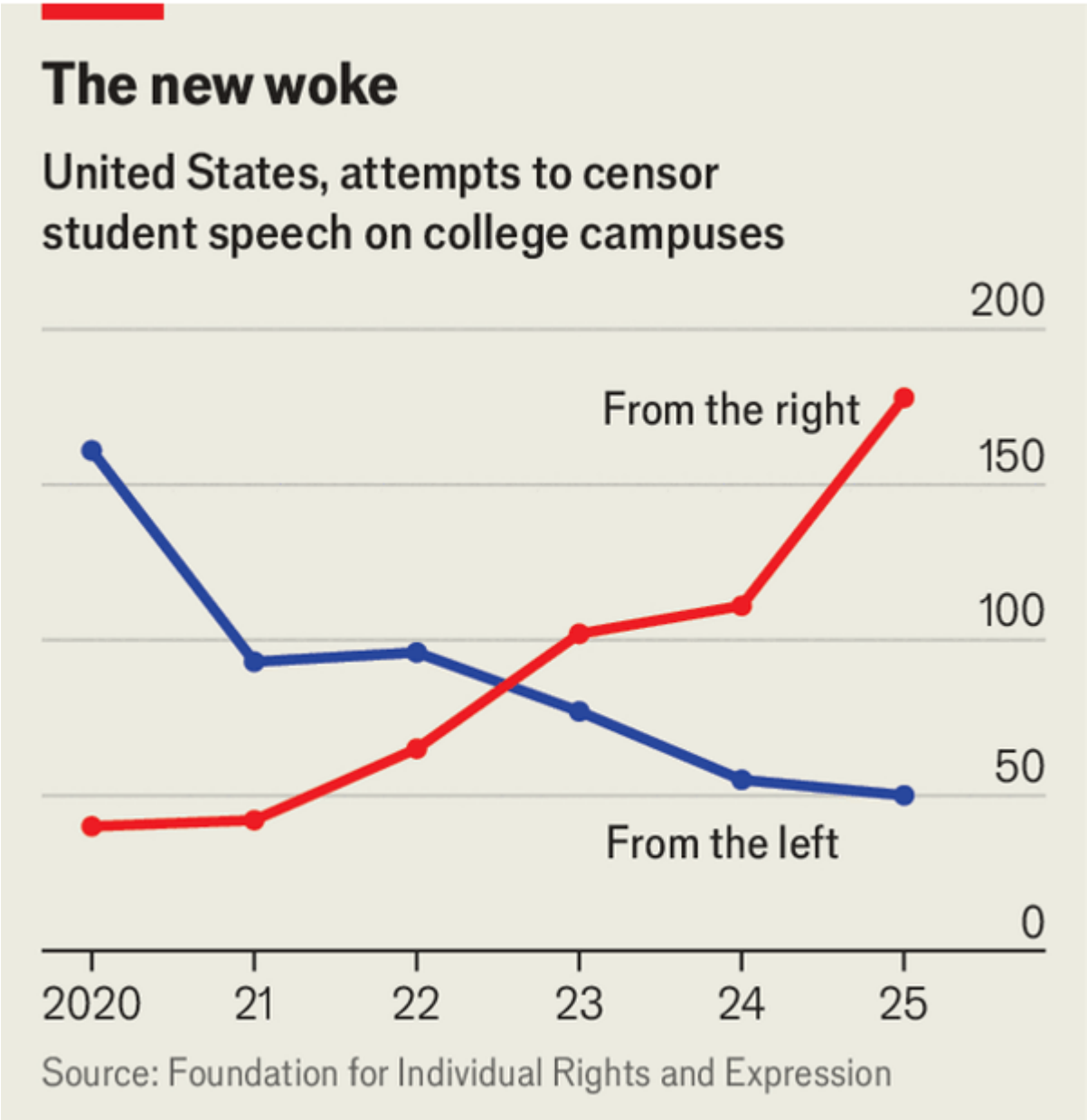
In September a professor at the university was fired after she discussed gender fluidity in a course and a video came to the attention of politicians in Austin. Keenly aware that he might face a similar fate, Mr Peterson agreed not to teach Plato, and by the second week of term he could be found in a maroon corduroy blazer lecturing about utilitarianism. Across the sprawling campus of 80,000 students, faculty are on edge. About 200 courses are said to be under review by the administration for prohibited content. A master's class entitled "Ethics and Public Policy" was cancelled in its first week after its black professor refused to tell the college dean exactly which days he planned to discuss race.

At the University of Texas at Austin, the state's flagship university, 40% of faculty reported in a survey that they had changed their curriculum last autumn. The faculty council, an elected body of professors who advised administrators on curriculums and policy, was dissolved in September. The University Democrats, a student club, now has to jump through hoops to get outside speakers approved and its members are forced to read a disclaimer at the start of each meeting explaining that their views do not represent the university. "We're being monitored," says Ally Flores, its president. She now has a lawyer on speed dial whom she regularly calls for advice.

The chill at A&M and UT reflects a drive across Republican-run states to legislate what is taught and to punish those professors and students who speak of prohibited ideas. The campaign echoes Donald Trump's attacks on Ivy League universities, but it has drawn less public scrutiny and is affecting far more students. Administrators are cracking down in an attempt to comply with new state laws. Brandon Creighton, a former Texas state senator who sponsored the most sweeping higher-education bills of the past two legislative sessions and was recently appointed chancellor of Texas Tech University, says the reforms are designed to rein in wokeness and push universities to deliver degrees that help graduates get high-

paying jobs. “This is the package: DEI removed, tenure revised, governance overhaul and a wholesale review of curriculum,” he says.

A new report by PEN America, a non-profit, found that lawmakers in 32 states filed 93 bills last year censoring higher education. Twenty-one passed, subjecting more than half of America’s college students to such policies. Courts have already struck down some blatantly unconstitutional rules. While stopping a Texas law that banned any on-campus “expressive activities” between 10pm and 8am—precluding late-night journalism and early-morning chapel, for example—a federal judge reminded the state that “the first amendment does not have a bedtime”.



Data collected by the Foundation for Individual Rights and Expression (FIRE), an advocacy group, show that cases in which student speech was investigated, censored or punished across the country have hit a record high. The numbers depict a striking political reversal. In 2020, the peak-woke year of the Black Lives Matter protests, the vast majority of recorded incidents involved left-wing efforts to curb right-wing speech. By 2025 the opposite was true (see chart). "The censors have changed, the impulse hasn't," says Logan Dougherty, a researcher at FIRE.

Frederick Hess of the American Enterprise Institute, a think-tank, says that establishment Republicans who wanted to reform America's colleges have been crowded out by radicals who are now overcorrecting. Mr Creighton, the lawmaker-turned-chancellor, disagrees. He reckons that in Texas, at least, public universities are just starting to move back towards the centre and that they should be understood as "an extension of state government".

Back in College Station, Mr Peterson has been meeting administrators who are not pleased with the media attention Texas A&M has received over his syllabus snafu. He fears that if he continues to speak out it will cost him his job, but he has decided, as the chairman of the academic-freedom council on campus, that he must be utilitarian about it. "I feel I have a moral obligation, even if it has catastrophic consequences for me," he says. Come March he will skip the unit on Plato. In its place he will teach a two-class series on the value of free speech. ■

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Lexington

How Congress can rein in ICE—and start to redeem itself

Senator Susan Collins of Maine has a historic chance to lead

1月 29, 2026 04:18 上午



HOW CONSCIENTIOUS a public servant is Senator Susan Collins? She is the first senator in history to cast more than 9,800 votes without ever missing a roll call. How skilled a politician is she? She is the first senator from Maine to be popularly elected to five consecutive terms, and the only Republican senator to represent a state that Kamala Harris, the Democratic presidential candidate, won in 2024. How powerful is she? She is the chair of the almighty Senate appropriations committee, with control of all discretionary spending by the government.

And how courageous is Susan Collins? Politicos have been wondering that for many years, and America may be about to learn. Fate and her decades of astute politicking are conspiring to present her with a rare opportunity of national leadership at a moment of extraordinary stress in American life—a chance to ease the tension, affirm Congress's role as a check on the executive branch and defend Americans' civil liberties. As Senate Democrats threaten to shut the government down· rather than finance Donald Trump's approach to mass deportation, she has the authority to broker a compromise to place common-sense limits on the tactics used by agents of the Border Patrol and Immigration and Customs Enforcement (ICE).

She also has the credibility to do so: Ms Collins has regularly ranked first among senators in the annual "bipartisan index" kept by the Lugar Centre, a non-profit, and Georgetown University's public-policy school. And she even has a good, parochial reason to act. Her home state is the latest to be targeted by ICE though, like Minnesota, it is not exactly swarming with undocumented immigrants; about 10,000 are estimated to live there, or roughly 0.7% of the population. Already there are reports of abuses, including detentions of people who are in the country legally.

So far, as is her way, Ms Collins is proceeding cautiously. After a second American citizen was shot dead by immigration agents while protesting in Minneapolis, on January 24th, she called for an independent investigation. She has said she is "exploring all options" on funding the government.

Maine has a history of sending independent-minded politicians to Washington. Ms Collins's fellow senator, Angus King, is an independent, albeit one who caucuses with the Democrats. But a particular historical legacy haunts this political moment. Margaret Chase Smith was a freshman Republican senator from Maine in 1950 when she rose to defend Americans' free-speech rights against the red-baiting of Senator Joseph McCarthy. "As an American, I condemn a Republican fascist just as much as I condemn a Democrat

communist," she said in a floor speech that went down in history as her "Declaration of Conscience". It was the brave beginning of McCarthy's eventual end.

Ms Collins has cited Smith as a role model, but is also said by those who know her to grind her teeth at the suggestion, over the years, that she needed to rise to a "Margaret Chase Smith moment" as if she has never done so. She has broken with her party on important votes. She opposed the impeachment of Bill Clinton and supported Barack Obama's stimulus. She provided a crucial vote to save Obamacare when Mr Trump wanted to repeal it. She voted to acquit Mr Trump in his first impeachment trial but to convict him in his second. Yet over the long haul, among insiders on Capitol Hill, she gained a reputation for choosing to demonstrate independence when Republicans had a solid majority, while supplying a reliable vote when the margin was narrow.

For many of her left-of-centre constituents, Ms Collins, who is pro-choice, revealed herself as a conventional partisan by voting in 2018 to confirm Brett Kavanaugh to the Supreme Court, saying she believed he would not vote to curtail abortion rights (he did). "The day she voted for Kavanaugh for the Supreme Court was the day I lost hope for Susan Collins," says Safiya Khalid of Lewiston, Maine. As she tries to help residents cope with the ICE crackdown, Ms Khalid, who runs a non-profit called the Community Organising Alliance, has no expectation Ms Collins will do more than talk. "Right now we don't want lip service," she says. "We want action."

ICE and the fire next time

Ms Khalid may be right not to expect much. Mr Trump's change of tone on Minneapolis may reassure Ms Collins, and other anxious Republican legislators, that the crisis is over. It isn't. With his metastasising deployment of immigration agents, Mr Trump has set precedents for vast new powers of a national police force

answerable to the White House alone—precedents that he or a future president could invoke again.

Without undermining immigration law, Ms Collins could lead congressional negotiators to set boundaries: to ensure federal agents who harm people will be subject to credible independent investigations; to forbid agents to wear masks except under limited circumstances; to forbid them to break down doors without judicial warrants; to forbid them, at least until the Supreme Court weighs in, to engage in "Kavanaugh stops", the un-American practice, named after a concurrence by Justice Kavanaugh, of demanding proof of citizenship from people on the street based on their perceived ethnicity.

Ms Collins is running for a sixth term this autumn. With the primary filing deadline in March, she may fear drawing a Republican challenger. But Mr Trump has already said Ms Collins, along with four other Republican senators who voted to curtail his war powers after the Venezuela raid, "should never be elected to office again". As the most vulnerable Senate Republican, her best chance at re-election may be to reclaim the centre on matters of foundational principle. It is more surely her best chance, at 73, to set an example America needs now, and will honour in future. ■

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Direction of travel

How to tell if Venezuela is heading for democracy

The regime is opening up the economy, but its political moves lack credibility

1月 29, 2026 06:29 上午 | CARACAS



"IT FEELS LIKE a drain has been unblocked," whispers a construction worker in Caracas, Venezuela's capital. To see Nicolás Maduro—torture enabler, election thief and destroyer of the economy—flushed away into a New York jail is deeply satisfying for most. Yet any celebrations are muted. The regime is still in power. Delcy Rodríguez, Mr Maduro's deputy, has taken over with the backing of Donald Trump, who says she is doing his bidding.

Nonetheless, four in five Venezuelans think the political situation will be better within a year. This optimism stems from Ms Rodríguez's moves to improve the economy, coupled with faith in Mr Trump's resolve. "Today, I can assure Venezuelans that the transition to democracy will take place," said María Corina Machado, the opposition leader and Nobel peace-prize winner, on January 28th after meeting with Marco Rubio, the US secretary of state.

Any shift to democracy will take time, but many are eager to understand now if Ms Machado is right. That means assessing the seriousness of the Trump administration and the vulnerability of Ms Rodríguez and her cronies. A democratic Venezuela would pose existential danger to the regime she now leads. The reforms her government enacts will be telling. They will reveal what the Trump administration is demanding, but also what regime hardliners are unable to block. Ms Rodríguez has offered a string of announcements and proposed new laws. So far they point to progress on the economy, but deliberate stalling over democracy.

Since Mr Maduro's capture in January some $300m has flooded into Venezuela's banking system, the initial proceeds from Mr Trump's oil deal whereby the United States is bringing 30m-50m barrels of Venezuelan crude to market. More money is expected. As a result, the gap between the official and parallel exchange rates, which had widened greatly, has shrunk to about 20%, curbing worries about hyperinflation. Ms Rodríguez says the government must "streamline all state procedures" and promises a more pro-market environment.

On January 22nd the National Assembly, which the regime controls, gave initial approval to changes to the hydrocarbons law, which currently favours the state oil company, PDVSA. The reform would appear to give private companies more control over the production and sale of oil. It would also cut some royalties and allow for independent arbitration of disputes. The changes are a priority for Mr Trump and welcome news for foreign firms, though Venezuela's president retains controlling power over the sector. Next up is

Venezuela's mining law, which will also be reworked to attract foreign investment.

Ms Rodríguez may genuinely want economic reform. To some that is hopeful. Antonio Ecarri Angola, a congressman from the part of the opposition that still talks to the government, argues that economic liberalisation begets democracy. But examples like China and Vietnam challenge this view. The regime may be betting that a stronger economy curbs demand for change and keeps it in power.

Optimists note other positive steps. The regime has freed about 300 political prisoners, more than ever before in such a short period. Among them is Rafael Tudares, the son-in-law of Edmundo González, who actually won the presidential election that Mr Maduro stole in 2024. Ms Rodríguez has promised a "true dialogue" that she says will include "agreeing" and "divergent" political movements. Her brother, who heads the National Assembly, has suggested reforms to encourage political participation, ironic given his long-running repression of the opposition.

Ms Rodríguez has also overhauled her cabinet and the leadership of the army, though the most senior figures remain untouched. Among those sacked is Álex Saab, the minister of industry and Mr Maduro's former "fixer", who was previously imprisoned in the United States for money-laundering. Foreign oil-industry executives had complained it was "awkward" to deal with an ex-convict. Fear is ebbing. On January 27th some student leaders confronted Ms Rodríguez in public, demanding that more political prisoners be released. A series of opposition figures have emerged from hiding and called for new elections. After meeting Mr Trump, Ms Machado claimed that the regime is being forced to "dismantle itself".

But this softening is mostly symbolic. The majority of political prisoners are still behind bars—some 600 according to Foro Penal, a local watchdog. They include many of Ms Machado's closest allies. Most releases are conditional. This makes it easy for the regime to

detain ex-prisoners again and, in effect, gags them. Hardliners such as Diosdado Cabello, the interior minister, and Vladimir Padrino, the defence minister, remain in office. Announcing a dialogue is an old regime ploy to survive crises without conceding real change. Ms Rodríguez appears to be ignoring the constitution, which requires calling elections quickly if the president is absent.

The regime is playing for time, hoping that American pressure fades. "Expect delay, ambiguity, renegotiation of terms," says Andrés Izarra, a former minister under Mr Maduro who is now in exile. Ms Rodríguez occasionally rails against the United States, seemingly to shore up her base. Yet real friction with Mr Trump will be managed through "bureaucratic obstructionism, not open defiance", says Mr Izarra.

What would constitute real signs of democratic transition? The first test is whether the regime allows political exiles, including Ms Machado, to return. Equally important is whether they, and the press, may operate freely. Many in the regime are deeply opposed to this. Real reforms to the electoral authority and the Supreme Court, including new officials, are other essential stepping stones. Controlled by loyalists, they enabled the theft of the 2024 election. The powerful often ignore the law. Without independent-minded people to enforce them, rules alone mean little.

Much more American pressure will be required. The Trump administration's vague gestures to democracy have evolved a bit. Scott Bessent, the treasury secretary, recently said: "When we believe it is time, there will be free and fair elections." Mr Trump said he would love to get Ms Machado "involved in some way". Yet for now he clearly wants Ms Rodríguez in charge.

Mr Rubio talks of a three-stage plan: stabilisation, recovery and transition. In testimony to the Senate on January 28th he said this is "beginning to create space for different voices" in Venezuela, that a democratic, stable country—unlike the existing "gangster's paradise"

—is the goal. He praised Ms Rodríguez, and said the United States did not expect to use military force to maintain her compliance.

And he suggested that transition from autocracy takes time, citing Spain and Paraguay as examples; one took seven years, the other almost 20. Mr Rubio and his boss might want a democratic Venezuela. But an extended timeline is just what Ms Rodríguez and the regime are counting on. ■

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Running a middle power

Mark Carney understands the new world, but can he survive it?

Canada's leader must navigate a host of competing, fiendishly difficult, challenges

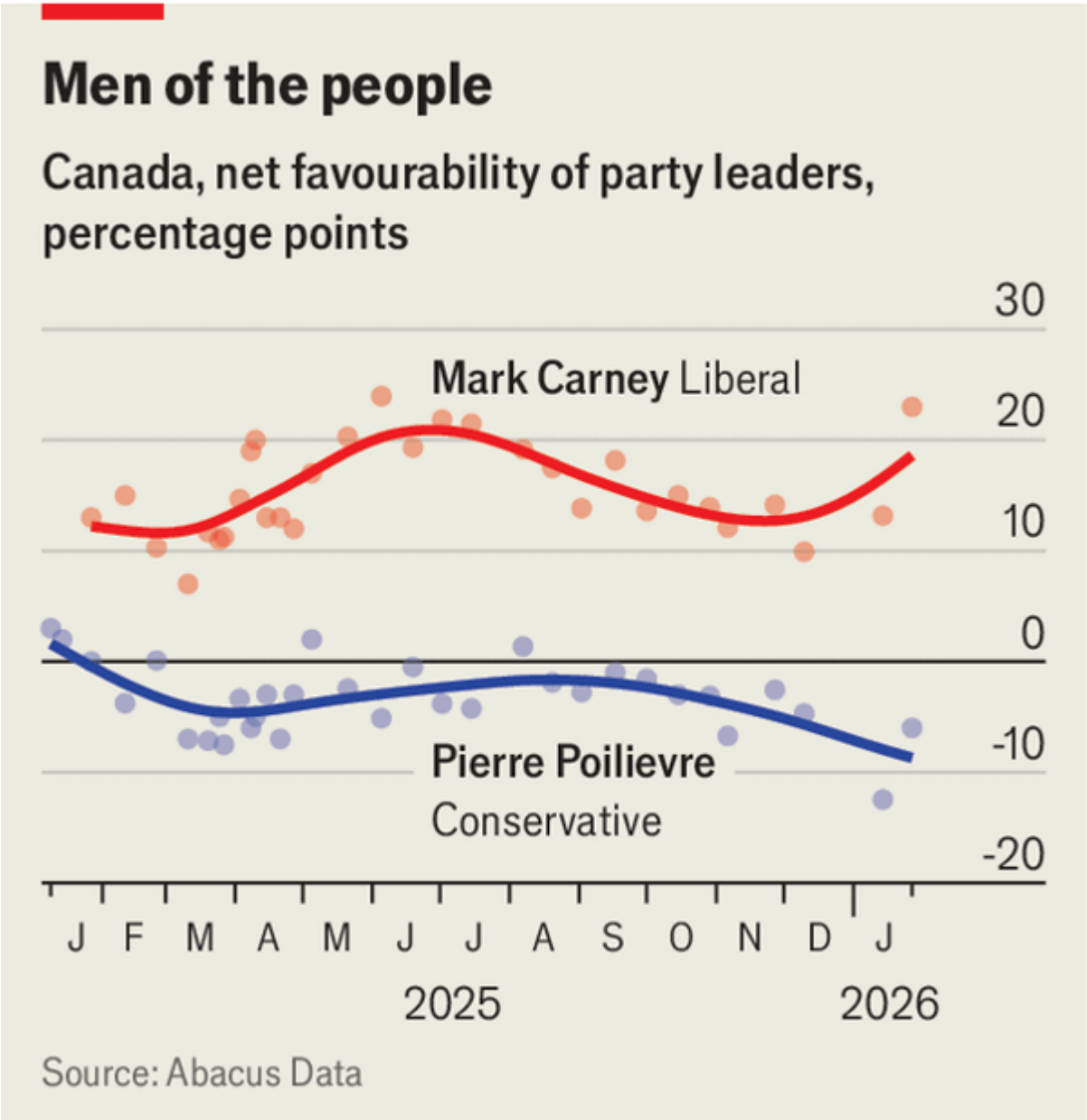
1月 29, 2026 04:19 上午 | Ottawa



MARK CARNEY left Davos on January 21st with a swagger. Canada's prime minister had entranced the global elite with a eulogy for the global rules-based order and a prescription for middle-power survival in the face of coercion from the likes of the United States and China. Surveys of public opinion carried out after his speech suggest that

Canadians are rallying to his call (see chart). Mr Carney will need to draw on that political capital.

Donald Trump took aim immediately. He said Canada was "systematically destroying itself" and threatened 100% tariffs on all Canadian exports if "Canada makes a deal with China". Scott Bessent, America's treasury secretary, encouraged the secessionist movement in Alberta, saying the province should "come on down" and join the United States. A 30-minute phone call with Mr Trump on January 27th only confirmed Mr Carney's assessment: "Washington has changed. There is almost nothing normal now in the United States."



As well as handling wretched relations with Canada's largest trading partner, Mr Carney must also reassure Canadians unnerved not just by constant threats to their sovereignty, but by damage to their livelihoods. The economy grew by just over 1% in 2025 despite Mr Trump's tariffs. But sectoral duties pummelled the steel, car and aluminium industries in eastern Canada, leading to thousands of layoffs. The rising cost of food is causing anxiety. Visits to food banks reached an all-time high last year. Marc Miller, a minister, summed up the task after attending a cabinet meeting to discuss

Canadian foreboding on January 23rd: "We have to focus on the end of the world, as well as the end of the month."

Mr Carney responded with a tax break worth C$7,500 ($5,500) for poorer families over the next five years. China's recent agreement to cut tariffs on Canada's agricultural exports will prompt relief in western provinces like Saskatchewan, which send billions of dollars-worth of rapeseed to China every year. In exchange, Mr Carney agreed to drop Canada's 100% tariff on Chinese electric vehicles to just 6.1% for at least the first 49,000 cars imported each year. Consumers may welcome access to cheap, high-quality vehicles.

The government must also handle secessionist movements in both the east and the west of the immense country. Polls suggest the separatist Parti Québécois (PQ) is poised to take control of the legislature in provincial elections no later than October. The party has promised to hold another independence referendum if elected. In a referendum in 1995 Quebec came within one percentage point —54,000 votes—of opting to leave the federation.

Alberta, the province with the highest GDP per person in Canada and the third-largest proven reserves of oil in the world, is the more immediate concern. It is frustrated with the federal government, whose regulations have limited Alberta's ability to build infrastructure to export oil and gas via Canada's west coast. Mr Bessent linked the Albertan desire for independence to its thwarted attempts to build pipelines.

Recent polling suggests that only 28% of Albertans would choose to leave Canada. But the sentiment is part of the reason Mr Carney signed an agreement with Alberta in November to fast-track the construction of an oil pipeline that would send 1m barrels daily to the Pacific coast for export. The province just needs to drum up the money. But many of the companies and pension funds that might finance the pipeline and other infrastructure complain privately that cumbersome environmental rules make investment too risky. Here,

as on so many other issues, the prime minister must strike a delicate balance.

Keeping it will be all but impossible if Mr Trump abandons USMCA, the continental free-trade pact he renegotiated with Canada and Mexico in 2018, which Mr Trump now calls "irrelevant". Few economists believe Mr Carney can attract the required investment without it. Thus Mr Carney's middle power must find some kind of arrangement with the great one next door.

Despite his soaring popularity, Mr Carney still leads a government that is one seat short of a majority. His Liberals are working to tempt an opposing parliamentarian to cross the floor. Failing that, Canada's good opinion of Mr Carney may tempt him to call a snap election. ■

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Pay dirt

China’s rare-earth chokehold terrifies the West, but Brazil benefits

A quarter of all the world’s known deposits of rare earths are found in the country

1月 29, 2026 04:18 上午 | CAMAÇARI INDUSTRIAL COMPLEX



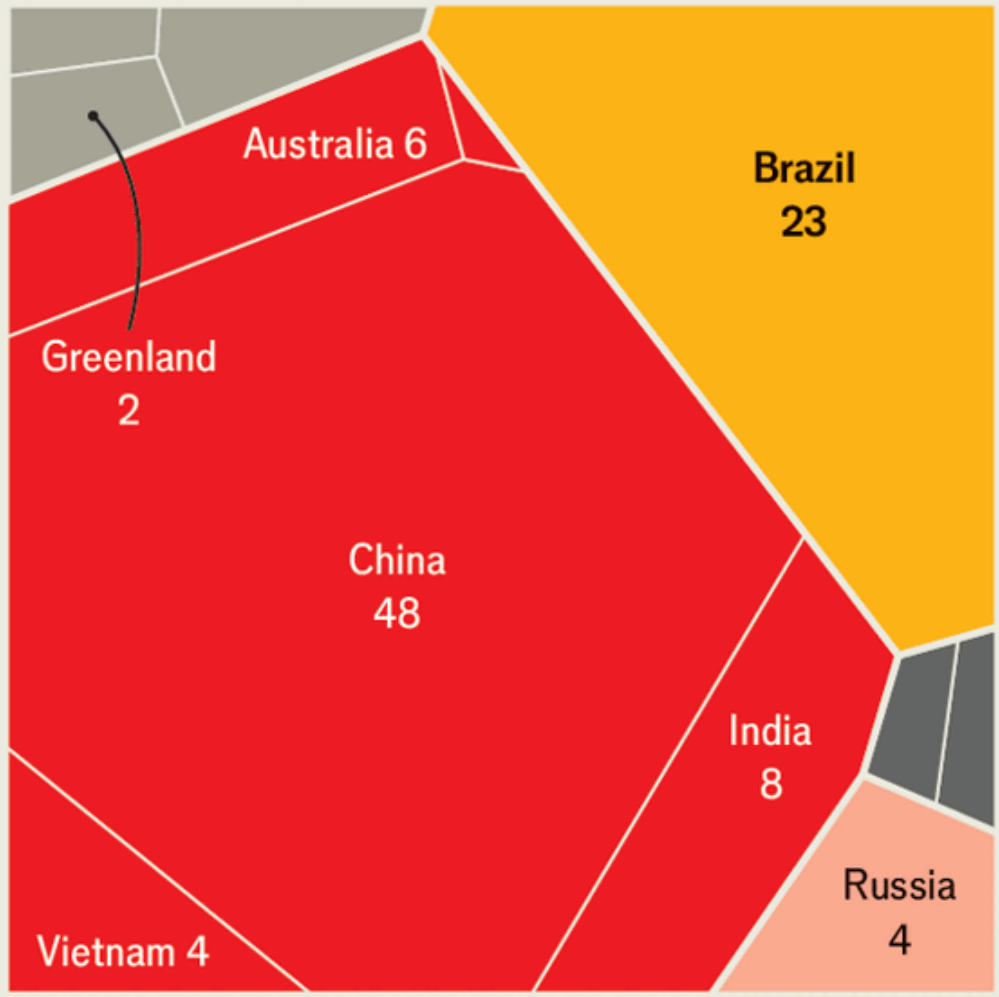
A PINK WAREHOUSE in Brazil’s north-east may help the world out of a tight geopolitical bind. Hidden inside a research park in the state of Bahia, the facility is run by Brazilian Rare Earths (BRE), a mining firm. It is building one of Latin America’s first separation plants for the eponymous minerals, a cluster of 17 elements needed for manufacturing everything from missiles to microwaves. Western

countries anxiously await new supply, eager to reduce reliance on China·, which controls 70% of mining and 90% of processing.

Donald Trump is particularly keen. The United States was hard hit last year when China imposed a series of export restrictions on metals, machine parts and engineers. By the time a one-year truce was declared in November many American and European factories had been forced to curb operations. Automobile, green-tech and arms manufacturers were particularly affected by a shortage of supermagnets. Few trust the truce will hold. Corporations are racing to find alternative suppliers, says Bernardo da Veiga, BRE's boss.

Big in Brazil

Known reserves of rare-earth elements*, January 2025, estimated % of world total



Total: 90m tonnes of rare-earth oxide equivalent

*Countries and territories that have mapped out deposits in detail. Data unavailable for Myanmar, Madagascar, Malaysia and Nigeria
Source: USGS Mineral Commodity Summaries, January 2025

Brazil holds nearly a quarter of the world's known deposits of rare earths, second only to China (see chart). Besides prime geology, the country boasts a sturdy extractive industry. Cheap electricity, experience in mineral exports and veteran engineers are big advantages, says José Augusto Palma of Aclara Resources, a Chilean miner. Brazil has been there before. In the 1950s a Brazilian company, Orquima, was the world's largest miner of rare earths, extracting metals from monazite sands. China came to dominate the industry after concerns about monazite's radioactivity led Brazil to dramatically tighten regulation and nationalise Orquima.

Modern Brazil wants to reclaim this mantle. In January the government of President Luiz Inácio Lula da Silva (known as Lula) began preparing a national strategy for rare earths. That followed a decree in November that made acquiring them a national-security issue, unlocking special financing, public-procurement options and simplified import procedures.

Politicians have two motivations. The first is to spur innovation. Rare earths' global market is worth a few billion dollars a year—a couple of months of Brazil's iron exports—so the revenue up for grabs is paltry. The real value is as a feedstock for high-tech manufacturing, says André Pimenta of CIT Senai ITR, a rare-earth-magnet manufacturer in the state of Minas Gerais, the first of its kind in South America.

The second draw is diplomatic. Most major economies are facing deficits of critical minerals, from humdrum copper and nickel to esoteric scandium and yttrium. The United States is the most enthusiastic. In July Donald Trump slapped 50% tariffs on most imports from Brazil in an effort to influence the trial of Jair Bolsonaro, a former president, for plotting a coup. Yet that same month the American ambassador to Brazil privately met mining companies to express an interest in buying their future output. After initially declaring Brazil's minerals were not for sale, Lula has dangled the possibility of a rare-earths accord in exchange for a reduction in

tariffs. If the United States is not interested, the EU, Japan or South Korea may well be.

There are challenges ahead. Brazil has one functional mine, opened in 2024 by a private outfit named Serra Verde. The company plans to double the amount of non-Chinese supply of more valuable, "heavy" rare earths in the market, yet has experienced production problems. Its ionic clay deposits have been trickier to work with. A nearly $500m loan from an American aid agency should smooth the process. Yet dozens of other miners are still waiting for licences. None will start producing until 2028 at the earliest. Few are keen to do the processing in Brazil.

More worrying is Lula's protectionist bent. "Either we take advantage of these riches that God has given us and make them a wealth for our people, or we will see the same old countries digging holes in our country, taking our minerals," he said in a recent speech. This is the wrong attitude, says Julio Nery of Ibram, Brazil's mining association. Moving up the value chain is important for Brazil, which still imports Chinese steel made from Brazilian iron. But rare earths have limited prospects.

Most miners are foreign-owned because the business is more capital-intensive than Brazilian markets can easily sustain, says Rafael Moreno of Viridis, an Australian miner. That is a big reason why most miners decline to process iron ore into oxide in Brazil, as well as lack of expertise. With time and money, these problems can be fixed. And money is coming.

For those about to rock

China long used predatory pricing to deter competition, recouping losses through magnet and electric-vehicle sales. Mr Trump challenged that in July when he signed an agreement with California-based MP Materials. The deal guarantees them a floor price of $110 per kilogram for neodymium-praseodymium oxide,

roughly double China's rate. Such price differences will become the norm, attracting new players into the market, says John Prineas of St George Mining, another Australian firm. Many of them will fall in the inevitable consolidation. The country that hosts the resources has hit pay dirt. ■

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Lekker vibes

The case for optimism in South Africa

After a lost decade, economic prospects may be brightening

1月 29, 2026 05:47 上午 | JOHANNESBURG



SOUTH AFRICA'S economy has long been defined by big holes. The wealth from its diamond and gold mines helped make it Africa's most industrialised country in the 20th century. More recently a big hole is what the economy has found itself in. GDP per person is lower today than it was 20 years ago. Over that time South Africa has fallen from 27th to 39th in the ranking of large economies, overtaken by the likes of Bangladesh, Israel and Thailand. A pollster in September found that 80% of South Africans believe that their country is heading in the wrong direction.

But a swelling group of optimists thinks otherwise. Adrian Enthoven, the boss of Yellowwoods, an investment firm, and the scion of a business dynasty, spoke for many of them when he argued in an influential lecture late last year that "after a decade of decline, South Africa has turned the corner." If he is correct, the consequences would be far-reaching for the country and, since South Africa is Africa's largest economy, for the continent, too. The presidency of Cyril Ramaphosa may undergo a reassessment as he enters his final years in office.

The optimists' case begins with state-run firms, such as Eskom, the electricity utility. In 2022 economists from Harvard University ascribed around 40% of South Africa's underperformance since 2008 to the failure of utilities. Like other state entities they were looted under Jacob Zuma, Mr Ramaphosa's predecessor. Better, newly appointed managers at Eskom have cut the number of days with blackouts from 284 in 2023 to just eight last year. The widespread adoption of rooftop solar power has also helped.

Mr Enthoven suggests that there is more going on. He argues that since the launch in 2020 of Operation Vulindlela, a task-force that was set up with the support of organised business, Mr Ramaphosa has overseen underrated market-based reforms. These policies have been bolstered by the formation, in 2024, of the Government of National Unity (GNU), a coalition led by the African National Congress (ANC) and the former opposition, the Democratic Alliance (DA).

State-run monopolies are being opened up. For 100 years Eskom controlled the generation, transmission and distribution of electricity. But since 2023 generating plants of any size can be built without a licence. A new independent transmission company means that electricity will soon be traded on an open market. These changes have caused an investment boom. Developers are considering around 220GW of potential renewables and battery-storage projects, about four times Eskom's installed capacity (though not all of them will be built).

Transnet, a state-run firm whose mismanagement of ports and freight rail has crimped exports, is on a similar track. In December it struck its first deal to privatise a port when it awarded a 25-year concession to a Philippine firm for the port of Durban, the largest in sub-Saharan Africa. Some 11 private rail operators will soon have access to Transnet's hitherto monopolised freight routes that take minerals from pits to ports.

There is more good news. Spectrum auctions have helped to improve mobile coverage and reduce data costs. A backlog of work visas, a source of angst for firms, has been mostly cleared. Once passed into law, the Public Service Amendment Bill should professionalise a civil service stuffed with ANC cadres. It could be "the most crucial institutional reform enacted in our lifetimes", says Mr Enthoven.

Macroeconomic indicators are improving. In 2025 the country recorded consecutive fiscal surpluses for the first time in 15 years. The ratio of debt to GDP could soon start to fall. Average inflation in 2025 was at its lowest level for 21 years. In November s&P, a credit-rating agency, upgraded South Africa's sovereign debt for the first time in nearly 20 years.

And yet there is still a way to go before economic growth is fast enough to make a serious dent in the unemployment rate, which at 32% is among the world's highest. Business leaders and Mr Ramaphosa's team often talk of growth reaching a rate of at least 3% within three years. But the IMF does not expect growth to exceed 2% in the next five years.

That is because the reforms, though genuine, are limited. Rudi Dicks, the joint head of Operation Vulindlela, argues that even though his team has done "phenomenally…some of the work is unfortunately slow." Even the task-force's own recent audit notes that progress is "delayed/off track" across a number of its initial five priorities: electricity, logistics, visas, water and telecoms.

And many critical areas remain unaddressed. With blackouts less common, the most frequent complaint among chief executives is the extent of organised crime and its links to political elites. The head of a large investment fund worries about the "Mexicification" of South Africa. Goolam Ballim of Standard Bank argues that while the foundations of growth "are slowly broadening…none of this will mean much without deeper improvements in governance". He says a current inquiry into allegations that politicians—including a former police minister—are in cahoots with criminals is a chance for South Africa to bolster the rule of law, as Brazil did through its "Operation Car Wash" (Lava Jato) investigations. (Senzo Mchunu, the former police minister, denies all allegations of wrongdoing.)

Even if that happened, other constraints on growth would persist. Though some bosses, including black executives such as Fani Titi of Investec, a bank, are arguing for a rethink of Black Economic Empowerment, the ANC is unlikely to ditch its landmark affirmative-action policies, despite the mounting evidence that they raise costs for firms and act as a cloak for corruption. Many firms, especially in the mining sector, worry about weakening property rights.

And then there is politics. The ANC will select a new leader in 2027, who will probably also take over as president of the country before a general election in 2029. The favourite, Paul Mashatile, Mr Ramaphosa's deputy, could have different views on the merits of the coalition. The DA, which has accused Mr Mashatile of corruption, may find it harder to be in a GNU led by him. (He denies wrongdoing.)

An end to the GNU that ushers in a populist coalition would be "catastrophic" for South Africa, notes Mr Enthoven. The uncertainty makes it all the more important for reformists to show a sense of urgency. If South Africa is indeed going to turn a corner, it had better get a move on. ■

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Green shoots

Nigeria’s economy may be back from the brink

A spate of painful reforms is beginning to show results

1月 29, 2026 04:18 上午 | Abuja



WHEN NIGERIA returned to civilian rule in 1999, Olusegun Obasanjo, the elected president, set out to clean up the economy after years of mismanagement by military governments. Initially dismissed by critics, by the end of his second term Mr Obasanjo’s liberal policies had tamed inflation, spurred investment and raised annual GDP growth to around 7%.

It didn’t last. Over the past decade GDP per person has fallen. Yet evidence is now mounting that another stretch of “golden years”, as

one analyst calls the period following Mr Obasanjo's liberalisation, may be on the cards. In the past two and a half years Bola Tinubu, who in Mr Obasanjo's day was the governor of Lagos and was elected president in 2023, has been enacting his own set of structural reforms. As he gears up to run for a second term in 2027, they may be starting to pay off.

It is difficult to overstate the mess Mr Tinubu inherited. When he took office in 2023, the country's central bank had $7bn (equivalent to 1.4% of GDP at the time) in obligations it could not meet, prompting international investors to flee en masse. The bank's credibility had been dented by a recklessly loose monetary policy, its mismanagement of dwindling foreign-exchange reserves and efforts to maintain an unsustainable tiered exchange-rate system. In 2022 alone the cash-strapped government spent some $10bn, equivalent to 2.2% of GDP, on a ruinous fuel subsidy.



To fix things, Mr Tinubu's government got on with a package of drastic structural reforms. It abolished the fuel subsidy and abandoned that multi-tiered system of dollar-pegged exchange rates, largely allowing the naira to float. The central bank aggressively tightened monetary policy to curb the resulting bout of inflation. The government also moved to improve security in the Niger Delta and offered a range of tax incentives to investors to boost dwindling oil production.

Nearly three years on, Nigeria's 230m people, especially the poor and the middle class, are still reeling from increases in fuel and food prices. Poverty has risen. But it looks as though Mr Tinubu's bitter medicine is helping. The annual inflation rate, which hit a nearly 30-year high of 34.8% in December 2024, fell to 15.2% in December 2025. Growth is returning. The IMF expects the economy to expand by 4.4% in 2026. Following two steep devaluations in 2023, the naira has stabilised (see chart). The central bank's foreign-exchange reserves have risen to $46bn, their highest level in seven years.

Improvements in macroeconomic stability are restoring investor confidence. On January 22nd Shell, a British company, said it hopes in 2027 to finalise plans, with partners, to develop a $20bn offshore oilfield that has been sitting untapped for over 20 years. Exxon Mobil, an American firm, has committed $1.5bn to deepwater development until 2027. Local business leaders are more upbeat, too. Oil-and-gas production is rising, much of it driven by local firms plugging leaks and improving output in onshore projects in the Niger Delta, which has become safer thanks to Mr Tinubu's focus on security there.

All this should give the government some fiscal breathing room, particularly as the cheaper naira begins to raise the competitiveness of Nigeria's non-oil exports such as cocoa and cashew nuts. Recent reforms to taxation and tax collection, Mr Tinubu's latest project, should help improve revenues further in the coming years. Falling inflation should eventually begin to ease the cost-of-living pain.

However, even optimists have plenty of reasons to be cautious. Savings from the fuel subsidy have largely been spent on servicing the public debt, which is still rising as the government continues to borrow against future sales of oil to fund its deficit. Currently, some 60% of revenues are consumed by debt service. On January 20th Nigeria's finance minister said the government hoped to borrow less this year, but current budget projections suggest that is not realistic.

“The government is broke. There’s nothing to invest in the future, that’s the truth,” says Esili Eigbe of Escap, a Nigerian consultancy.

Unless the government cuts civil-service salaries, another big chunk of spending, or is able to restructure loans to make them cheaper, the extra revenue from recent tax reforms looks unlikely to be available for improving infrastructure or to pay for public health care and education. “They’ve brought the deficit down, but they don’t seem to show any greater ability to get capital projects out of the door,“ says David Cowan, an economist at Citi, an American bank.

All this means that it will take a long time for ordinary Nigerians, who until now have mostly borne the pain of Mr Tinubu’s reforms, to feel any benefit. Buying food has been a particular struggle, not just for the 42% of Nigerians who live on less than $3 a day, the World Bank’s definition of extreme poverty, but also for the urban middle class. The price of a kilo of rice has nearly quadrupled since May 2023, while wages have barely budged. Even though inflation is now falling, many still struggle to afford enough to eat.

Mr Obasanjo’s reforms in the early 2000s aimed to increase economic dynamism and improve people’s lives by attracting fresh capital investment into newly privatised sectors. By the end of his second term in 2007, domestic companies were worth $85bn, up from $3bn in 1999. Mr Tinubu, by contrast, has so far focused on restoring stability and reviving the country’s ailing oil-and-gas sector. To bring about more golden years for Nigerians, he needs to go beyond that. ■

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In jail or in exile

Congo’s regime hounds its opponents

Worsening conflict in the east is fuelling paranoia and repression

1月 29, 2026 04:18 上午 | Kinshasa



Félix, not happy

EARLY IN THE morning on January 18th security officers arrived at Aubin Minaku’s home in Kinshasa, the capital of the Democratic Republic of Congo, and took the opposition politician away. He has not been heard from since. On January 5th masked men dragged Nathanaël Onokomba out of a talk he was giving in Kinshasa. His lawyer says the activist was subsequently held incommunicado for five days, beaten and denied food.

The two men are the latest victims of a widening crackdown on Congo's opposition. The failure of an American-brokered deal to end a conflict in the east that pits Congo's army against Rwandan troops and M23, a rebel group supported by Rwanda, has weakened the government and made it increasingly paranoid about dissent. Amid a hunt for enemies within, it has become disturbingly common for armed men to knock on opponents' doors in the middle of the night and take them away to secret detention sites.

The rise in repression looks like an attempt to distract from the government's inability to restore control over eastern Congo. A peace deal signed in Washington in December called for Rwanda to withdraw its troops and cease support for M23. It also offered American help to Congo in return for access to the country's minerals. But the agreement has neither stopped the fighting nor prevented M23 from consolidating its presence.

Associates of Joseph Kabila, a former president whom the government accuses of colluding with M23, are most at risk. A military court sentenced Mr Kabila, who is probably outside the country, to death for treason in October. Mr Minaku, a Kabila loyalist, was arrested a few weeks after the head of Mr Kabila's party was detained. His whereabouts are unknown. The party has been banned.

But the repression goes beyond Mr Kabila's acolytes. According to Mr Onokomba's lawyer, the activist's arrest appears to have been prompted by his claims on social media that life was better during the Belgian colonial period than under Félix Tshisekedi, the president, and by jokes about the flimsy peace deal with Rwanda.

All major opposition parties have recently complained about arbitrary arrests; most of their leaders are in exile. Seth Kikuni, one of the few prominent opposition politicians to remain in the country, said on January 19th that he had fled, too.

Nor has the repression spared the armed forces. Over the past year Congo has arrested a former army chief of staff, a former head of its military intelligence agency and the former head of the president's personal military bureau, among others. Charges range from treason to plotting against Mr Tshisekedi.

Congo is hardly known for its thriving political freedoms, but human-rights groups say the recent wave of arrests is remarkable for its breadth. It is unclear how many have been arrested, but it may be hundreds. High-profile cases are handled by the CNC, a shadowy, relatively new agency that reports directly to the president. More people are being held incommunicado without access to lawyers or regard for due process. Sometimes, humiliating videos of detainees asking for forgiveness turn up on social media. "There's a total lack of control" in the security apparatus, says one local researcher, who argues the system is close to collapse and steeped in fear of coup plots. "We're in a war, anything goes," the researcher says.

The justice minister has defended the arrests as a way to protect national security. But they are unlikely to further that aim. Mr Tshisekedi has little to show for his time in office besides more than four years of worsening conflict. Rather than cow disgruntled Congolese, the crackdown could create new, powerful enemies. ■

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The build-up

Is America about to attack Iran?

Donald Trump says he is willing to negotiate. He might be bluffing

1月 29, 2026 07:19 上午



"AMASSIVE ARMADA is heading to Iran," warned Donald Trump on January 28th. Two weeks ago America's president promised Iranian protesters that help was coming, only to back down. Since then the scale of the bloodshed inflicted by Iran's regime has become clearer. HRANA, a human-rights monitor in Washington, has confirmed over 6,300 deaths. The real toll may be as high as 30,000, according to opposition sources. Now Mr Trump has switched his focus to Iran's nuclear programme, missile production and foreign policy. If it

refuses to make a deal, he said, the next attack would be "far worse" than the raids on Iran's nuclear sites last year.

That is a credible threat. The centrepiece of the armada is the *USS Abraham Lincoln*, an aircraft-carrier that is thought to have reached the Gulf of Oman, whence its fighter jets could easily hit Iran. The carrier also hosts electronic-warfare aircraft which can jam Iranian radars, and arrives with three destroyers, each of which carry land-attack cruise missiles and systems that can intercept Iranian missiles.

America has pushed other military platforms into the region, too. Satellite images show new air-defence systems deployed to al-Udeid air base in Qatar, where America's Central Command has its regional headquarters (and which was targeted by Iran last summer). F-15E fighter jets, used to destroy Iranian drones heading for Israel in 2024, have been sent to Jordan. Two weeks ago Israel lobbied against military strikes, in part because it was vulnerable to Iranian attack. America is now in a stronger position to parry any Iranian retaliation. Yet there have been few public signs of a surge in cargo-plane flights that would accompany new deployments of Patriot and THAAD batteries, which might be used to shoot down Iranian missiles.

Plane-watchers who track transponder signals have noted several other telling developments. A surge of refuelling tankers has arrived at al-Udeid. Search and rescue (SAR) aircraft—of the sort needed to find downed pilots—have been heading east. There has also been a sharp increase in activity by American surveillance aircraft capable of tracking Iranian radars, intercepting communications and mapping Iranian forces, as well as by planes that serve as airborne communications relays and could support SAR missions. Both, argues Steffan Watkins, who follows planes and ships using public data, are a "sure sign the bombing will be soon."

What, precisely, is in Mr Trump's cross-hairs is less clear. Diplomats set out several scenarios. One is symbolic strikes, perhaps against the Islamic Revolutionary Guard Corps, which has led the recent repression. That would allow Mr Trump to say he had enforced his red line without shaking the regime's grip on power.

An alternative would be much broader strikes intended to topple the regime by killing its leaders. Arab and European governments are sceptical that this would work. It would probably require many days or weeks of bombing. That, in turn, would demand an even larger deployment of firepower than is in place today. And it would almost certainly prompt a larger war, in which Iran might target American and allied bases in the Gulf. Israel might spy an opportunity to inflict heavy damage on Iran's growing missile force. Saudi Arabia and the United Arab Emirates, wary of such a conflict, have refused to let their airspace be used for a military strike on Iran.

A final scenario put forward by Western officials is a hybrid operation. This would see America take out some Iranian leaders—including Ayatollah Ali Khamenei, the country's supreme leader—before reaching an understanding with the rump regime, as it did in Venezuela.

Of course, there is still the possibility that America and Iran cut a deal that prevents an attack. Steve Witkoff, Mr Trump's envoy to the Middle East, has said that any agreement would need to address Iran's nuclear programme, its missile stockpile and its network of regional proxies. Yet Iran's leaders will not have forgotten the two-week deadline for a deal that Mr Trump set in June. Three days later, he bombed the country. ■

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An uncertain future

Hizbullah, Iran’s most powerful proxy, has been humbled

The militia is still a force in Lebanese politics, but its ability to menace abroad has been severely weakened

1月 29, 2026 05:47 上午 | Beirut



FOR HIZBULLAH, the Shia militia that has dominated Lebanon for four decades, September 2024 seemed to mark a nadir. That month rescue workers pulled the body of Hassan Nasrallah, its long-standing leader, from beneath 90 feet of rubble in Beirut’s southern suburbs. It remains unclear whether he was killed by the blunt force of Israeli air strikes or, as some Lebanese and Iranian officials insist,

suffocated in his underground bunker. Either way his death exposed the movement's growing fragility.

Yet that weakness has become only more apparent in recent weeks, as unrest spread across Iran, Hizbullah's patron, and as the Iranian regime's violent response laid bare its own vulnerabilities. Hizbullah is Iran's most powerful foreign proxy—given the task of deterring Israel and projecting power beyond the theocracy's borders—meaning it is under pressure as never before. Militarily and financially, the organisation is diminished. Its remaining strength lies less in confrontation with Israel than in its ability to dominate Lebanese politics.

Start with the squeeze. Hizbullah's sources of cash have reduced sharply. The abduction of Nicolás Maduro in Venezuela disrupted a lucrative stream of revenue from organised crime and narcotics that had long benefited the group. Under Mr Maduro, Caracas became a hub for illicit Iranian oil exports, a transit point for Colombian cocaine and a haven for money-laundering. Mr Maduro personally guaranteed these arrangements, and in 2022 Iran and Venezuela signed a 20-year co-operation agreement. But after Mr Maduro's removal, America has cracked down on such support. People who deal with Hizbullah regularly say that this line of funding has dried up.

Pressure has mounted elsewhere, too. Israeli air strikes on Hizbullah targets continue. The group has lost control of Beirut airport, once vital for moving people, weapons and money between Lebanon and Iran. The fall of Bashar al-Assad in Syria in 2024 further disrupted routes that used to allow Hizbullah to replenish its arsenal quietly and cheaply.

The movement's leadership has been hollowed out. Even after a ceasefire with Israel, assassinations have continued. In November Haytham Tabtabai, the commander responsible for rearmament, was killed in Beirut. Hizbullah's remaining leaders are ageing, infirm and

hiding. Senior figures avoid meetings, fearful that any gathering will draw Israeli fire.

Their political cover in Lebanon has eroded too. As army chief, Joseph Aoun avoided confronting the militia. As president, he has described weapons outside state control as "a burden" on his country; few had any doubt that meant Hizbullah's arsenal. He is not alone in voicing what would once have been unthinkable. The taboo around discussing Hizbullah's disarmament has evaporated; television panel shows now debate it openly.

Iran's response to Hizbullah's losses, and its own weaknesses, has been to tighten its grip. The Islamic Revolutionary Guard Corps—the Islamic Republic's military arm, long embedded in the group's military structures—now exercises direct authority. Whatever autonomy Hizbullah once enjoyed died with Nasrallah. Decisions about weapons, strategy and escalation now come from Tehran.

That dependence comes as resentment is mounting in Lebanon, even among Shias, who constitute Hizbullah's base. In the south, where the group once prided itself on rebuilding faster than the state, little has been repaired since its war with Israel in 2024. Villages lie in ruins. A Christian woman from a border town was recently given a cheque by Hizbullah, only for it to bounce when she tried to cash it at al-Qard al-Hassan, the financial institution at the centre of the group's banking network.

Iran is still paying Hizbullah fighters' salaries, according to Shia businessmen and analysts in Lebanon. But it is no longer willing—or able—to underwrite reconstruction or subsidise welfare. The priority for the Iranian regime is maintaining Hizbullah's ability to menace Israel, not restoring southern Lebanon. That divergence is sharpening tensions. "The Lebanese are not interested in liberating Palestine," says a Shia businessman. "Let the Iranians do it."

And yet, for all these weaknesses, Hizbullah remains a powerful force inside Lebanon—and is still able to adapt. The group is returning to the methods through which it first built power: decentralised cells, tunnels, smuggling routes and guerrilla warfare. Intelligence officials say it is studying Hamas's experience in Gaza closely.

Hizbullah has largely ceded territory south of the Litani river, allowing the Lebanese army to deploy thousands of troops along the border with Israel. Elsewhere, however, it is consolidating. Since late 2025 it has been recovering weapons abandoned in Syria. Old smuggling paths once used by shepherds and jihadists are again busy. A network of tunnels in the Bekaa valley has taken on new importance.

The group's political strength today lies in the ambiguity of its position. It is neither disarming fully nor confronting the state directly. This vagueness suits it. Open conflict with the Lebanese armed forces would hasten its decline. Some officers may have ties to the party, but in a true crisis they would choose the institution that offers permanence and legitimacy, says a retired general. Its threats are rhetorical, not operational.

It is hard to see how Hizbullah could disarm without losing its raison d'etre. "Like the heart is to a human," says Ali al-Amin, a Shia activist, "weapons are the heart of Hizbullah." Reduced to a normal political party, it would lose its claim to exceptionalism. Hizbullah will not disarm as long as the regime in Iran survives, says Lina Khatib, an expert on the group at ExTrac, a risk-analysis firm. As one Shia observer in Beirut puts it: "For them, Iran is God—and God cannot die." But given convulsions within Iran, the militia's future looks ever less certain. ■

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Breaking down and breaking out

Prisons holding jihadists in Syria are no longer secure

The danger of ignoring these camps is becoming more acute

1月 29, 2026 04:18 上午 | Al-Hol



Suddenly people care about him

BEHIND A CHAIN-LINK fence in north-east Syria, women clutch rucksacks and glance at their phones. They are Uyghurs—among the thousands of foreign Muslims who travelled to Syria a decade ago to join jihadist groups during its civil war. Since 2018, when Islamic State (IS) lost its last territory, they have been held at al-Hol, a vast detention camp near the Iraqi border. Today many expect to be released.

Around 35,000 people have been detained in camps run by the Kurdish-led Syrian Democratic Forces (SDF). Al-Hol is divided in two. One section houses Syrians and Iraqis caught up in the war. The other—the "annexe"—holds foreign jihadists, many still loyal to the brutal ideology of IS.

For nearly a decade they existed in legal limbo. The Kurds could not try them, nor would they free them. Most Western governments, despite American pressure, refused to take their citizens back. But as long as the camps were secure, the problem could be ignored.

That status quo collapsed last week. As a government offensive retook territory from the SDF, al-Hol and other detention sites changed hands. Kurdish guards fled; fighters loyal to Ahmed al-Sharaa, Syria's interim president and a former jihadist, moved in. They seem more sympathetic to the inmates.

Last week your correspondent saw dozens of women climbing out of the foreigners' annexe. Others were collected by masked men, apparently bound for Idlib, Mr Sharaa's former fief. "Please, sisters, go back inside," pleaded one guard as veiled women slipped through a breach in the fence.

Some governments may now accept that they have a moral and security duty to deal with their nationals, says Devorah Margolin of the Washington Institute for Near East Policy. Others, she warns, will continue to push the problem onto someone else. That is ever riskier.

America is moving as many as 7,000 of the most dangerous detainees, mostly foreign men, to Iraq. Iraq's intelligence chief said this week that around 10,000 IS militants are active in Syria (up from 2,000 a year ago). Taking custody of the prisoners is a pre-emptive security move.

Some of those held in al-Hol have committed no crimes. Some were born there; others arrived as small children. One blue-eyed 15-year-

old said he was Bosnian, though he spoke no Bosnian and barely understood what a passport was. After eight years behind wire, he could scarcely remember life outside. The only people who seem eager to claim boys like him are IS recruiters. The danger of ignoring these camps for so long is becoming apparent. ■

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Europe

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Rare, not well-done

Europe is at China’s mercy to get crucial raw materials

And it is losing out to America in the race for alternatives

1月 29, 2026 07:18 上午 | Berlin



EUROPE HAS sleepwalked into all kinds of dependencies over the years, from American digital services to Russian energy. Its reliance on Chinese rare earths, crucial in everything from electric cars and wind turbines to fighter jets, is perhaps the hardest to shake off. When China started to restrict exports last year, European manufacturers panicked. A global ores race kicked off, pitting the European Union’s rule-bound approach against America’s more muscular one. On February 4th America will welcome countries at a

critical-minerals summit in Washington. What will Europe bring to the table?

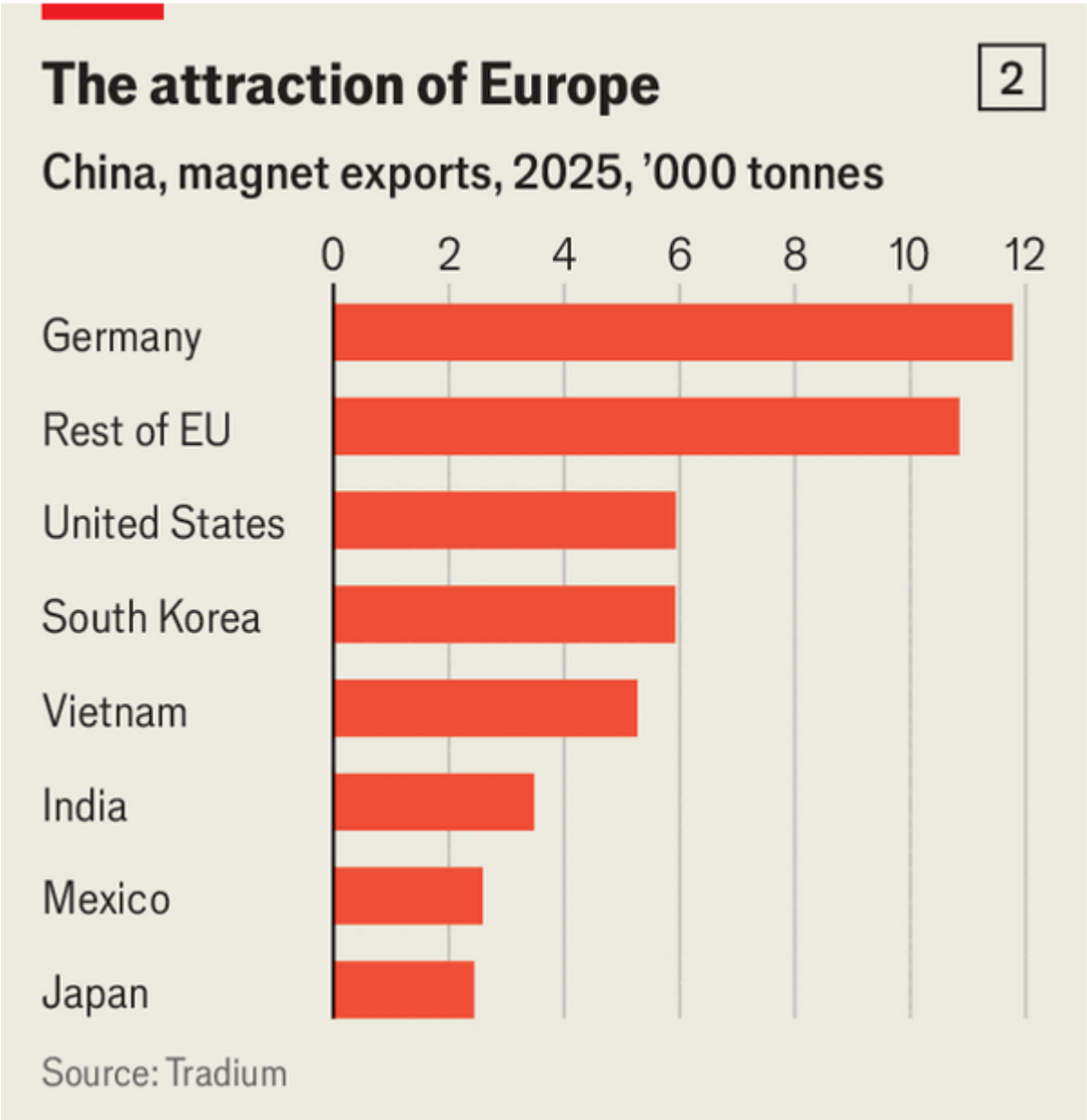
China's leverage rests on its near-monopoly of rare-earth supply chains. It accounts for 70% of the ores dug up, over 90% of the refined material and nine-tenths of the magnets made from them. It has consolidated the industry into a handful of national champions and developed a tracing system to follow every tonne of rare earths.



America needs rare earths to build lasers and aircraft, but Europe is more exposed. It has fewer exploitable deposits and imports more of the key materials than anyone bar Japan (see chart 1). Industry-heavy Germany is the single biggest importer of permanent magnets (see chart 2). "This poses a non-distant risk, and not a tolerable risk," says a European official.

When America tried to tighten high-tech export controls on China last summer, it enlisted European firms, notably ASML, the world's leading maker of the machines that print chips. China responded by restricting rare-earth shipments. European firms have since had to give up trade secrets to China to apply for licences. "In 2025 China learned that it can disrupt Europe's industries at little cost," argues Joris Teer of the EU Institute for Security Studies, a Paris-based think-tank. In October the two superpowers struck a 12-month truce and Chinese exports resumed, but that may not last. In January China tightened exports to Japan again over remarks its leader made about Taiwan.

The race to secure alternative rare-earth supplies is crowded·. Uncle Sam is outmuscling everyone, throwing money at projects and host countries alike. Its see-what-sticks efforts seem chaotic to Europeans, but are directed by David Copley, a former gold miner who sits on America's National Security Council. Of ten government-backed projects in 2025-26 listed by Project Blue, a consultancy, four are sponsored by America and only one by Europe: Carester, a refining and recycling plant in southwestern France. America has signed a flurry of investment deals to develop projects in countries including Australia, Malaysia and Saudi Arabia. By contrast, the deals Europe is pursuing, most of them in Africa, "would not have been considered tier-one projects just a few years ago", says an industry expert.



Europe also lags Japan, which has a head start of 15 years: it launched its response after China restricted its rare-earth imports in 2010. Japan now has a single, powerful minerals procurement agency, an established dialogue with businesses and a domestic magnet industry ready to process imported material. Technocrats from the EU's 27 countries are struggling to catch up with market realities. The sponsor of one active rare-earth mine in the southern hemisphere says the few calls he has had with European

Commission officials have involved two dozen people, "none of whom had a title implying a commercial background".

On December 3rd the EU unveiled its ResourceEU strategy to co-ordinate member states' efforts and push for joint procurement and stockpiling. The European critical raw materials centre, to be set up this year and modelled on its Japanese equivalent, should act as the operation's strategic headquarters. But money is tight. The EU is scraping together €3bn ($3.6bn) to invest in supply chains and in recycling the 34 types of mined commodities it deems critical. Only two of those 34 comprise rare earths (light and heavy). The first project to get funding is in Greenland. Germany's own resource investment fund will back just three projects, one a rare-earth mine and refinery in Australia owned by a company based in Perth.

Critics of the American approach reckon it will distort markets and waste a lot of cash. So the Trump administration wants to enlist others in the G7 to form a buyers' club, including price floors so that Chinese competitors cannot bankrupt new projects by lowering prices. Europe also sees the need for such demand-side support, but will be reluctant to sign up to American schemes. Instead the EU might be able to play to its strengths as a large, competitive market with stable rules.

Benchmark Minerals, a data firm, suggests the bloc's demand for key rare-earth oxides could be double or triple America's by 2030, depending on the element; one in five magnets will also go to Europe. Industry targets for what needs to be sourced outside China, together with bloc-wide procurement and stockpiles, should create guaranteed demand at a competitive price for the next wave of projects. "The EU is trying to fix a market failure without causing another one," says Vasileios Tsianos of Neo Performance Materials, a Canadian firm that separates rare earths and makes magnets in Estonia.

Another strength for Europe is that, whereas America and China tend to demand political concessions for investment, Europeans just want the materials. European projects typically give more contracts to local firms than Chinese ones do, and add aid to benefit the population. Apart from a few nativist industrial-policy types, most European governments are happy to help raw-materials industries develop elsewhere as long as Europe secures the output. The EU's recent free-trade deals, which reduce tariffs on processed materials, fit that approach.

Europe is playing a long game but must speed up and pledge more money. One rare-earth element, Europium, is abbreviated to Eu. It is used in bright red lights such as alarm signals. If China blocks exports again, Europe may need those. ■

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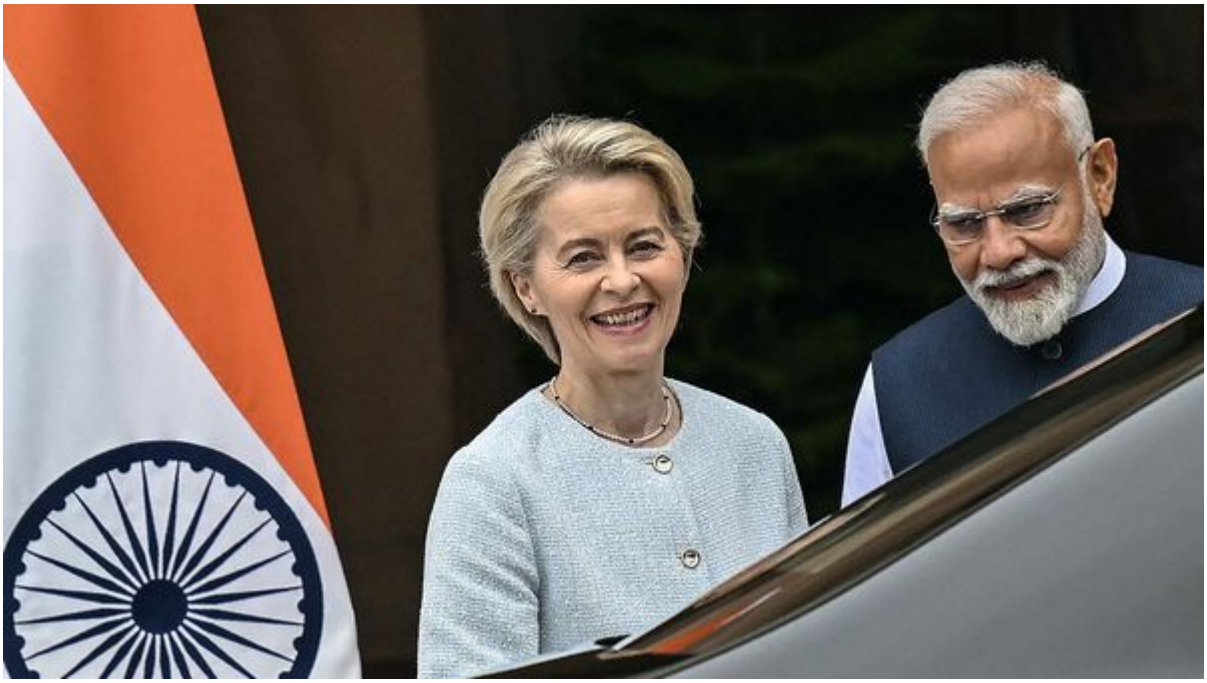
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Runners-up club

Europe’s long-awaited free-trade deal with India

One way to show America and China that also-rans have options, too

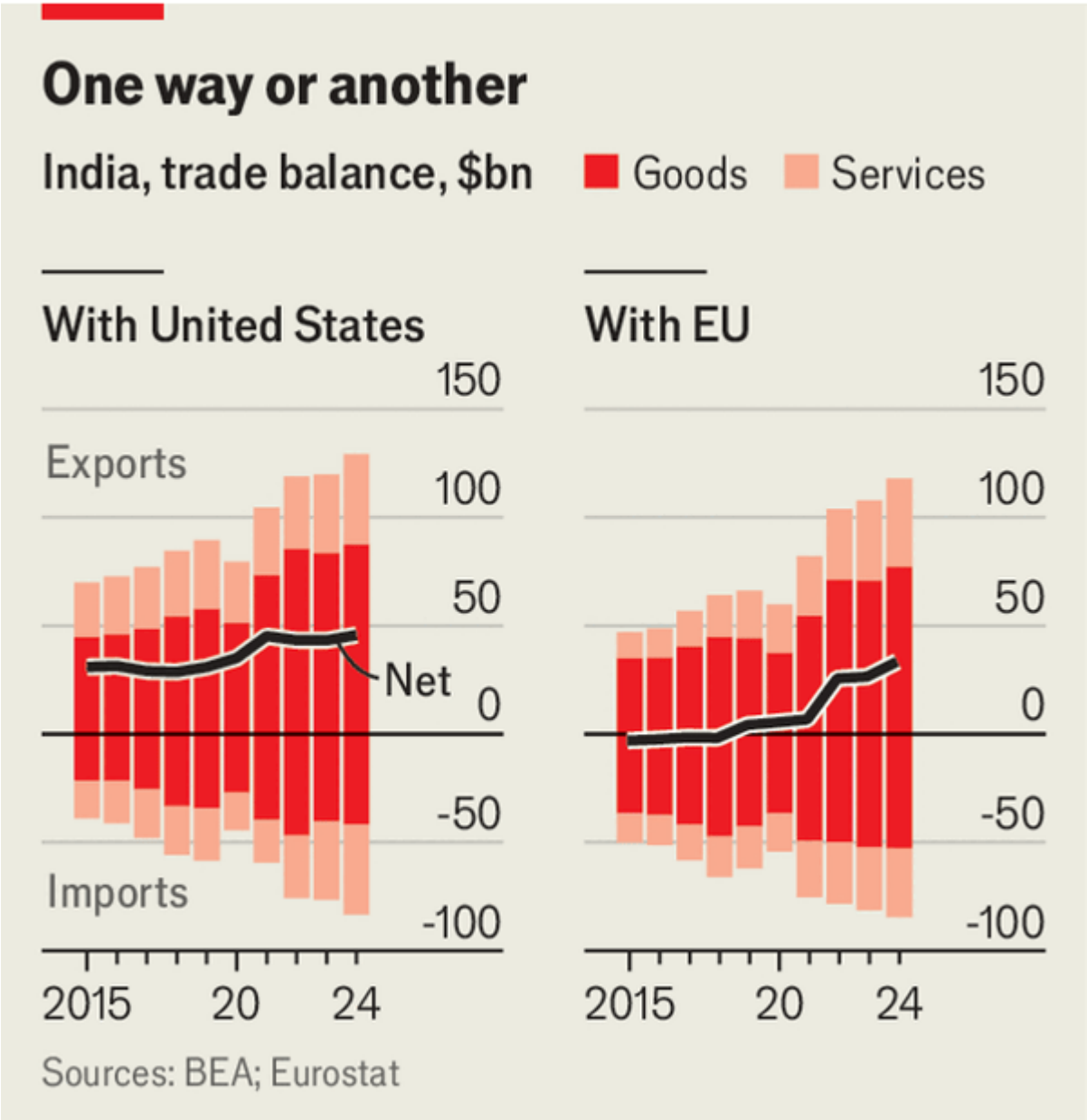
1月 29, 2026 07:17 上午 | Delhi



NARENDRA MODI’S guests of honour at Indian Republic Day on January 26th were treated to the usual military parade—helicopters overhead, hypersonic missiles on lorries. This year, however, they were joined by a small contingent of soldiers flying the European Union’s banner. The bloc’s two top officials were in attendance: Ursula von der Leyen, president of the European Commission, and António Costa, president of the European Council, which represents the EU’s member states. At a summit the next day the two sides

announced a range of accords, among them a free-trade pact. Donald Trump deserves some credit: without his predilection for levying tariffs and alienating allies, the pair might not have struck a deal.

Europe and India face a similar problem. "They are trying to preserve their strategic autonomy as secondary players in their respective spheres, India v China in the Indo-Pacific and Europe v America in the Atlantic," says Chietigj Bajpaee of Chatham House, a British think-tank. India is increasingly looking west for trade relationships, while shunning Asian competitors. The EU looks for opportunities anywhere. On January 17th it signed a pact with Latin America's Mercosur trade zone.



In the short run, an EU-India deal will change little. India is only the EU's ninth-biggest trading partner. At about €76bn ($91bn), exports to India are just 0.4% of the EU's GDP. The current average tariff rate on Europe's exports to India is only about 9% anyway. But some reductions matter: tariffs on European cars will gradually fall from 110% to 10%, subject to a quota. Non-tariff barriers, such as India's quality-control orders that can keep exports stuck at ports for weeks, are worse. The agreement promises some improvements, but mostly left contentious regulatory areas untouched.

The effect on India is a bit larger. It is trying to soften the blow from the 50% rate Mr Trump imposed on it as part of his global tariff rampage, and from his punitive tariffs on countries buying Russian oil. India's €105bn in exports of goods and services to the EU roughly matches the $129bn it exported to America in 2024.

The current average EU tariff on Indian imports is just 4%. As India is strongly protectionist, the deal is shallower than others the EU has recently signed. Controversial segments, including many agricultural goods, were excluded. Others are reserved for separate agreements, notably the geographical indicators that protect collective brands such as Greece's feta or India's basmati rice.

The deal is mainly about promoting longer-term co-operation. A security and defence partnership was signed alongside the free-trade pact. This "shows a higher level of trust", says Garima Mohan of the German Marshall Fund, an American think-tank. India is hoping that its ability to produce at scale will complement European arms producers. A deal on skilled migration, mostly from young India to ageing Europe, was also signed. An agreement to expand India's participation in Horizon, the EU's flagship research-funding programme, is being explored.

The two sides still have plenty to disagree on. India will not jettison its long-standing relationship with Russia, despite that country's war on Ukraine. The EU's latest package of sanctions on Russia included three Indian entities. India, for its part, considers the EU's new carbon border adjustment mechanism, which taxes imports whose production emits a lot of greenhouse gases, to be protectionism masquerading as environmentalism. But this week's deals are striking: they signal that runners-up to the global superpowers have options of their own. ■

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Conflict fatigue

Near the front line, Russians are growing tired of war

A report from Belgorod, where not all residents see Ukrainians as enemies

1月 29, 2026 04:18 上午 | Belgorod and Kozinka



Old enough to remember the last big war here

KOZINKA LOOKS like any other village in Russia's Belgorod region: brick houses, a school and kindergarten, a grocery displaying its opening hours. But the houses are dark and the shop never opens. The village, less than a kilometre from the Ukrainian border, was shut down by the authorities last year. Fewer than ten of the thousand or so people who lived here remain, at their peril. The

evacuees were promised compensation for their houses. They are still waiting.

Ukrainian forces have entered Kozinka twice, in 2023 and 2024. Part of the village was destroyed in fighting, but they did not target civilians. Alexandra Severina (pictured above), an 87-year-old ex-resident, recalls smiling Ukrainian soldiers rolling in on armoured vehicles. They confiscated mobile phones, but left them in a pile under a tree for villagers to collect when they retreated.

Read more of our recent coverage of the Ukraine war

"We have always lived in harmony with Ukrainians. They are good people," says Katerina Matveyevna, who stayed in what is left of the village. Like most in the border region she speaks Surzhyk, a dialect that blends Russian and Ukrainian, and has friends and relatives on the other side. They used to sing Christmas carols together and cross the border to go shopping: sausages were cheaper in Ukraine; petrol in Russia. Now drones haunt the roads, says Nikolai, who drives people between Kozinka and Belgorod city, the regional capital 40km from the border. "If it's Ukrainian it buzzes like a mosquito, and if it's Russian it hums like a bumblebee."

Over the past four years, the inhabitants of Belgorod city (once 400,000, now fewer) have grown used to war. But since early January, when Ukrainian missiles struck Belgorod's thermal power plant, the region has been on the verge of a blackout. Electricity and heating have been largely restored, but there is not enough reserve power for everyone's needs, according to Vyacheslav Gladkov, the region's governor.

On January 13th Mr Gladkov warned that the city could be evacuated if power is lost. That caused a stir in Russian media, but locals stuck to their routines. They still head to work every morning, paying little heed to air-raid sirens. In fact Belgorod is livelier than it was two years ago, when it was hit by Ukrainian rockets in reprisal

for Russian attacks on Kharkiv (pictured below) and other cities. A shrine of toys and flowers sits near the spot where 25 people were killed.



Many locals worry as much about their governor's latest plans as about drone attacks. On January 12th Mr Gladkov announced a fight against "internal enemies" and those who "sow discontent". No one knows whether describing daily hardships near the front line qualifies as sedition, so most prefer not to talk. A preliminary list of those "stoking panic" includes social-media groups discussing residents' problems and Pepel, a Telegram news channel with 100,000 subscribers run by Nikita Parmenov, an émigré journalist from Belgorod who relies on local input.

The channel drew the government's ire not so much for its content as for its role in co-ordinating volunteers who deliver water to damaged homes. Grass-roots movements are viewed with suspicion by the authorities, who have tried to steal Mr Parmenov's thunder by launching an official "volunteer programme". The government is promoting Belgorod as a heroic front-line city. A photo exhibition in the city's main park depicts soldiers defending the country. Few stop

to look. “Everybody is tired,” says one passer-by, covering his face. “Many of those who supported it at the start are feeling disillusioned.”

In a reader survey conducted in January by Fonar, a local news website, a quarter of respondents felt “devastated and disappointed”. A similar number felt their lives were on hold. Only 6% said they gave aid to participants in Russia’s “special military operation”. Ilya Kostyukov, a political activist and lawyer in Belgorod, says many soldiers ask him to help them terminate their military contracts, but for a year even the injured have not been allowed to leave. “I tell them honestly: you can bang your head against the brick wall and pay me millions, but we will not succeed.”■

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Tilted pitch

Viktor Orban may lose his next election

He trails in polls, but the rules favour Trump's man in Hungary

1月 29, 2026 06:18 上午 | Budapest



THE MATHIAS CORVINUS COLLEGIUM (MCC) in Budapest is a pillar of rule for Viktor Orban, Hungary's populist-right prime minister. The private institution, funded largely by a 10% stake in the state-owned oil and gas company, serves as a think-tank for national-conservative ideas and an elite training ground for Mr Orban's Fidesz party. Yet on a recent afternoon in its Scruton Café, two MCC students said they were enthusiastic about the rise of a different political force: Tisza, the opposition party led by Peter Magyar (pictured)—a defector from Fidesz who denounces Mr Orban as a corrupt tyrant. On being told

that your correspondent was a journalist, they abruptly declined to discuss politics.

Mr Magyar is inspiring Hungarians, especially young ones, like no other politician since Mr Orban returned to power in 2010. (He had a previous stint in 1998-2002.) The Tisza leader owes some of his rise to charisma. He is fit and well-dressed, usually in chinos and a slim-fit white shirt, a striking contrast to the greying Mr Orban. He is also indefatigable, having spent much of the past two years barnstorming across the country for rally after rally.

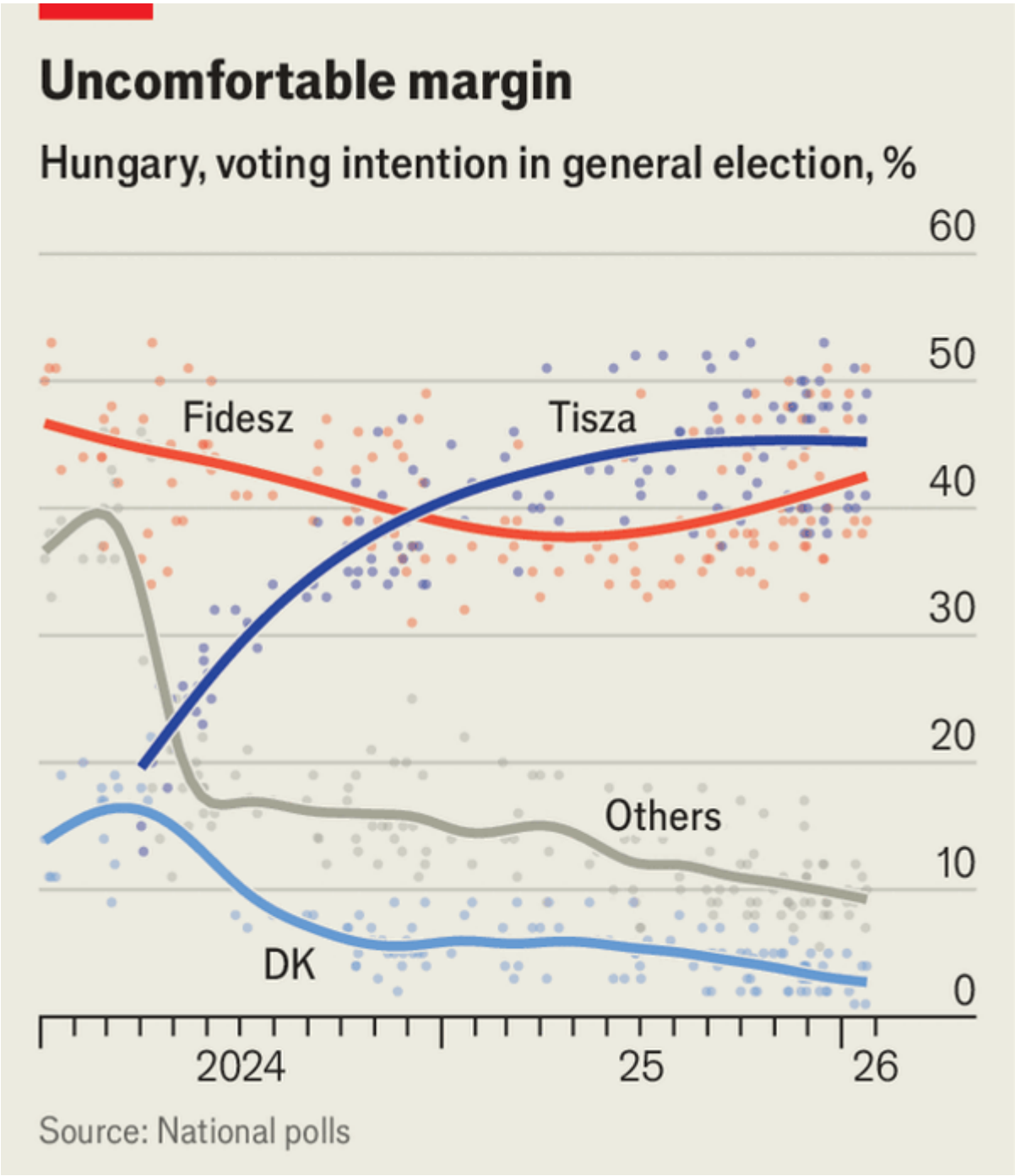
But most of his appeal comes from his attacks on corruption. Since Mr Orban came to power Fidesz has largely taken over the courts and the media; cronies of the prime minister have become fabulously wealthy. Violations of the rule of law have led the European Union to suspend billions of euros in aid. Should Mr Magyar win the next elections, scheduled for April 12th, he promises to clean house, unblock EU funding, and get Hungary's stagnant economy moving again.

"When the economy did well, people didn't mind the corruption so much," says an Austrian businessman and longtime resident. But Hungary's GDP growth has been anaemic since late 2022. Last March a government audit found huge irregularities at foundations linked to the country's central bank, with over $1bn unaccounted for. In its most recent ranking Transparency International, a watchdog, named the country the most corrupt in the EU for the third year running.

Mr Magyar is well placed to take advantage of public outrage. He burst onto the scene in early 2024 when he revealed efforts in Fidesz to protect officials who had covered up a child sexual abuse case. As a longtime member of the party whose ex-wife had been minister of justice, he was privy to inside information. He took over Tisza, then a tiny splinter party, and after a few months of frenzied campaigning won 30% of the vote at the European Parliament election in June 2024.

Since then Mr Magyar has stepped carefully. His own political beliefs are centre-right, and he has avoided overtly liberal stances such as attacking Mr Orban over his hostility to Ukraine. Instead he has focused on corruption, inflation and deteriorating public services, especially hospitals. He has made a complete break with the parties that led the opposition to Fidesz over the past decade, whether liberal or socialist. Tisza's candidates for parliament, selected in November, are largely political neophytes with prominent roles in their communities.

For over a year, polls have put Tisza ahead of Fidesz. The latest by Median, an independent pollster, has the upstarts leading by 40% to 33%. The Fidesz-friendly press accuses Mr Magyar of blackmail and domestic violence during his divorce, but he denies the allegations, and the public has not taken them seriously. Mr Magyar "has shown a Teflon quality, like Trump", says Krisztian Orban, a private-equity investor (no relation to the prime minister).



But a big lead in the polls is no guarantee. "It will be a free but not a fair election," cautions Peter Kreko of Political Capital, a think-tank in Budapest. Fidesz has a huge financial and propaganda advantage. Mr Orban is distributing gifts: a lifetime exemption from income tax for mothers of three or more children is being extended to mothers of two. Pensioners got a bonus 13th-month payment in January; in

February they will get a 14th month. The public broadcaster serves as a megaphone for Fidesz, as do nearly all local newspapers in the countryside.

Most important is the systematic bias towards Fidesz of Hungary's electoral system, which Mr Orban has spent over a decade refining. Under the old system parliament had 386 seats, with 176 elected in single-member constituencies and the rest by proportional representation. In 2011 Fidesz pushed through a law reducing the number of seats to 199, with 106 representing single-member districts. As the biggest party Fidesz has tended to sweep most single-member districts, exaggerating its majorities, and it has gerrymandered many districts to increase its advantage.

Eurasia Group, a consultancy, thinks Tisza needs to beat Fidesz by four to five percentage points to win a majority in parliament. At the moment that looks like a good bet. Mr Orban is trying to tar Mr Magyar as a puppet of the EU. For his part, the Tisza leader appears to be avoiding any association with international liberals. Before visiting Hungary this correspondent had scheduled interviews with several Tisza candidates. On arrival in Budapest, all were abruptly cancelled.■

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The city of light

The Paris Metro is getting a dazzling extension

Some new stations are architectural gems

1月 29, 2026 04:18 上午 | VILLEJUIF



Reflecting well on its architect

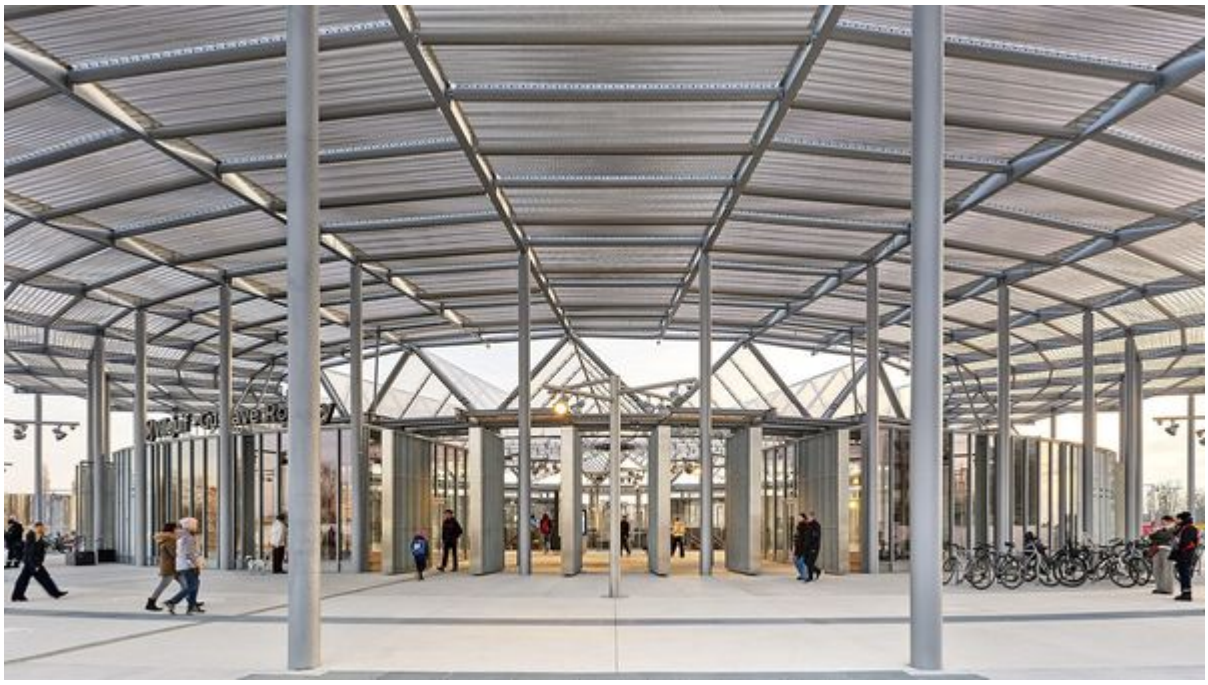
A SHIMMERING LATTICE of escalators beneath a circular glass skylight, the new Paris Metro station of Villejuif—Gustave Roussy is a luminous architectural delight. The idea, according to Dominique Perrault, its architect, was to create an "inverted skyscraper": an invitation to descend underground without darkness, dread or disconnection from the city. Even the station platform, which protrudes in a metallic tube across the escalator space, has windows

onto the airy atrium. In December Villejuif won the Prix Versailles for the world's "most beautiful" station.



Greater Paris is building the biggest expansion to the capital's underground network for half a century. The station at Villejuif, part of an extension to Metro line 14, will in time be connected with one

of four brand-new driverless Metro lines currently under construction. With a total of 68 new stations, these will add 200km (120 miles) to the Metro system, creating loops around the outer suburbs (see map). It is one of Europe's biggest public engineering projects. The total budget is expected to reach €40bn ($48bn).



The aesthetics of Paris Metro signs and entrances have long been iconic, but its stations have been less so. Hector Guimard bequeathed the floral Art Nouveau entrances, first designed in 1900. The 1920s and 1930s brought the lamppost-mounted wrought-iron "METRO" signs. Other new stations also grab the eye. One, at Saint-Denis Pleyel in the gritty northern suburbs, was a runner-up for the architecture prize (along with Sydney's Gadigal station and Baiyun station in Guangzhou). The La Défense station, in Paris's business district, now boasts a breathtaking cathedral-sized extension to an express line, with platforms finished in bamboo.



Today's state-of-the-art stations are not just about showcasing cool design. They also mark an effort to dissolve the barriers between Paris proper—the prestigious addresses inside the *périphérique* ring-road—and the capital's often-troubled outer suburbs. Valérie Pécresse, head of the greater Paris region, last year introduced a single-price ticket for travel across the network to avoid penalising those who have longer commutes. It is all part of an effort, she says, to create "a region without borders…in which residents have the same dignity wherever they live". Which, in France, means style, not just convenience. ■

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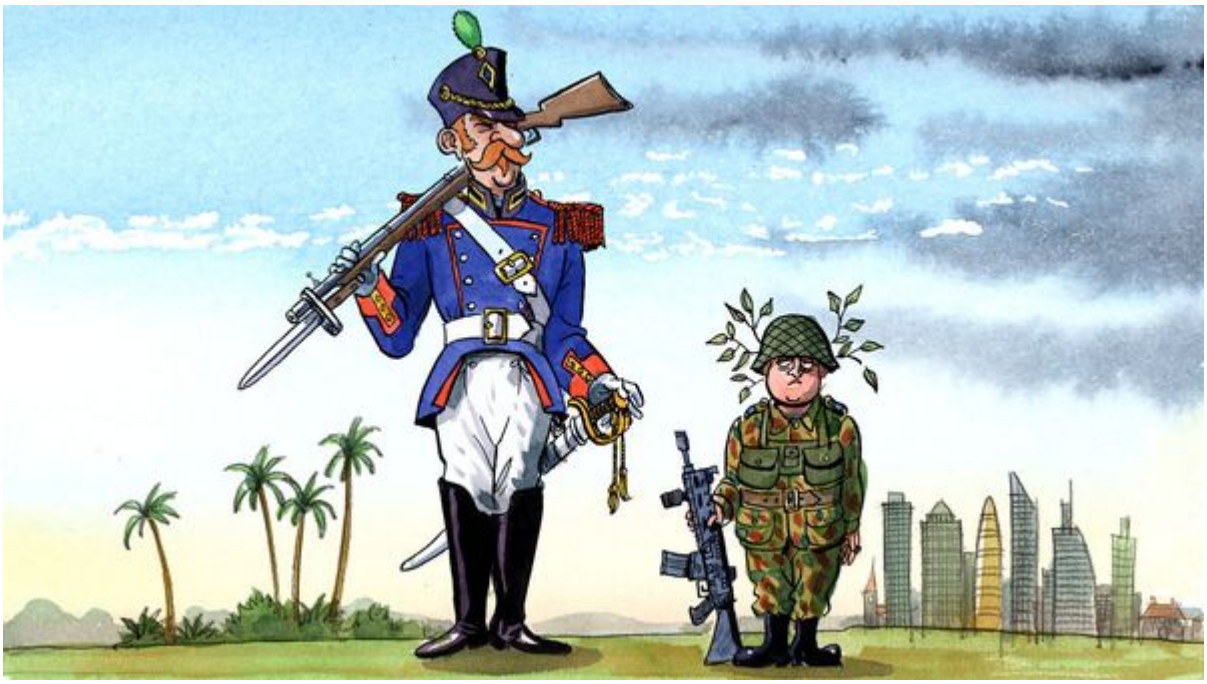
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Charlemagne

How its long-lost empires still shape Europe

The colonial era is gone but not forgotten

1月 29, 2026 07:44 上午



IMAGINE IF EUROPE had a single army. Would this rich continent, with a population bigger than America's, be the geopolitical wallflower it is today? Surely not. Unified armed forces drawing on millions of Germans, Poles and others would let nervy Europeans shrug off both Russian revanchism and the fear of American abandonment. Alas, the 27 countries that form the European Union today retain 27 bonsai armies under national command, each duplicating what its neighbour is doing. Yet declaring military matters a strictly national affair was not the original blueprint for

European integration. Under a treaty signed in 1952, just as the club that later became the EU was being created, France, Germany, the Netherlands and others agreed that the process of ever-closer union should start with merging their armed forces under a single command. The mind boggles at what might have been: a European superstate as comfortable projecting military power as it is regulating vacuum-cleaner wattage.

The EU missed the turn to hard power largely because of a factor that is still shaping Europe to this day: the legacy of empire. For when, in 1954, it came time for the French parliament to ratify the single-army treaty, a problem became apparent. Handing over the defence of Marseille or Paris to a military force that would be controlled in part by Germans was discomfiting enough so soon after the second world war. But a greater fear was that this Euro-army would be reluctant to do the dirty work of keeping French colonies in check. Would a Luxembourgish brigadier crack down on Algerian dissidents, or a Belgian private shoot at Indochinese rebels if ordered? Probably not. France reneged on the plan; Europe focused on integrating coal and steel instead of tanks—and to this day relies on American goodwill for its defence.

Most of Europe's once-great powers finished recognising the independence of overseas possessions that demanded it decades ago. But the continent's colonial past informs its present in untold ways. Having administered vast swathes of the globe—at their peak a century ago, the empires of France, Britain, Portugal, the Netherlands and others ruled over a third of the global population outside Europe—some countries found it difficult to adjust to their straitened circumstances. Occasionally those vestiges of empire make the news, as Denmark recently found with Greenland. "The fact that they had a boat land there 500 years ago doesn't mean that they own the land," proclaimed Donald Trump, America's president. (It was more like 1,000 years ago, and somehow it does.) Empires die; imperial thinking sometimes lives on.

Perhaps the most enduring hangovers from colonial times are the delusions of remaining grandeur. Some (mainly western) European countries still cosplay at being global powers, long after they should have started thinking of themselves as regional ones instead. On maps a slew of far-flung territories are still painted the colours of European countries. Thanks to a few remaining possessions in the Pacific, France wants to project influence in the entire Indo-Pacific region—to the frustration of Americans who would rather it focused on defending Europe. The mirage of long-lost power has hit Britain worst of all. The links to empire kept it out of the EU for decades, as it looked to its former colonies for trading opportunities outside Europe. In 2016 Brexiteers sold voters a dreamscape in which Britain could leave the bloc and trade with the Commonwealth instead. Alas, some fell for it.

If empire is visible today, it is in the streets of Madrid, Brussels or London. Having had colonies was not a prerequisite for welcoming lots of migrants; Germany, for example, imported workers from Turkey, to which it had no colonial ties. But empire created links of language and commerce that facilitated the rapid influx of Algerians to France, Angolans to Portugal, Pakistanis to Britain and so on. To sceptics of mass migration this is a case of the Empire Striking Back, an unwelcome historical boomerang. But it is usually a boon. When Spain's economy needed workers it allowed in lots of Spanish-speaking Venezuelans; natives had no need to start ordering their *cortados* in English.

The memory of empire still has the ability to divide. One rift is within countries. To many, especially on the left, the colonial era is a source of shame. Emmanuel Macron, while running for the French presidency in 2017, decried colonisation as a "crime against humanity". Those on the right prefer to highlight the railways, schools and churches built in backwaters—never mind the repression and plunder. (A few former colonialists, including the Dutch, have apologised for their behaviour; more often there have been mealy-mouthed expressions of "regret" instead.)

Another division is between European countries, pitting the had-empires against the had-nots. For occasionally, in hushed tones, those who once held colonies still treat them as part of an informal sphere of influence. France, as the former imperial power in much of west Africa, was always more likely to send soldiers to provide security there (when invited) than, say, Sweden. In Warsaw and Tallinn, not to mention Kyiv, such thinking is seen as suspiciously akin to Russia's claims to its former empire, which once included Ukraine—and much of central Europe.

Empire un-building

One lesson of bygone imperial times which Europeans should now recall is how easy it is to fall prey to a more powerful force. For centuries, Europe shaped the outside world through conquest. Today it feels like it is the outsiders who are shaping Europe instead. Talk of the continent being a "digital colony" of America is, if anything, an understatement. The return of might-makes-right geopolitics imposed by Mr Trump is reminiscent of the era when Europeans plundered the world. But if the Age of Empire really is back, this time it may be Europe that finds itself swooped upon.■

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Britain

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  The phoenix city :: The economy of Britain's capital has suffered since 2008, but the city has what it takes to prosper
- **Sadiq Khan is not the mayor right-wingers imagine him to be**
  London's leader :: Even if he drives Donald Trump mad
- **London is Labour's last bastion**
  Enemy at the gates :: Sir Keir Starmer's government cannot afford to take the city for granted
- **London is far safer than violent viral videos will have you believe**
  A manufactured panic :: Contrary to social-media lore, it is one of the safest cities in the world
- **How London became the rest of the world's startup capital**
  Founder factory :: Outside America, no other city comes close
- **The cost of the cost-of-living obsession**
  Bagehot :: Britain's government is turning into Martin Lewis with nukes

The phoenix city

How London can rise again

The economy of Britain's capital has suffered since 2008, but the city has what it takes to prosper

1月 29, 2026 08:07 上午 | London



"WE KEEP NEW YORK in the pitch book and try to make a case for it, but it is a given that major issuers will choose London over New York." When an anonymous banker said this to McKinsey in 2007, he was ostensibly talking about where firms should go public. But the remark captured something larger. London was ascendant and Michael Bloomberg, New York's mayor, coveted its success. So he asked the consultancy for its thoughts on how New York could regain the lead. The resulting report read like a love letter to London, gushing about its stable regulation, superior courts and magnetic attraction for global talent.

Dig deeper

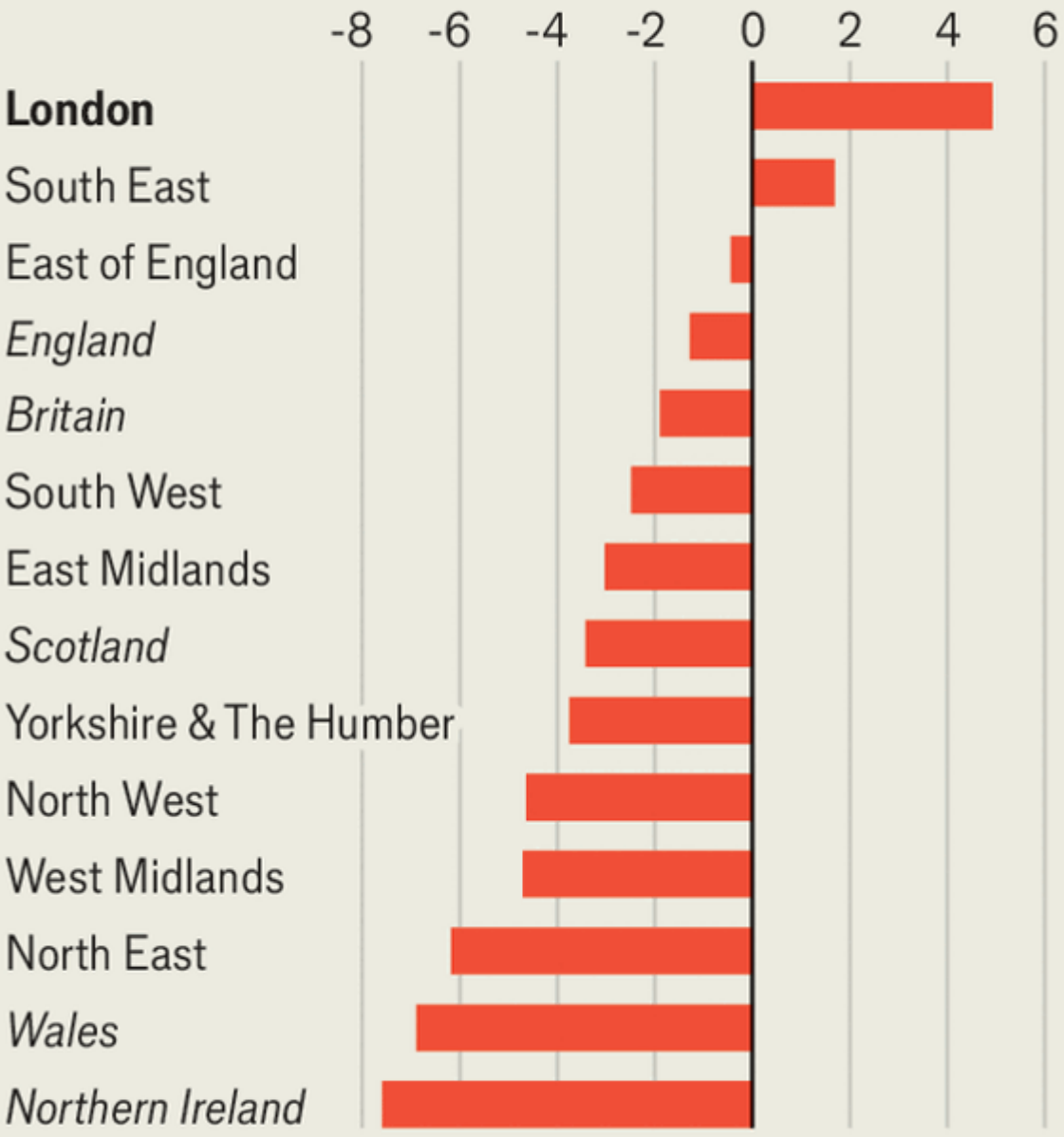
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- London is far safer than violent viral videos will have you believe·
- How London became the rest of the world's startup capital·

Nearly two decades later Mr Bloomberg's concerns may seem from another world. London's economy has had a bruising time since 2007, pummelled by the financial crisis, Brexit and the pandemic. Its stockmarket's decline has been extreme: in 2025 London fell out of the top 20 markets for initial public offerings, beaten by Mexico and Oman. But the city's problems go beyond its bourse. In the decade leading up to 2007 output for each hour worked by Londoners increased by 30%. In the years since the capital's workers actually became less productive: hourly output in 2023 was 2% below pre-financial-crisis levels.

Paying the tab

1

Britain, net contribution to public finances*, per person, 2022-23, £'000



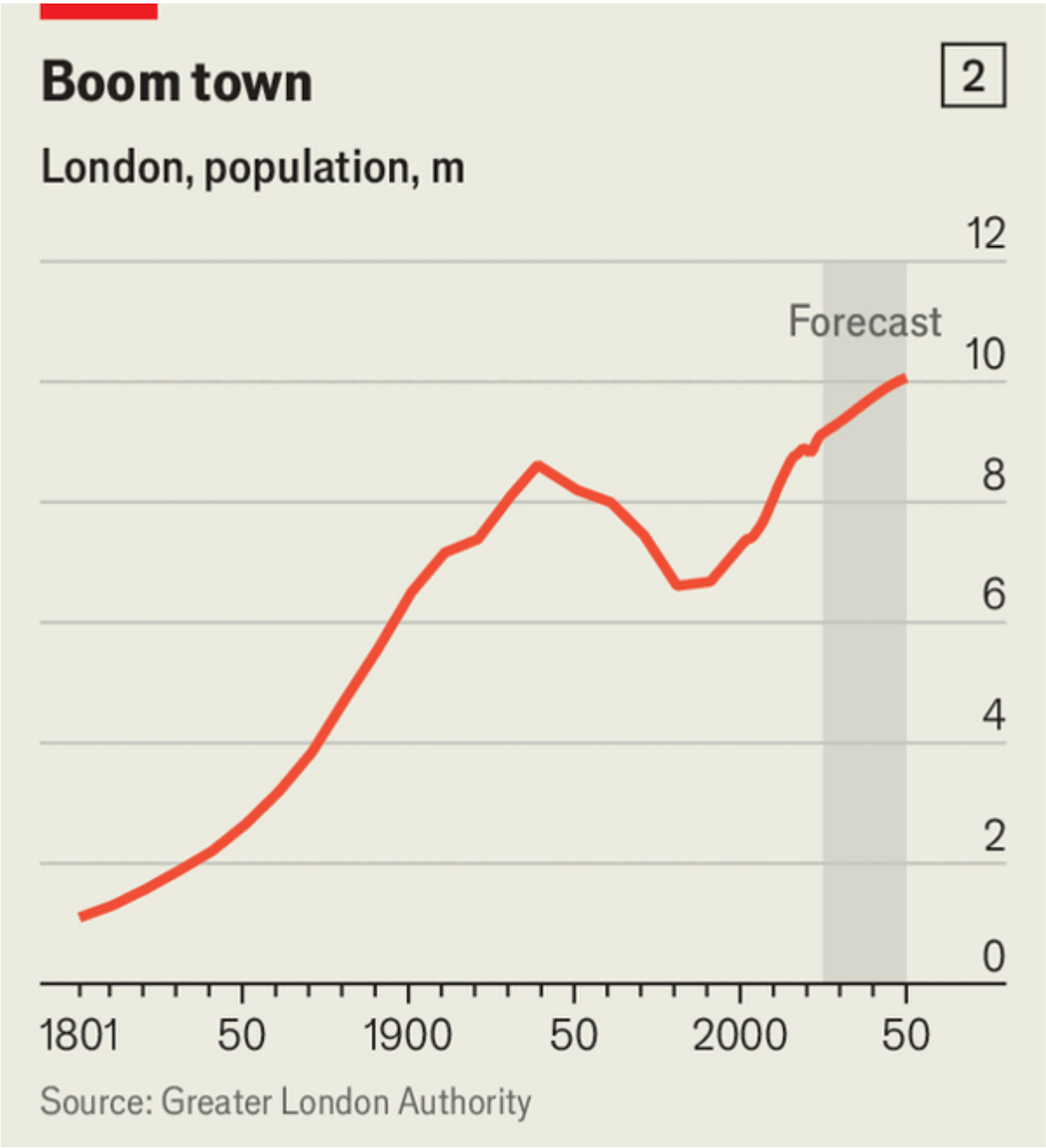
Source: ONS

*Tax collected minus public spending

London's economy might be down, but it is not out. It still has many of the strengths listed in McKinsey's report. Take the Tube to Temple, and the Gothic courthouses and Edwardian chambers rising up around you form the legal capital of the world: 40% of global business and financial transactions is governed by English law. From there, stroll for 15 minutes into the West End and you've reached the world's biggest theatre district, where 17m tickets were sold in 2024, 40% more than on Broadway. A jaunt across Hyde Park and you are at Imperial College, the world's second-best university, according to the QS World University Rankings.

Underpinning all these strengths is the depth of London's talent pool: over 60% of the city's workforce is made up of graduates, compared with less than 45% in New York. The city's best hope for growth lies in retaining these brainy workers. Doing so requires the Labour government to prioritise London's growth and confront what is now holding the city back. Yet Sir Keir Starmer, the prime minister, mentioned London only once in his party-conference speech last September—to argue that the government should invest more elsewhere. This might have appeased jealous northern MPs, but it was a mistake.

London has historically been Britain's growth engine. When it starts clunking, so does the British economy. The capital's lost productivity growth between 2007 and 2019 accounted for 42% of the nationwide slowdown. Diversifying Britain's economy is necessary but will take time. If Labour wants to boost growth during this parliament, it cannot afford a sluggish capital. Strong growth in London is also essential for the public finances: the city is one of only two regions, alongside the South East, where the government raises more revenue than it spends (see chart 1).



London's current problem is the quality of jobs, not their quantity. Following a prolonged post-war population dip, the number of Londoners has risen strongly since the 1980s and is set to keep growing, assuming continued international immigration (see chart 2). Alongside falling unemployment, this has caused the city's workforce to balloon from 4.8m in 2010 to 6.4m in 2025. But despite this significant jobs boom, overall economic growth in London

slowed from about 4% a year between 1999 and 2007 to just over 2% since. The reason is lower productivity.

The struggles of London's financial-services sector undoubtedly explain some of the capital's productivity difficulties. Output per worker fell by over 2% a year on average between 2008 and 2024, more than in any other major industry apart from utilities. This is in part because the heady growth achieved before the financial crash, encouraged by excessive risk-taking, was unsustainable. But the sector's recovery was hobbled by steep post-crisis taxes and increased worldwide regulation. Brexit dealt a further blow, curtailing firms' ability to export financial services to the European Union.

Going underground

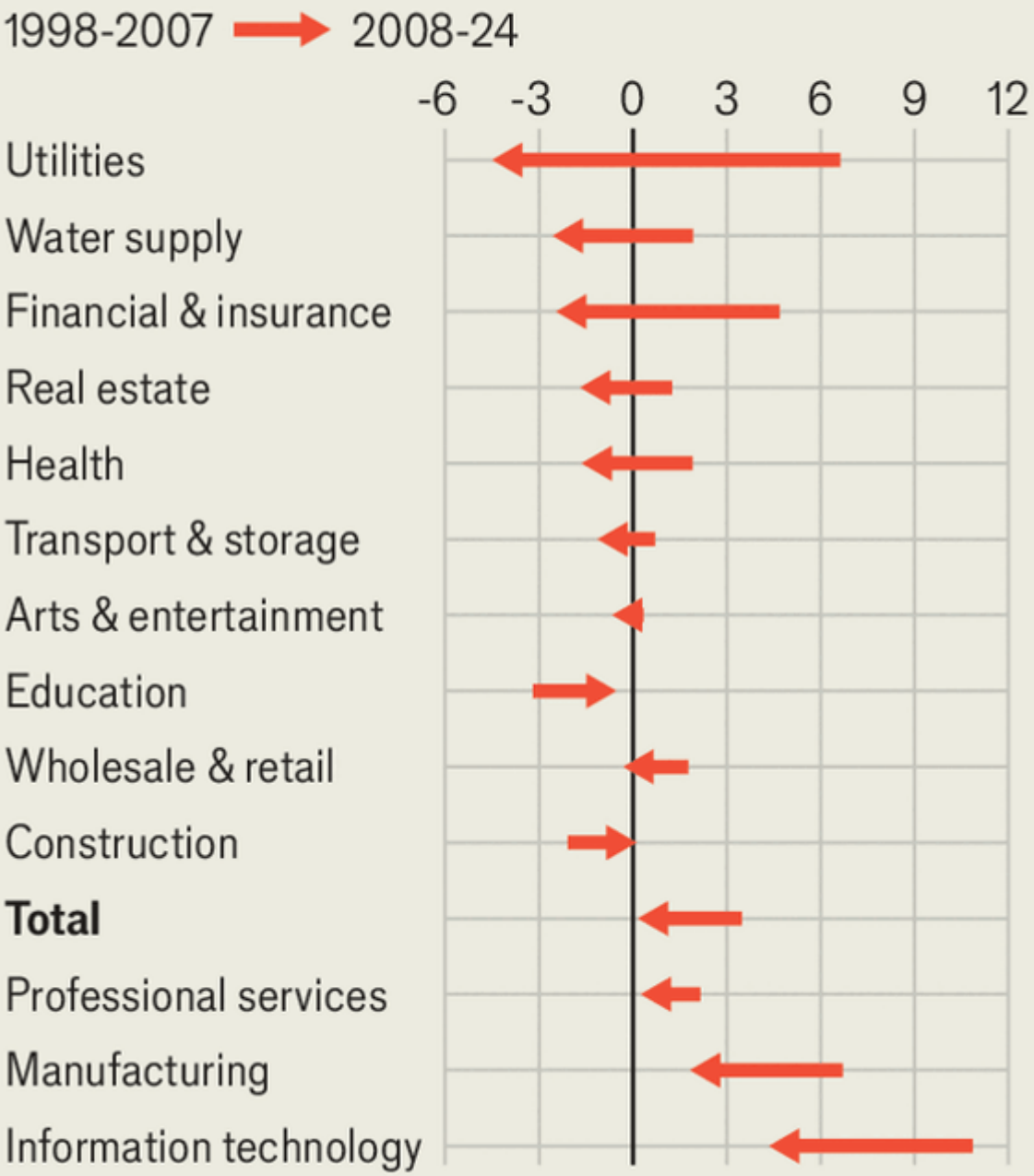
Yet London's problems cannot just be blamed on bankers. A recent report by Oxford Economics, a consultancy, found that London's productivity slowdown cuts across most sectors, from transport to real estate (see chart 3). To understand why, consider what makes London productive in the first place for, say, a tech startup or an engineering firm.

Busy doing less

3

London, GVA* per person, average annual % change

Selected sectors



Source: Oxford Economics

*Gross value added

The city is dense, with legions of talented people working in close proximity to each other. This creates fertile ground for new ideas, lets workers specialise and allows infrastructure to be shared efficiently. But for this to work, skilled people must want to live there and be able to connect easily. London now faces serious problems on both fronts; a poll by More in Common, commissioned by *The Economist*, found that just a quarter of Britons say London is a desirable place to live.

High housing costs are a big deterrent to living in London. They absorb around 30% of all disposable household income, according to Oxford Economics, much more than in Paris (23%) or Tokyo (24%). Although London house prices have fallen in real terms over the past few years, higher interest rates have eaten into any savings. Rents have continued to climb. The result is a squeeze: after housing costs, Londoners consume 7% less than the British average, despite earning 40% more. People are voting with their feet. Even as international migrants arrive in large numbers, increasingly Londoners are leaving for elsewhere in Britain. In 2023 almost 130,000 people did so, up from 40,000 in 2010. Among them are the entrepreneurs and scientists on whom the city's productivity depends.

Those who stay can often only afford to live farther out, which means more time spent commuting and less productivity at work. The city's infrastructure problems make it harder for these people to do their jobs well. Broadband links are about half as fast as in New York, and London suffers from Britain having among the highest electricity prices in the rich world.

Heathrow, the city's main airport, is running at 99% capacity, a major cause of delays. A shortage of laboratory space scares off life-science companies. And the high cost of commercial office space has crowded out growth-enhancing investment in R&D and software.



The government has taken some steps to deal with these bottlenecks, endorsing a third runway at Heathrow and releasing a plan to get housebuilding going, including by allowing more building around stations. But this is insufficient. London has a target to build 88,000 homes each year; in 2025 work was started on fewer than 6,000 private homes, estimates Molior, a consultancy. Crucial infrastructure projects, such as the extension of the Bakerloo Tube

line, are in limbo; even the third runway is not scheduled to be built until 2035.

Easing such constraints will be vital if London is to remain attractive to global talent. In a survey by BCG, a consultancy, London is consistently ranked the most attractive city in the world for workers considering moving abroad. Alongside top universities and a deep jobs market, prospective migrants are enticed by the city's location and the English language. But BCG's analysis also found that, although Britain remains the second-most-popular destination for highly skilled migrants after America, its share of such migrants fell last year, with the United Arab Emirates closing the gap (see chart 4). High housing costs dent the city's appeal, as do tighter migration rules and the lingering effects of Brexit.

London is accustomed to episodes of decline, from the Great Fire of 1666 to the Blitz. In the 1970s the city's future was in doubt as East London's docks closed and factory work disappeared. Yet each time, the capital reinvented itself, rising phoenix-like from the ashes. In the 1980s this took the form of a financial-services boom. In the coming decades London's wealth of talent means it is well-placed to participate in the AI revolution. But for London to rise again, politicians must do more to make the city affordable, welcoming and well-connected. Its success depends on ensuring that those driving the revival can afford to stay.■

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London's leader

Sadiq Khan is not the mayor right-wingers imagine him to be

Even if he drives Donald Trump mad

1月 29, 2026 04:19 上午



"HE'S A HORRIBLE, vicious, disgusting mayor. I think he's done a terrible job." So President Donald Trump assailed Sir Sadiq Khan in December. The Labour mayor of London is a frequent punchbag for Mr Trump and his acolytes in America and Britain. Sir Sadiq sometimes appears to occupy a more prominent place in their minds than he does in the city he oversees.

Almost 1.1m Londoners voted for him in May 2024, giving him 44% of the vote, a third term and the largest direct mandate of any British politician. Yet his powers are few, and he uses them modestly. Ken Livingstone, who became London's first elected mayor in 2000, more or less invented the office. His successor, Boris Johnson, made excellent use of his public profile, although he scarcely troubled himself with the management of the city. Sir Sadiq casts a fainter shadow than either.

Jack Brown, a lecturer on London politics at King's College, says that the mayor has called for more powers from central government but has seldom forced the issue. In his first term Sir Sadiq convened a London finance commission, which concluded that the city should be allowed to levy a tourism tax. The Treasury finally conceded last year, although campaigning by Greater Manchester's mayor, Andy Burnham—a more compelling Labour politician, who knows how to leverage his fame—may have made the difference. Sir Sadiq also craves the power to control private residential rents, which he has thankfully not been given.

His greatest accomplishment is cleaning up London's air. Sir Sadiq introduced a "toxicity charge" in 2017, levied on people who drove highly polluting vehicles into central London. In 2019 the charging area was expanded and renamed the Ultra-Low Emissions Zone (ULEZ). In 2023, against the wishes of senior Labour politicians who feared a backlash from motorists, Sir Sadiq extended ULEZ to the entire city. The result is better health and fewer premature deaths among Londoners. But it is typical of this mayor to have concentrated on something invisible.

Mr Trump probably knows little of the mayor's record, nor does he care. He attacks Sir Sadiq in order to signal to his ethnic-nationalist supporters that an Asian Muslim man cannot be trusted with power. The mayor, who gives as good as he gets from Mr Trump, enhances his popularity among Londoners by defending the city against a

president who is hugely unpopular there. The row suits both men. Sadly, London is tarnished.

The mayor of London's job is not so much to run the city as to represent it, even to personify it. This Sir Sadiq does well, perhaps better than he or Londoners realise. Mr Livingstone played up to a London stereotype, that of the mouthy Cockney wheeler-dealer. Mr Johnson evoked a different stereotype, of the louche liberal (he stayed louche, though not liberal, after returning to national politics). Sir Sadiq represents Londoners as they truly are.

He is progressive in opinion, happily leading Pride parades and castigating racism. But he is old-fashioned in practice. Sir Sadiq speaks often of his faith and his family—and, unlike Mr Trump, seems to mean it. He began dating Saadiya Khan, his wife, while at school. After winning a third term, he apologised to his family members for the disruption they had suffered during the campaign.

London is both liberal and pious. Only 27% of people in the capital say they have no religion, compared with 39% in the rest of England and Wales. Families are more cohesive in the city. The last census, in 2021, showed that 63% of London's children live in households headed by a married couple, higher than in any other region of the country.

Sir Sadiq can be crabby. He allows his distaste for rival politicians to show, and sometimes reveals a more personal misgiving. He has said that if he had known the costs of becoming mayor, paid in curtailed freedoms and death threats, he might never have run. But if he seems discontented, so do Londoners, who report lower than average life satisfaction. The liberal, traditional, grumpy citizens of the capital have found a leader who feels right.■

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Enemy at the gates

London is Labour’s last bastion

Sir Keir Starmer’s government cannot afford to take the city for granted

1月 29, 2026 04:19 上午



PEOPLE WHO live in London are often caricatured. They probably have a high-flying job as a lawyer (or a politician). They are probably vegetarian, support one of London’s football teams (Arsenal, perhaps), and hang around pubs or coffee shops in trendy neighbourhoods (Kentish Town, maybe). For many Britons, picturing a typical Londoner might conjure up an image of someone who looks an awful lot like Sir Keir Starmer.

It might not be a surprise, then, that polls suggest London is the only British region which would vote to re-elect Sir Keir's government, if the election were held today. *The Economist*'s statistical model suggests that Labour might win 98 MPs across Britain, in a typical scenario. Two-fifths of them would be elected in London. These numbers conceal Labour's weaknesses in the capital, though. Local elections in May are likely to bring heavy Labour losses.

As Labour leader, Sir Keir has been coy about his home city. (Another trait he shares with many of his fellow Londoners.) He has called for greater distribution of power and investment outside London and the South East. This reflects Britain's electoral centre of gravity, which shifted towards the north of England after the 2015 general election.

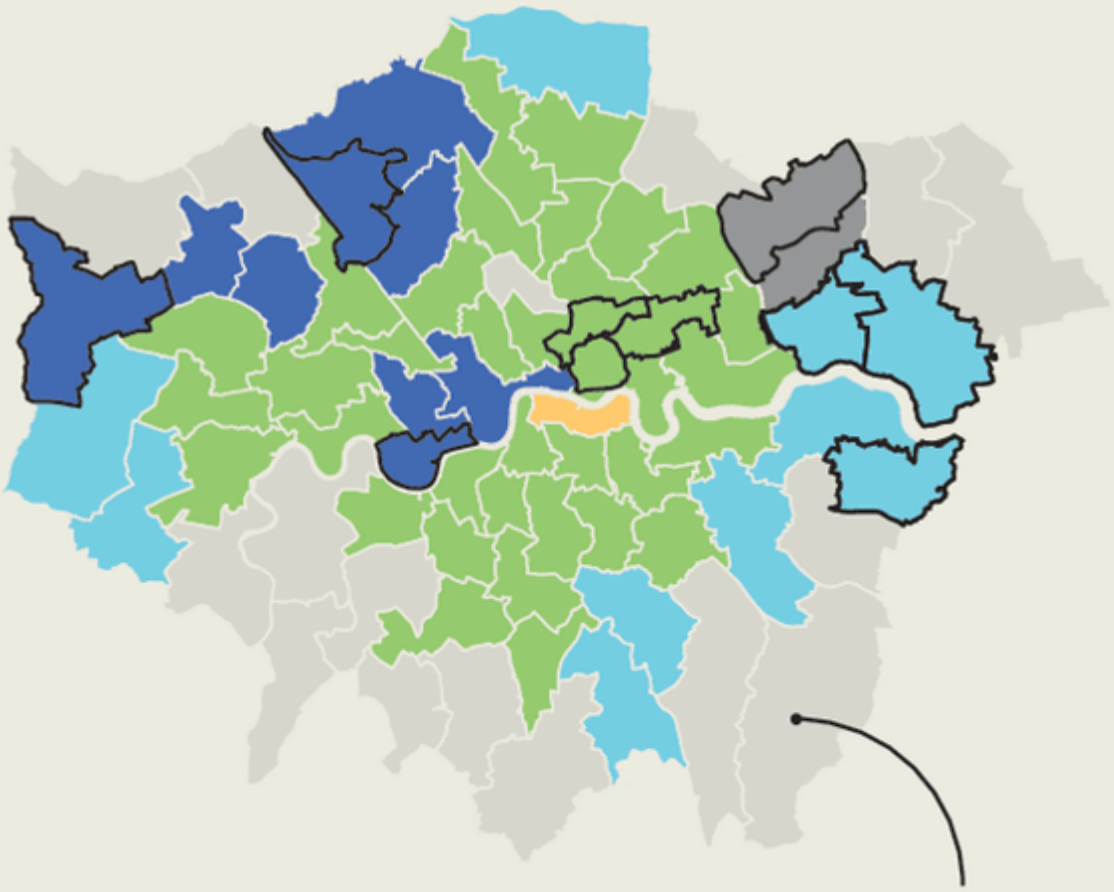
As voters polarised around the question of leaving the EU—which most Londoners opposed—the city swung towards Labour. The share of marginal seats which were in London fell from 14% in 2015 to 8% in 2024. Meanwhile politicians scrabbled to appeal to the "left-behind" northern towns that voted for Brexit.

Even so, the caricature of Londoners as partisan Labourites is wrong. Sir Keir's party won 43% of the vote in London in 2024, its lowest share in any general election since 2010. Since then, an average of polls suggests this number has fallen to around 27%. Though Labour's vote has held up better in London than in other regions—probably because of its performance among wealthier voters and ethnic minorities—it faces threats from both the left and the right. Far from being a monolith, London is now the most politically fragmented region in England.

Green shoots

London, most likely challenger party in Labour-held seats, January 2026

Conservative
Green
Reform UK
Liberal Democrats
Independent/other
More likely to win than Labour



Source: *The Economist*

The city is particularly favourable territory for the Green Party, which does best among young voters, students and graduates. Zack Polanski, the Greens' bombastic leader, is a member of the London Assembly. The party has a strong base of support in the belt of hipster-ish neighbourhoods around the city centre, from Hackney to Peckham (see map on previous page). Left-wing independents have also found success in London. Jeremy Corbyn, a former Labour leader evicted from the party, was re-elected as an independent MP for Islington North in 2024; Leanne Mohamad came within a few hundred votes of defeating Wes Streeting, now the health secretary, in Ilford North, on a pro-Gaza platform.

Although right-wing parties are unlikely to win the left-leaning city, they have plenty of potential voters to cause trouble for Labour. In wealthy areas of west London, the Tories hope to regain seats they lost in 2024. The party has done particularly well in recent years with Hindus and Jews, many of whom live in the city's north-west. Reform UK has already selected its candidate for the mayoral election in two years' time, and could win seats from Labour in working-class majority-white constituencies in outer London.

The nightmare scenario for Sir Keir is if each opposition party succeeds in their respective neighbourhoods. That is what Labour is braced for in May, when all 1,817 councillors in London's 32 boroughs are up for election. These seats were last elected in 2022, when Labour had over double its current support in nationwide polls. Most of London's wards elect multiple councillors, a system which could exaggerate Labour's potential losses. The Green Party—buoyed by a series of defections by Labour councillors—is targeting ambitiously.

The hope for Labour is that the strength of its local organisation can help the party turn out enough supporters to overwhelm the divided opposition. For Londoners who are fed up with the central government, however, borough councils might be the perfect punch-bag.■

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A manufactured panic

London is far safer than violent viral videos will have you believe

Contrary to social-media lore, it is one of the safest cities in the world

1月 29, 2026 04:19 上午



IF YOU TYPE "London simulator" into TikTok, up pops a series of videos. Most are clips from video games in which a character bounds around with a knife, dagger or sword dispatching enemies. Such is London's online reputation: a hotbed of violence and, above all, knife crime. Populist politicians fan the flames. Rupert Lowe, a former Reform UK MP, recently described London on X as a place that

“increasingly resembles the third world” and is “certainly not safe for women”. He got over 2.3m views.

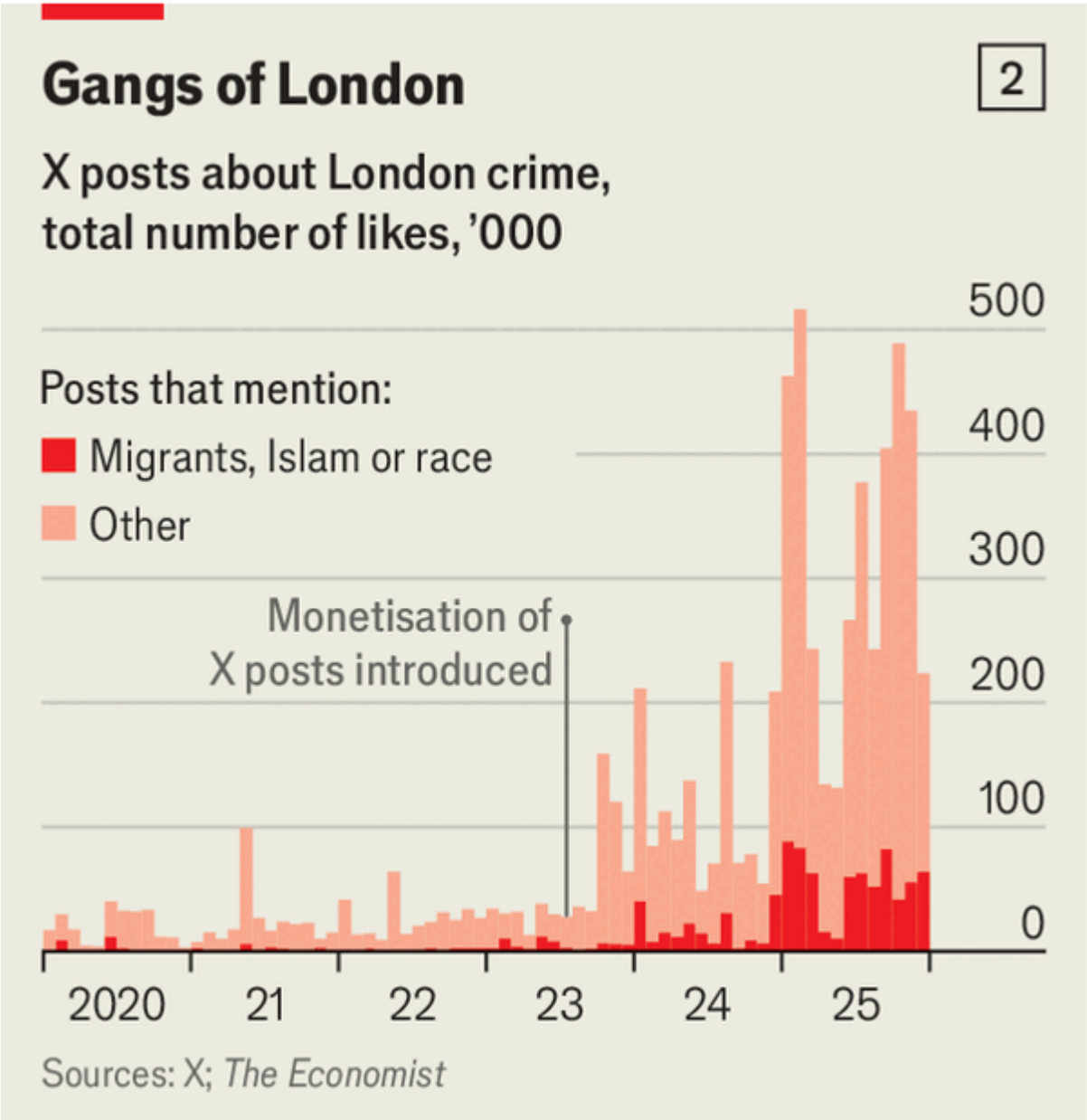
The data tell a different story. Violent crime has been in decline in London for years. The annual number of robberies has remained steady since 2010, even as the population grew by roughly 1m. In 2024 the number of people admitted to hospital for “assault by sharp object” was the lowest in at least a decade. With 1.1 homicides per 100,000 people, the lowest since comparable records began, London is safer than Paris (1.3) or Berlin (3.2). New York, a city roughly London’s size, which famously became much safer, has almost three times as many homicides.



London does have problems. Visitors are warned about phones being snatched by thugs on electric bikes, and shoplifting has risen sharply. But the perception that London is overrun by violent criminals appears to be based largely on social media's knack for exaggeration. *The Economist* scraped all posts on X mentioning "London" and keywords related to violent crime, between 2020 and 2025. Last year the number of such posts was double the yearly average between 2020 and 2024. Their popularity has risen too. In

2025 the average number of likes and retweets per post was almost double that in 2024.

Part of this online rubbishing is to blame migrants. The proportion of "London crime" posts that also mention Islam, migrants or race has doubled since 2023. Posts mentioning "Londonistan"—used in right-wing circles to lament the supposed Islamification of the capital—have doubled since 2020.



Serial doom posting pays. Inflammatory content gets clicks. And X now pays contributors for the engagement their posts generate. This has given rise to disingenuous accounts posting inflammatory content for profit, says Jon Roozenbeek of the University of Cambridge.

It is tricky to determine how much of this viral content comes from bots or foreign actors intent on causing unrest, but the most influential posters appear to be humans based in Britain. Bots account for about 20% of posts about London crime, but their posts receive little attention.

A recent poll by YouGov found that 61% of Britons now see London as unsafe (up from 39% in 2014). This rises to 85% among Reform voters. Just a third of Londoners agree and the vast majority (81%) say their local area is safe. As so often, the best medicine against online hysteria is a dose of fresh air—maybe a leisurely walk along the Thames.■

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Founder factory

How London became the rest of the world’s startup capital

Outside America, no other city comes close

1月 29, 2026 04:18 上午



AT FIRST GLANCE London’s startup scene can look like a parody. Home Grown Club, a private members’ business haunt for “people worth meeting”, offers swanky dinners, “flow yoga” and events with titles such as “From invisible to influential”. Opus, a “curated collective for founders”, has Princess Beatrice on its board and has recently expanded to Dubai. It would be easy to dismiss Britain’s capital as living off former glories and indulging in a mildly embarrassing attempt to mimic Silicon Valley. That impression would

be wrong. London is one of the best places in the world to start a company.

It has produced more unicorns ($1bn-plus startups) than Berlin, Paris and Tokyo combined. Their alumni are now spawning a second generation of firms. It is the world's fourth-largest venture hub, according to Dealroom, a data provider. In 2025 its startups raised $17.7bn, behind only the Bay Area, New York and Los Angeles.

London faces challenges. It loses its most promising firms too early. Deliveroo, which brings Britons their takeaways, was recently bought by DoorDash, based in San Francisco, for £2.9bn ($3.9bn); it was one of the few tech firms to list on London's shrinking stock exchange. The city serves as Europe's founder factory in spite of Brexit, not because of it. Successive governments have battered business confidence. In the age of AI, Silicon Valley is pulling away again and rival hubs are catching up fast.

Yet London's founder class continues to thrive. Three main ingredients explain the city's enduring success.

The most important is talent. London hoovers up bright minds from Britain and beyond. British universities remain powerful engines of innovation: some 43% of deep-tech startups that have raised more than $10m since 2010 were academic spin-outs. (They are increasingly attractive to American academics, too, given the Trump administration's assault on research budgets.) A concentration of specialists in machine learning has attracted global AI firms such as OpenAI, which picked London for its first foreign office. Palantir chose London for its largest base outside America thanks to the city's talent pool.

Britain is also surprisingly welcoming by rich-country standards. It remains the second-most popular destination for European founders, after America. Visa schemes for entrepreneurs and tax relief for early-stage investors help, as does the lure of the city itself. In

addition to its cultural scene, London has tolerable weather (less rain than Paris), universal health care and relatively safe streets. A recent survey of 31 countries by Ipsos, a pollster, found that London is the most appealing city in the world to visit, work or live.

That feeds into a second advantage: culture. London is one of the world's most diverse startup hubs. More than half of Britain's fastest-growing startups were founded by immigrants. Diverse firms on average tend to innovate faster, and are more open to the world. Entrepreneurship calendars are packed with hackathons, "vibe-coding" sessions and speed-dating-style business events imported from Silicon Valley. Workaholics like Harry Stebbings, a British venture capitalist, extol a Chinese "996" work ethic—9am to 9pm, six days a week. Founders are knitted together by networks such as Opus, whose members are "vetted for integrity, ambition and originality", then taken to hobnob with the global elite in Davos each year.



Capital is the third ingredient. London struggles to fund companies at later stages (hence the flight problems). But it excels at nourishing them early on, and is beginning to attract more specialist

investors for that crucial early stage. Since 2020 Britain, with less than 1% of the global population, has captured more than 18% of global venture funding for quantum technology.

The fruits are apparent in dense alumni networks in which employees of successful scale-ups leave to seed the next generation. Former staff of London-based fintech unicorns, such as Revolut and Wise, have founded more than 230 startups, three times as many as in Berlin or Paris. Revolut's employees are expected to arrive with ideas, bid for funding and run mini-businesses inside the firm, notes James Gibson, its general manager. Share sales have allowed early joiners to cash out (after a sale in September Revolut's valuation hit $75bn). They can then become angel investors or plough money into startups of their own, as Alan Chang, dubbed Revolut's "most aggressive millionaire", did with Fuse Energy, a renewables firm.

Beyond fintech, DeepMind—an AI firm bought by Google in 2014—has inspired a crop of ambitious startups. Palantir and Uber, long known in Silicon Valley for hiring graduates and churning out founders, are now doing the same from London. Palantir's former engineers in hoodies are seeding firms focused on defence, AI agents and climate-risk analytics.

Dubai calling?

Yet attracting risk capital remains a challenge for founders in Britain. For all its talk of growth, the Labour government can appear hostile to entrepreneurs; ahead of the autumn budget rumours of an "exit tax" rattled many. A survey of 2,000 firms by Virgin Media, a telecoms firm, found that 56% of startups reported declining confidence in Britain as a place in which to scale, and 60% had considered moving abroad in the past year. European founders can decamp to Paris or Stockholm, growing hubs still within the EU.

Gulf hubs such as Dubai, with their low taxes, appeal to repeat founders looking to retire early (Revolut's chief executive, Nik

Storonsky, recently moved there). But they are also courting younger founders. In 2025 the United Arab Emirates announced a campaign to make itself the startup capital of the world by 2031.

San Francisco exerts the strongest pull. Britain is used to losing big firms to California; now founders leave comically early. Haz Hubble, now in his 20s, began selling houses at 15 and later set up founder houses in London, where aspiring entrepreneurs bonded over sleep deprivation. In 2025 he moved to San Francisco. "AI is moving so fast that if you're not in SF, you're months behind," he says. In London it took him three years to raise $600,000; in San Francisco he raised $1.1m in six months. Toby Brown, a 16-year-old British coding prodigy, moved to the Valley after securing from it $1m for the AI startup he founded in his bedroom. London is still a great founder factory. But it cannot afford to rest on its laurels. ■

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Bagehot

The cost of the cost-of-living obsession

Britain's government is turning into Martin Lewis with nukes

1月 29, 2026 04:28 上午



WHEN NATO was having a heart attack over Donald Trump's designs on Greenland, Sir Keir Starmer addressed Britain. The prime minister was less Winston Churchill and more Martin Lewis, the popular personal-finance guru behind Money Saving Expert, a consumer-advice website. Sir Keir's speech skipped from the security of the West to the cost of living and Labour's pledge to slash rail fares and freeze the price of prescriptions. "Tackling the cost of living today also means engagement beyond our borders," he said, as if Money

Saving Expert were about to morph into a latter-day East India Company, with its own army.

The "cost of living" lurks behind every government decision, whether on matters of state or factional infighting. Andy Burnham, the Labour mayor of Greater Manchester, was blocked from standing as an MP not because he intended to replace Sir Keir but because the election for his replacement would cost too much "during a cost-of-living crisis". Sometimes it is electoral cynicism. Steve Reed, the cabinet minister responsible for local government, justified postponing local elections on cost grounds. "They want pointless elections," wrote Mr Reed. "Labour wants to fix potholes." It is a neat summary of the empty politics of Labour's right flank: electability without the bother of elections.

An obsession with the cost of living is a gamble from a government suffering extinction-level polling. Before entering power, Labour pledged economic growth. That proved tricky. Now it pledges discounts. IPPR, a leftie think-tank, dubbed the strategy the "war on bills", which worked for the Australian Labor Party. Voters blame politicians if prices go up, so whatever they can do to keep them low is well worth it. At times, it is ridiculous, as Mr Burnham's blocking and Mr Reed's cynicism can attest. But the last three Conservative prime ministers were killed by the "cozzie livs". Sir Keir wants to be an exception. In this view, absurdity is a small price to pay.

Still, it comes at a cost. Net zero has shifted from a societal endeavour to a cost-saving one. Ed Miliband, the cabinet minister for net zero, said the "cost-of-living crisis is the biggest issue the country faces" while launching a plan to make British homes easier to heat. The state will spend £15bn ($21bn) to bring down bills a bit, via loans for solar panels and the like. In the parliamentary debate on the scheme, the cost of living was mentioned 13 times. Emissions? Twice. The policy is about the same, so climate wonks are happy anyway. Rather than saving the planet, the main message is saving money. If cash is all that is at stake, voters might

determine that there are better ways to spend £15bn. Paying to save the planet is one thing; paying for other people's solar panels is quite another.

Sometimes the logic is as circular as it is dangerous. If prices are too high, runs Labour's current thinking, wages should rise to meet them. The chancellor justified another jump in the national minimum wage—already among the highest in the world—by pointing to the cost of living. It is, said Rachel Reeves, "still the number-one issue for working people". Prices and pay are a delicate balance that Labour once knew it had to strike. Harold Wilson, a former Labour prime minister who struggled with it, said: "One man's wage increase is another man's price increase." In the mind of this Labour government, no such trade-off exists.

Labour has a habit of heaping costs on one end of the system and complaining about price increases at the other. The chancellor sits atop a government that pledges a lower cost of living while making it harder to buy cheap stuff from China. The government will "take action on low-value imports", said Ms Reeves. Businesses have endured a big increase in employers' national insurance, with the likes of supermarkets, which employ part-time workers now covered by the tax, hit hardest. Landlords face ever stricter rules and rents soar. Some in Labour hope that making it costlier to hire people may lead to companies investing more. More likely, it will just result in higher prices. A government dedicated to reducing the cost of living could at least stop adding more costs.

The myopic obsession with the cost of living means Labour treats voters as customers rather than citizens. Taxes stop being the price of a civilised society, but a mere subscription fee to be cancelled on a whim. In this world, when the state fails, it is not a violation of citizenship, but something banal. Darren Jones, the Labour minister responsible for improving Britain's knackered public services, says the state offers "unacceptable customer experience". For a party of neoliberals this would be no bad thing; for a party of wet social

democrats, for whom the state is supposed to be a tool to reshape society, it is risky.

Every little helps

A paradox has haunted British politics for the past decade. Voters trust the state less than ever, yet they expect it to do ever more. Sir Keir's government is indulging the worst habits of British voters, arguing that the state can support them from cradle to grave, and every trip to Tesco in between. Not only that, but making it a goal to which every part of the state must dedicate itself, whether the Treasury or the Ministry of Defence. Martin Lewis now has nukes.

Fundamentally, the British government is repeating a sin of its predecessors and pledging to control something over which it does not have much say. The cost of living is settled by forces far beyond Sir Keir's control. Therein lurks the potential saving grace. Sir Keir and Labour could get lucky. Gas prices may fall more; food costs could drop; peace in Ukraine could provide a dividend. Each would bring a windfall to Britons that the state would struggle to match. If fate does not bail the government out, voters will blame ministers, even if there was little they could do. Responsibility without power rarely ends well. ■

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International

- **Lots of world leaders are attacking Europe. Why?**
  The Telegram :: Often, Europe-bashing is best explained by domestic politics in America, China and beyond

The Telegram

Lots of world leaders are attacking Europe. Why?

Often, Europe-bashing is best explained by domestic politics in America, China and beyond

1月 29, 2026 04:18 上午



WITH PEACE prizes all the rage, somebody should nominate Europe for one. For in a discordant age, one belief unites squabbling world leaders: Europeans are weak and annoying.

President Donald Trump calls Europe ungrateful and bent on self-destruction, as migrants render its cities “not recognisable”. In the glum analysis of Western diplomats in Beijing, China’s leader, Xi Jinping, sees the continent as easily divided and uncompetitive.

Europe-bashing even creates common ground between Russia and Ukraine. European leaders are used to hearing President Vladimir Putin accuse them of blocking Mr Trump's peacemaking in Ukraine. It was a shock when Ukraine's president, Volodymyr Zelensky, used a speech at the World Economic Forum in Davos to scold Euro-allies for being all talk and no action.

To be sure, the continent faces hard-to-solve problems. On the global stage, European governments can sound smug and lacking in self-awareness. They make promises that they lack the means to deliver, especially since the most swaggering, Britain and France, are broke. The workings of the 27-nation European Union are ponderous and too often hobbled by caution and footling national interests. When Scott Bessent, Mr Trump's treasury secretary, mocked the bloc's slow decision-making and its reliance on such geopolitical tools as "the dreaded European working group", his taunt carried a sting of truth.

For all that, this Euro-derision is overdone. It says as much about the leaders lobbing insults as it does about the real-life place called Europe. Rather than coolly weighing the region's strengths and flaws, Presidents Trump, Xi, Putin and Zelensky are often talking about their own countries' political choices.

At Davos Mr Trump called Denmark "ungrateful" for America's return of the island of Greenland to Danish rule in 1945, after wartime occupation by American troops: "How stupid were we to do that?" he growled. Mr Trump called the NATO alliance a one-way bargain, saying: "I know we'd be there for them. I don't know that they'd be there for us." In the same (long) speech he turned to the high prices that Americans pay for prescription medicines, complaining that Europeans buy the same drugs for a fraction of the cost because America has been "subsidising" the world.

America's secretary of state, Marco Rubio, loathes European freeriding. He singles out France and Germany as rich countries that

skimped on defence to avoid cuts to "welfare programmes, to unemployment benefits, to being able to retire at 59, and all these other things". It is true that the alliance with America made European leaders complacent about national security after the fall of the Soviet bloc. But Europeans did not hypnotise America into doing their bidding. America believed that dominating a strong NATO was in its self-interest.

If Mr Trump thinks that handing back Greenland was stupid, his beef is with President Harry Truman, whose decision it was. The island is more strategically important today than in 1945, Mr Trump told his audience in Davos. Actually, Truman worried greatly about returning Greenland, which controlled vital skies and sea lanes. But he also opposed imperialism, which is why he dropped a proposal to buy Greenland in favour of a treaty guaranteeing America bases on the island. Generosity, Truman believed, was America's superpower. Years after the war he marvelled that his country had "totally defeated" Germany and Japan "and then brought them back to the community of nations. I would like to think that only America could have done this."

Political choices are the main reason why Europeans pay less for medicines: their big public-health systems negotiate discounts from drug companies, with the trade-off that Europeans' access to new and pricey cures is rationed. Until 2023 America's large public-health scheme for pensioners, Medicare, was banned from negotiating discounts. As for the trade-offs between defence and welfare, America could afford French-style unemployment benefits and earlier retirements if it chose. Republicans such as Mr Rubio have long called such spending an act of self-harm, though. Given France's parlous public finances, they may have a point.

As for China, as its leaders strive for national greatness and self-sufficiency, they have chosen to suppress wages for workers, tolerate gruelling labour conditions and to direct public spending towards aircraft-carriers and missiles, rather than high-quality

hospitals and pensions. For Chinese leaders, playing down the benefits of Europe's more benign social contract is a comfort.

Mr Putin's contempt for Europe has many roots. But his favoured ideologues admit that a sense of being rejected by the European club is one of them. In the words of Sergei Karaganov, a pro-Kremlin scholar, Russia has had to shed "illusions" about Europe and accept that it is an eastward-facing Eurasian power.

The great European pile-on

Mr Zelensky's frustrations may be understandable: Europe was slow to understand the Russian threat. He is also being unfair. European countries are now Ukraine's most generous backers. He is unwise, too, to condemn the EU for lacking unity as a "fragmented kaleidoscope of small and middle powers". Ukraine's desire to join the bloc is already ambitious. It would be far harder if the EU were a federal superstate with monolithic rules. The best hope of admission for Ukraine, as a country that has ducked hard choices on corruption and poor governance, may involve a flexible EU granting it special, provisional membership.

Ask Mr Bessent about the risks of dismissing Europe. Soon after he joked about American demands to own Greenland being met with a working group, credible threats of a trade war tanked markets and Mr Trump backed down. Europe can certainly be annoying. It is not doomed to be weak. ■

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Business

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The next big "thing"

Will the smartphone survive the AI age?

The Apple-Android duopoly is under attack from OpenAI, Meta and Amazon

1月 29, 2026 05:47 上午 | San Francisco



WHEN LAURENE POWELL JOBS during a recent interview asked Sam Altman and Sir Jony Ive about the artificial-intelligence "thing" they were working on, both men were coy. But Mr Altman, OpenAI's boss, did suggest that using the new device would feel different to the all-consuming iPhone created by Sir Jony and Ms Powell Jobs's late husband. He likened the experience of a smartphone to walking through Times Square, with its flashing lights and loud noises. Mr

Altman and Sir Jony are not alone in working on an alternative. The race to unseat the smartphone is on.

Over the past two decades the iPhone and its imitators have come to dominate how consumers interact with the digital world. The result has been one of the most lucrative duopolies in business history, comprising Apple, with its iPhone, and Google, with its Android operating system, which powers nearly every other smartphone, including its own Pixel devices. Neither has had much incentive to rock the boat, with Google handing bags of cash to Apple each year to make its search engine the iPhone's default. Indeed, the Lennon and McCartney of the smartphone era are only deepening their collaboration in the age of AI. This month they announced that Apple will use Google's Gemini large language models to power an upgraded Siri voice assistant planned for this year, alongside other new features.

That is not stopping the challengers, which hope to disrupt the duopoly. On January 19th OpenAI said it was "on track" to unveil its device in the second half of the year. Two days later it was reported that Apple was working on a wearable pin aimed at heading off whatever Mr Altman and Sir Jony are cooking up. Meta, the world's biggest social-media company and another model-maker, has been developing AI-powered smart glasses and is shifting resources away from virtual-reality (VR) headsets to speed the effort. Amazon, the planet's largest e-retailer, has rolled out Alexa+, its own AI assistant, to its Echo smart speakers and will soon do so to its Echo smart glasses and earbuds.

The next few years already look tough for smartphones. Yang Wang of Counterpoint Research, a firm of analysts, expects global shipments to fall by 6% this year, even worse than his previous forecast of a 2% decline, and does not see a rebound in 2027. In 2025 shipments grew by 2%.

Part of the reason is that prices for memory chips have risen sharply as investment in data centres has gobbled up supply. In the past 15 months the cost of the 12 gigabytes of DRAM commonly incorporated into a smartphone has risen by $70, reckons Mr Wang. Makers of cheaper phones will probably have to raise prices, weighing on volumes. But even Apple, whose iPhones are sold at a handsome profit, will feel the squeeze on margins.

That is compounded by another problem which Mr Wang calls the "foundry war". Smartphone-makers such as Apple and Samsung have long been the biggest customers of semiconductor foundries like TSMC. But ground is now being ceded to Nvidia and other designers of AI chips, whose silicon is far more valuable—and thus more profitable for foundries to produce. As smartphone-makers become less important as customers, they may find it harder to secure the chips they need.

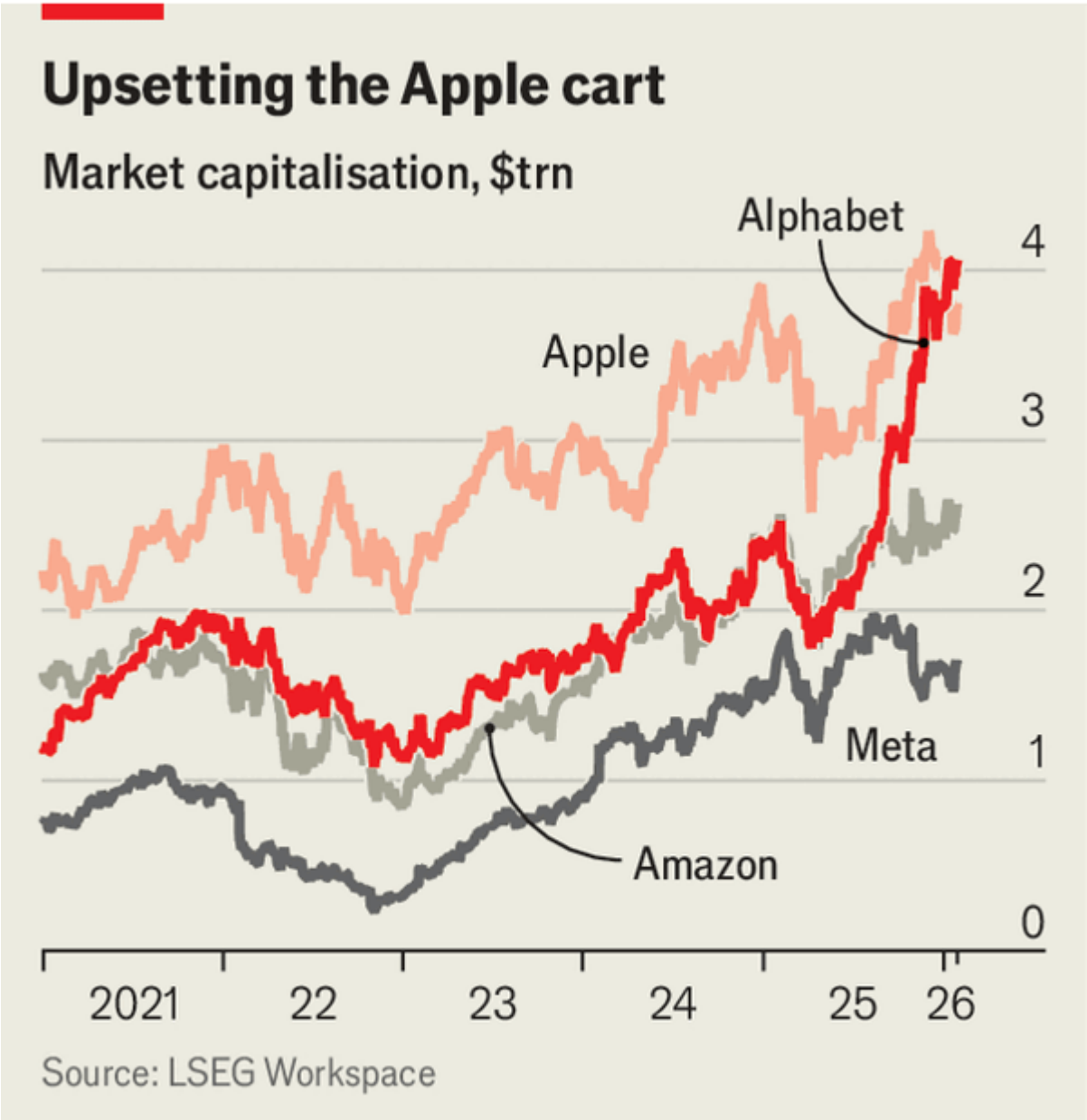
Apple's and Google's would-be disrupters are adding to the pressure. A potentially lucrative source of revenue is not the only thing the challengers stand to gain. Some have long-standing grievances with the smartphone tribute system. Developers pay Apple a commission of up to 30% on purchases made through apps running on its operating system. OpenAI, which currently earns the majority of its revenue from consumer subscriptions, must hand over a slice of any that are bought on an iPhone or Android device. Meta, which instead makes its money from ads, is spared this ignominy. But it has been looking for ways to reduce its dependence on the smartphone duopoly ever since Apple introduced a new feature in 2021 allowing users to opt out of having their activity tracked by developers across other apps and websites. This made it harder for the social-media giant to hoover up data.

Then there is the prospect of shifting consumers over to device forms that are better suited to the rivals' business models. It is no accident that Meta is interested in smart glasses. With built-in cameras, lenses that can display WhatsApp messages and speakers

that direct sound straight to the ear, the devices only make it easier for users to share what they are up to on social media and follow what others are doing. For Meta, more time spent on its platforms means more ad revenue. Amazon would likewise be delighted to have its Echo speakers in every home and its glasses on every face to gather more data for its ad business and make it even easier to buy from its marketplace. And OpenAI would be well served if people ditched their screens and relied on a chatbot to handle their interactions with the digital world.

For now, at least, the threat to Apple and Google remains Lilliputian. HSBC, a bank, estimates there are 15m users of smart glasses worldwide; Apple, which reported its latest quarterly results after we published this, is thought to have sold 250m iPhones last year alone. If its recent deal with Google helps Siri become less of an annoying clod, it could encourage even more people to buy an iPhone.

Meanwhile, makers of alternative devices have plenty of problems to overcome. Google's smart glasses, released in 2014, were halted a year later partly owing to concerns that their built-in cameras meant users were violating the privacy of others. Those worries remain. There are technical difficulties, too. Whereas a smartphone can get reasonably warm without causing trouble for a user, glasses cannot. To be comfortable, they must also be lightweight, leaving little room for batteries. Overheating and a limited battery life were also among the reasons why an AI pin launched to much fanfare in November 2023 by a startup called Humane was a flop (the company folded last year).



Alex Katouzian of Qualcomm, a chipmaker, expects such "edge" gadgets to proliferate, but only with a supplementary "puck" or even a smartphone in the pocket doing much of the computational heavy lifting. Indeed, Meta's Mark Zuckerberg has said he reckons that people who adopt smart glasses will not throw away their smartphones, but simply stare at them less. After all, the advent of smartphones did not stop consumers buying PCs.

Moreover, Apple and Google are hardly standing still. Besides its rumoured pin, Apple is also reportedly working on its own smart glasses, building on technology developed for its Vision Pro VR headset from 2024. In October Google launched Android XR, a software platform designed to power VR headsets and smart glasses manufactured by Samsung and others. It also recently launched a new version of its smart speaker, powered by Gemini.

Perhaps the biggest consequence of AI for the device business may be to shift the distribution of spoils within the duopoly. By embedding Gemini across both the Apple and Android ecosystems, Google has the potential to access vast amounts of data to make its models cleverer still. The market value of Alphabet, Google's parent company, recently shot past that of Apple (see chart). The iPhone-maker may come to regret handing it so much power. ■

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Playing to the cheap seats

Ryanair might be the world's most successful airline

The low-cost carrier is flying high

1月 29, 2026 04:18 上午



"OUTSPOKEN" AND "controversial" are some of the kinder descriptions of Michael O'Leary over the years. Lately the boss of Ryanair has retreated somewhat from the spotlight. But as Elon Musk recently discovered, he is still up for a fight. After the world's richest man called him an "idiot" for not installing his Starlink satellite Wi-Fi on the low-cost carrier's planes, Mr O'Leary returned the insult, launched a "big idiot" sale and thanked Mr Musk, who threatened to buy Ryanair in retaliation, for "a bumper week of free

PR". Mr Musk, who is not a citizen of the EU, cannot buy the Irish airline. But if he could, it would be an excellent investment.

Over the past 30 years Mr O'Leary has built Ryanair from a tiny, barely profitable airline into one of the world's most successful carriers. It is by far Europe's largest, with a fleet of over 640 planes and a fifth of the continent's capacity. In its latest quarterly results on January 26th it said that it expects to have carried 208m passengers in its financial year ending in April—roughly double EasyJet's figure and triple that of Wizz Air, its main low-cost competitors. Its net margin is around 15%, compared with a worldwide average of just 4%. Since the beginning of 2023 its shares have risen by 130%, far outpacing the global industry (see chart).



Like Mr Musk, who didn't invent the electric car but revolutionised the way it is made, Mr O'Leary borrowed the low-cost model from America's Southwest Airlines but perfected it to keep fares as low as possible. It is not just that Ryanair treats passengers as self-loading cargo. It uses cheaper, less popular airports, operates a single type of plane (the Boeing 737) to keep maintenance and pilot-training costs down, and keeps those planes full and flying for as much time as it can. It is this "laser-like focus on costs" that is the basis of its success, notes Keith McMullan of Aviation Strategy, a consultancy.

Unlike Mr Musk, who is distracted from carmaking by autonomous taxis and humanoid robots, among other things, Mr O'Leary has stuck closely to his formula. European aviation has a "deserved" reputation for being "value destructive", notes Bernstein, a broker. Ryanair stands apart. Mr Musk sought to disparage Mr O'Leary by labelling him an "accountant". But the Irishman's bean-counting past has helped his airline thrive in an industry with more than its fair share of "dreamers", says Andrew Charlton of Aviation Advocacy, another consultancy.

For his part, Mr O'Leary has declared that he is "not an aerosexual" seduced by the supposed glamour of the industry, adding that he does not particularly like planes. Indeed, Ryanair is deeply conservative. It sells one product: a seat on a plane. Although it now serves parts of the Middle East and North Africa, half its seats still depart from three countries—Britain, Italy and Spain. Passengers not only do not get Wi-Fi, but must also do without phone charging or seats that recline. And yet it also remains nimble, despite its size. Planes are swiftly reallocated to routes where returns are highest, fostering competition among the airports it serves or that wish to attract it. Capacity at several regional airports in Spain will be slashed this year in a disagreement over rising fees.

The low-cost airline has also been quick to take advantage of weakened competition. The collapse in 2021 of Alitalia, Italy's national carrier, has allowed Ryanair to take a 40% share of the domestic market. It also moved in smartly to Sweden and Denmark to exploit the post-pandemic weakness of SAS, a Scandinavian rival. "If a competitor is bleeding, stick the knife in," is the Ryanair way, according to Alex Irving of Bernstein.

Scale gives Ryanair clout with suppliers. A healthy balance-sheet—it has some €1bn ($1.2bn) in cash and hopes to be debt-free by May—has helped it weather storms. Keeping most of its pilots and staff during the pandemic while others laid people off enabled it to rapidly take advantage of the rebound in air travel. Its financial strength has

helped it buy planes on the cheap, including at times when Boeing was desperate for orders.

These days Mr O'Leary is less inclined to seek publicity by, say, dressing as a leprechaun or claiming that he wants to introduce standing tickets and charge for using the plane's toilet. But his confrontational ways have served Ryanair's shareholders well. He has engaged in wars of words with his pilots over pay and conditions; fought court battles with online travel agents to keep ticket sales on Ryanair's own website; and engaged in regular diatribes against European politicians, including recently accusing them of "mad, illegal" proposals to make carry-on luggage free.

Ryanair's remarkable ascent shows no sign of stopping. A giant order for up to 300 larger, more fuel-efficient versions of Boeing's 737 MAX, which should start to arrive in 2027, will further reduce costs and propel the airline towards its goal of shifting 300m passengers a year by 2034. Mr O'Leary recently said that he might remain boss until the mid-2030s. In the meantime, it is unlikely that Mr Musk, or anyone else, will unseat him. ■

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Fleshed out

How porn stars can survive in the age of AI

A dispatch from the world's premier adult-entertainment conference

1月 29, 2026 04:19 上午 | Las Vegas



IN MANY WAYS the annual AVN Expo is like any other conference. Attendees collect lanyards, pile into a brightly lit hotel and queue at coffee stations for tepid drinks. But in other ways it is very different. The dress code specifies not whether blazers and ties are required but which body parts must be concealed. The acronyms thrown around on stage include AI, but also BDSM. The closing night involves an awards ceremony that David Foster Wallace, a writer who attended in 1998, described as the porn industry's Oscars.

The annual gathering of the $100bn adult-entertainment industry in Las Vegas has taken place since 1984. Since then porn has been through a series of of technological disruptions. First came the rise of the internet; then YouTube-like sites such as Pornhub; then subscription platforms like OnlyFans, which link viewers directly with performers. As the industry has shifted away from big-budget films produced by major studios, those attending say the expo has lost some of its vim, with fewer booths, stars and fans. "It's the incredible shrinking convention," says Tommy Gunn, a veteran porn star.

Now AI threatens what could be porn's biggest upheaval yet. A recent furore over Grok, a bot from Elon Musk's xAI, being used to digitally disrobe people without their consent showed how easily the technology can be used to create smut. This year's AVN Expo offered clues as to how the industry will adapt.

The event, held from January 21st-24th at the Virgin Hotels (yes, really), was less a bacchanal and more a tech fair. For every stand where men queued for photos with scantily clad performers, another was staffed by startups flogging new inventions. Hesen AI, a robotics company, showed off sex dolls with medical-grade silicone skin, roving eyes and even some capacity for conversation. Beyond AI, a software startup, presented a tool that helps performers create digital replicas of themselves, which can then churn out explicit content. Makers of adult toys demonstrated gadgets that pair with chatbots, supplementing saucy conversations with real-world action.

Much of the chatter focused on whether AI would take performers' jobs. Some are trademarking their stage names and renegotiating contracts with studios to make sure clips of them aren't used to train AI models without their consent. But others are embracing the technology. Many are using it to edit videos and chat to fans online. Cherie DeVille, a performer known as "the internet's stepmom", is open to creating a digital double if she can find an AI company offering favourable terms. "I do believe it's the future," she says.

A lot will depend on whether people find AI babes hot or not. Casey Calvert, another starlet, fears she can't compete with the bots. "The AI girl is always horny and always available," she points out. Even where fans want to interact with a human, online sex work has become more difficult. Roxy Renee, one more X-rated creator, says followers expect her to respond immediately to messages and deliver precisely the videos they demand, just as a bot would. One recently asked for proof she is human: a photo of her holding up three fingers and a spoon.

Porn stars have another way to distinguish themselves from their AI rivals: turn up in the flesh. Jennifer White, winner of Female Performer of the Year at the awards ceremony, spent much of her time at the conference taking selfies with fans. She slipped away one evening to dance at Sapphire, billed as the world's largest strip club, where a crowd of men turned up to cheer and shower her with cash. In the age of AI, up-close interactions may matter more than ever. ■

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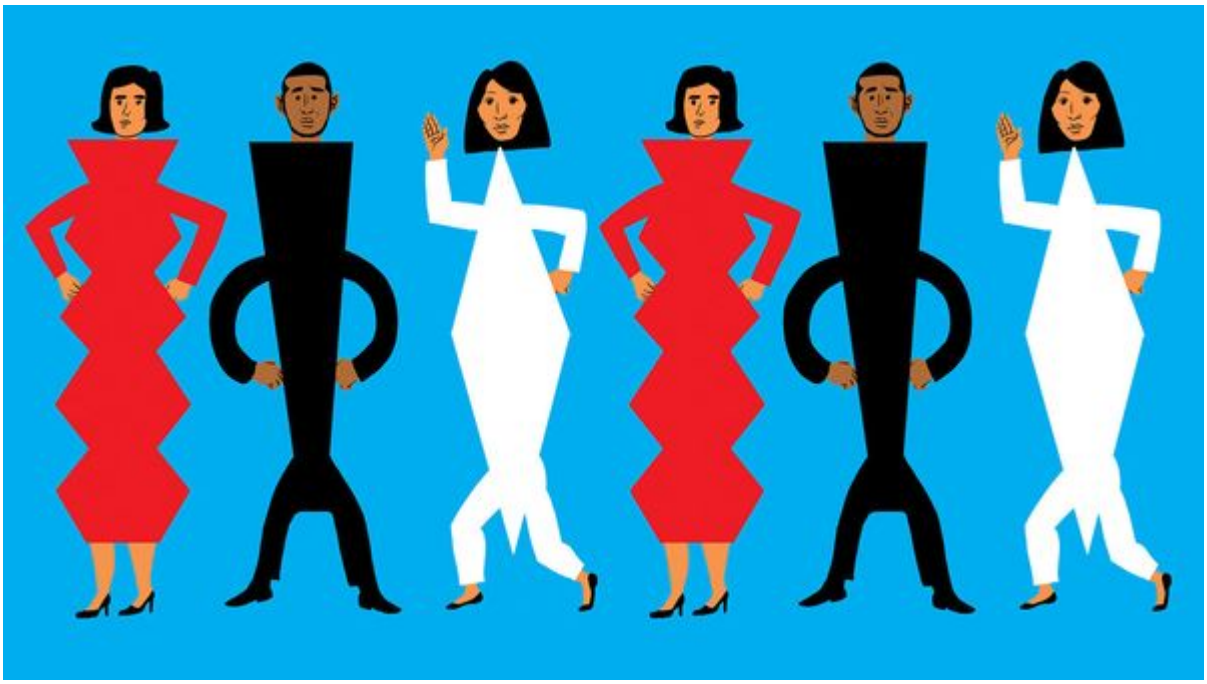
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Bartleby

How big a threat is AI to entry-level jobs?

And what should companies do in response?

1月 29, 2026 04:18 上午



IF YOU ARE interested in organisations and geometry, these are heady times. The classic shape of the company hierarchy is a pyramid: lots of people at the bottom, tapering to a single point at the top. But the possibility that firms will need many fewer people because of AI means that pyramids may become passé. Some reckon the organisation of the future will look like an obelisk, with a vaguely similar shape but fewer people at each level. If you believe that entrepreneurs will be able to create huge firms on their own, the shape of the future might end up being a dot.

But the one that captures the biggest near-term worry is the diamond. If entry-level and junior jobs are disproportionately affected by AI, white-collar organisations may end up narrower at the top and bottom and wider in the middle.

The data so far are inconclusive. A paper published late last year by Erik Brynjolfsson of Stanford University and colleagues found evidence of big drops in employment in America for 22- to 25-year-olds in software engineering and customer service. Another recent study, by Bouke Klein Teeselink of King's College London, suggests that British firms which are more exposed to AI are more likely to reduce entry-level hiring.

But a new paper by Morgan Frank of the University of Pittsburgh and his co-authors cautions that graduate prospects in AI-exposed industries were worsening before the launch of ChatGPT in 2022. AI is not the only source of economic uncertainty; young workers always tend to get hit hard when older workers cling onto their current jobs.

There are, however, good first-principles reasons to be worried about AI's impact on entry-level jobs (a topic we explore in the latest season of Boss Class, our podcast on work and management). Lots of junior staff spend their first years in the office inexpertly doing document-heavy grunt work in return for experience. Now there is a machine that can do document-heavy grunt work more efficiently and cheaply than humans—and that never asks awkward questions about your firm's progress towards the Sustainable Development Goals.

If a junior employee is smart, they may well be using AI themselves to get the work done, so are they learning anything anyway? And if the diamond is the shape of the future, why not let someone else train early-career employees and lure them to your organisation a bit later?

In fact, managers have three very good reasons not to slash entry-level jobs. First, no one knows how AI is going to affect work over the longer term. Second, firms always run the risk of expensively trained workers leaving, but not having a pipeline of future talent can be even riskier.

Third, although attrition may seem like the least disruptive way to cut back on employees, it is not the best way to acquire an AI-literate workforce. Because entry-level employees have no experience of work, they lack ingrained habits. And although lots of young people regard AI with the sort of deep antipathy they normally reserve for their parents, they tend to use it more than older workers. According to OpenAI, 18- to 29-year-olds are more than twice as likely to use ChatGPT at work as those over 50.

"We think of our entry-level talent as a very interesting change lever," says Hannah Calhoon, the head of AI at Indeed, a jobs marketplace. She encourages colleagues not to unthinkingly replace experienced leavers with equally seasoned candidates, but to at least consider the benefits of bringing in junior people with fresh perspectives.

In the optimistic case, entry-level jobs will actually get better. Trainee solicitors in Britain have traditionally spent a lot of time doing research, taking notes and drafting contracts, observes Samantha Hope of Shoosmiths, a law firm. But when AI starts doing much of the grunt work, trainees ought to be able to spend more time on higher-order things like talking to clients or negotiating. Shoosmiths is considering expanding the rotations that trainees undertake; a few months in its innovation or legal-technology teams might well be good preparation for bigger changes ahead.

Bosses are under pressure to turn AI adoption into profits. Many will be tempted to chop entry-level jobs in response. The better option would be to rethink what junior workers do. ■

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Next in line

The Gulf’s family businesses have a growing succession problem

Governments are nudging them, but it’ll be messy

1月 29, 2026 04:18 上午 | Dubai



The family jewels

IN NOVEMBER 1995 Majid al-Futtaim opened his first shopping mall, then Dubai’s largest. Shortly before, the Emirati merchant had fallen out with his cousin over business—so acrimoniously that the royal family intervened. He went on to build a conglomerate that sprawled from the swanky Mall of the Emirates, with its giant indoor ski slope, to hotels and homes; it spread across the region and beyond. In

2021 Futtaim, who owned almost all the shares, died, aged 87. Another bitter row broke out, this time among his several heirs. Last summer the government stepped in to restructure the group.

The succession squabble was not the Gulf's first. But quarrels like it are increasingly important. Family firms are economic linchpins. In the United Arab Emirates they contribute 60% of GDP. The Majid al-Futtaim group, with $19bn in assets and more than 40,000 staff, is one of the UAE's biggest employers. Saudi Arabia's family businesses produce more than a quarter of its GDP and employ about half of its workforce. Such firms are often loosely structured and lack plans for when the patriarch passes on. As the Gulf's sheikhs and princes hope to diversify away from oil to build broader, sturdier economies, encouraging succession planning is becoming an urgent task. It is not an easy one.

In Saudi Arabia almost two-thirds of family firms do not have a succession plan, according to the National Centre for Family Businesses (NCFB), a non-profit. Large families (several wives, many children) complicate matters. So do Islamic inheritance laws. For instance, male heirs get more than their sisters, in part because they are expected to care for their wives and mothers. Executives say tensions are bubbling at a few big Saudi firms. Nine in ten business owners in the UAE struggle to divide assets fairly, compared with six in ten worldwide, reckons UBS, a Swiss bank.

As businesses have grown, so has the cost of inaction. By 2035, $500bn-700bn across the region will be transferred from founders to heirs. For many, this will be the first such transition, says Francesco Malatesta of McKinsey, a consultancy. Officials fear economic damage if assets are tied up in disputes. According to the Dubai International Financial Centre, a special economic zone, by 2030 about one in four estates in the Gulf will "transfer without predefined rules or instructions". That could leave $49bn of capital unclaimed and $123bn trapped in legal processes.

"What's at stake is big; and we want to make sure these enterprises continue to exist regardless of owner," says Ayth al-Mubarak, who runs the NCFB. It set up a dispute-resolution process last year; 170 families have already gone through it.

Officials are loth to be seen to meddle. But they are nudging businessmen to clean up governance structures and separate personal assets from those of their firms. They are also discussing whether family-run firms (or at least those "too big to fail") should be subject to minimum, legally enforceable governance standards. Some large firms that were founded as sole proprietorships are still organised as if they were small businesses.

In 2022 the UAE introduced family-business guidelines and laws laying out rules on share buy-backs, multiple share classes, directors' rights and ownership; so did Saudi Arabia in 2023. Last year Emirati officials met prominent families, encouraging them to act on succession plans.

With such tools and laws, one adviser says, Gulf families could probably follow Sweden's Wallenbergs, whose sixth generation is stepping up to manage the family firms and foundations. But getting the Gulf's generations on the same page has proved harder. Few younger heirs want to run food-processing or oil-services businesses like their fathers; they are keen on tech startups and digital assets. Some want to bring in outside capital, or even exit. The "notion of losing control" is uncomfortable for the patriarchs, Mr Malatesta says. Doing nothing could be worse. ■

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Coupangst

Silicon Valley wades into a trade spat with South Korea

Coupang's data breach is turning into a diplomatic row

1月 29, 2026 04:19 上午 | SAN FRANCISCO AND SEOUL



TO SOUTH KOREANS Coupang is a household name. To people in America, where the e-commerce firm listed its shares in 2021, it is little known. And yet the Amazon of South Korea, with more than $35bn of sales and a workforce of about 100,000, has stumbled into an international dispute that is pitting Silicon Valley moguls, with the support of allies in the Trump administration, against the government of South Korea. It is a sobering illustration of how corporations are caught up in the politicisation of global trade.

Coupang's problems started in November when it revealed that a former employee in China had gained access to data on about 34m customers in South Korea. The leak went undetected for five months. South Korean media called the data breach the biggest in the country's history, though Coupang said data on only 3,000 accounts were accessed, and have been deleted without being shared with third parties.

The government of President Lee Jae Myung has come down hard. Coupang reportedly faces potential fines of at least 1trn won ($700m), seven times what SK Telecom, a South Korean carrier, received for a breach affecting more than 23m users. The country's Fair Trade Commission, an antitrust watchdog, has also started investigations into Coupang unrelated to the data breach. The firm's market capitalisation has fallen from a peak last year of $60bn to about $37bn.

Coupang has not helped its cause by responding snootily. Although the chief executive of its South Korean business resigned after the leak, its top boss, Bom Kim, an American billionaire of South Korean origin, declined to attend a parliamentary enquiry. That helped turn a corporate screw-up into a political showdown. Coupang offered vouchers worth $35 to the 34m, which some derided as a promotional gimmick. Before the data breach it was already facing allegations that it mistreats its warehouse and delivery workers (which it denies). The public is angry. Harold Rogers, an American who is the interim boss of the South Korean business, was lambasted in parliamentary hearings in the country at the end of last year. He is said to have recently returned to Seoul in response to a police summons.

The fallout has gone transpacific. On January 22nd two big Silicon Valley backers of Coupang, Greenoaks and Altimeter, both venture-capital firms with stakes in the firm worth a combined $1.5bn, threatened to sue the South Korean government for allegedly violating the US-Korea Free Trade Agreement, known as KORUS,

which went into effect in 2012. They accused it of trying to cripple Coupang, describing its "attacks" as something "US investors might expect from totalitarian adversaries like Venezuela or Russia".

Presenting the actions against Coupang as part of a broader campaign by the South Korean government against American tech firms, the pair asked the office of the US Trade Representative to intervene. J.D. Vance, the vice-president, has weighed in, reportedly warning Kim Min-seok, South Korea's prime minister, not to penalise American firms such as Coupang. On January 26th President Donald Trump threatened to raise tariffs on South Korea from 15% to 25% for not ratifying a new trade deal agreed last year quickly enough. (He did not mention Coupang.)

If the treatment of Coupang in South Korea has political overtones, so has America's response. The venture capitalists seek to portray President Lee as anti-American and pro-Chinese. That helps to gain the Trump administration's attention, notes Andrew Yeo, a Korea expert at the Brookings Institution, a think-tank in Washington. But in South Korea Mr Lee is seen as more of a centre-left pragmatist. Like other export-dependent countries, South Korea may have little choice but to seek closer ties with China as a hedge against Mr Trump's trade belligerence.

Mr Yeo calls it "quite rich" that Coupang's defenders invoke violations of KORUS, given Mr Trump's use of tariffs as a trade weapon against South Korea. But such is the sorry state of global trade. South Korea risks bullying a big American-backed success story. America risks bullying a strong ally in Asia. No one wins. ■

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Out of the blue

How IBM became an AI darling

It has pulled off yet another striking turnaround

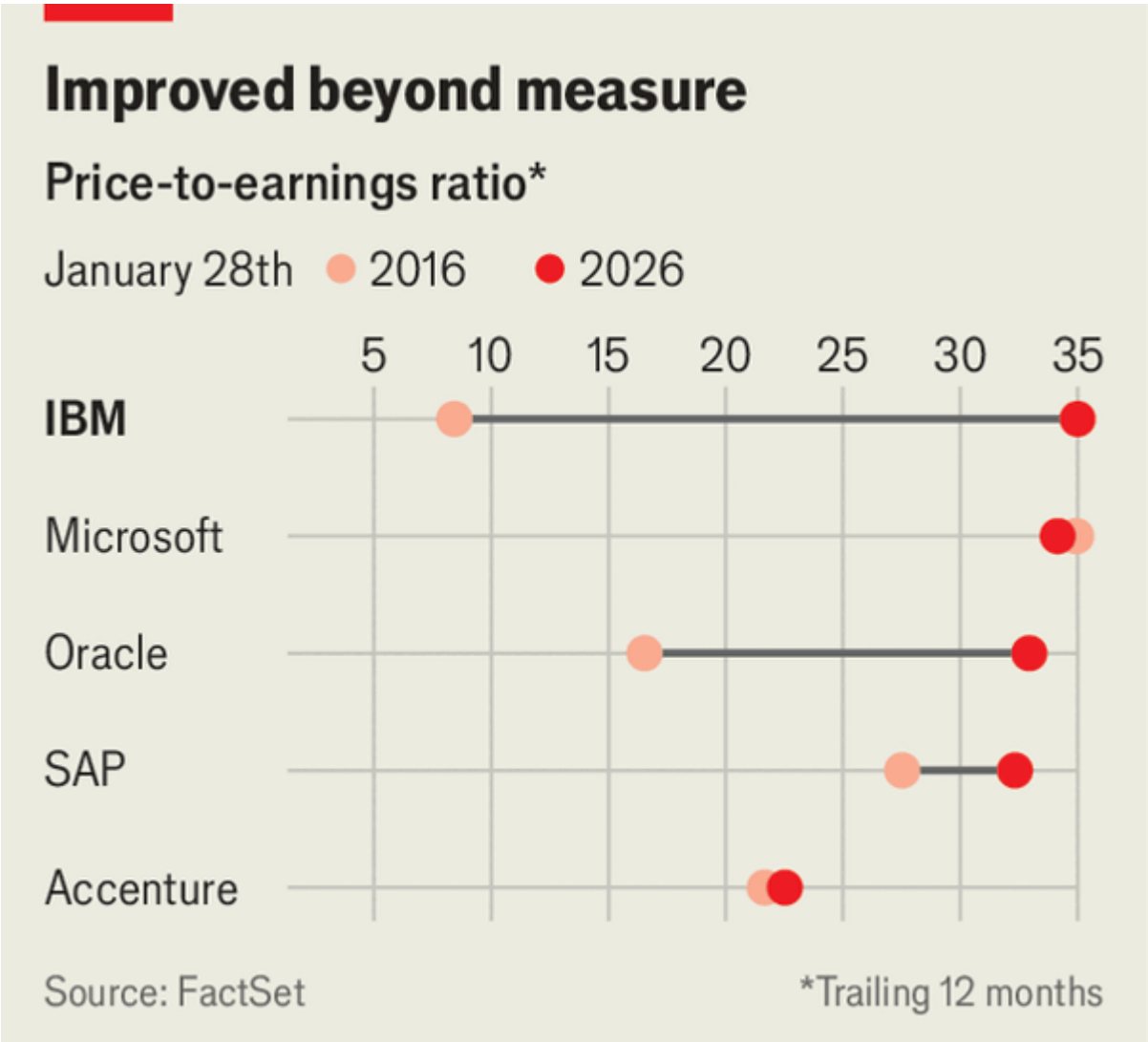
1月 29, 2026 04:18 上午



THROUGHOUT ITS 115-year life IBM has shown itself to be a master of reinvention. In the mid-1990s the mainframe pioneer rescued itself from collapse by shifting its focus to the booming business of IT services. A decade later it sold its struggling PC division to China's Lenovo.

Over the past half decade or so "Big Blue" has been through another striking transformation. During the 2010s its business was disrupted by the rise of cloud computing, which undermined not only sales of

mainframes but also the work of servicing them at a time when low-cost outsourcers from India were pinching share. Revenues and margins shrank, and investors once again lost interest.



That has all changed in the past three years, during which IBM's share price has more than doubled. As a multiple of net profits, it is now valued similarly to Microsoft and other software champions (see chart). On January 28th it reported that its revenue and net profit rose by 8% and 14% in 2025—a sharp reversal from its years of stagnation. How did IBM pull it off?

The strategy began with the acquisition in 2019 of Red Hat, a platform that, among other things, helps companies manage their workloads across data centres. Rather than trying to compete with Amazon, Google and Microsoft in the so-called public cloud, IBM created a layer between that makes it easier to mix and match among the hyperscalers while continuing to use on-premise mainframes or dedicated private clouds (including those run by IBM) for sensitive tasks. Deals in 2024 and 2025 to buy HashiCorp and Confluent, two more software firms, have solidified IBM's role as an orchestrator of hybrid clouds.

IBM has also created a space for itself in AI. The company has long dabbled in the technology—including using it to beat Gary Kasparov, the world chess champion, in 1997—but missed the latest wave of large language models. Rather than trying to beat OpenAI and other model-makers at their own game, it has released a series of small language models, under the name Granite, which are tailored to business applications and require less computing power. These and other open-weight models, which make their numerical parameters freely available, are accessible through its watsonx platform, which enterprises can use to build AI agents trained on their own data.

IBM's growing strength in AI has been helped by another big strategic shift over the past few years—the refashioning of its services arm. In 2021 the company spun off its struggling outsourcing business, now called Kyndryl, which at the time accounted for about a quarter of its workforce. That left it with a smaller consulting division focused on technical expertise, which has come in handy as clients grapple with AI. IBM has booked over $10bn-worth of consulting contracts related to generative AI since the middle of 2023. It has also been using the technology to digitise its own consultants' work, a move the division's boss has described as moving to "service as a software".

Meanwhile, IBM continues to innovate in its original metier of hardware. It is still by far the world leader in mainframes. The z17,

released last year, has been a hit. It offers access to IBM's new Spyre chip, designed for running AI models. Then there is IBM's work on quantum computers, where it is at the leading edge. McKinsey, a consultancy, reckons the market for the technology could reach nearly $100bn by 2035. IBM thinks it can capture about 20% of the business by selling machines and renting out capacity. It hopes to deliver Starling, a "fault-tolerant" quantum computer that can spot and correct the errors the technology is prone to, by 2029.

Lately investors in legacy technology companies have become increasingly jittery over the prospect of disruption from AI. In the past three months software businesses in America's S&P 500 index have shed a seventh of their value. Shares in Accenture, the world's biggest provider of IT services, are down by a quarter over the past year amid fears that bots could soon replace much of what the company does. But IBM, with its unique portfolio of businesses, looks well positioned to make it through the upheaval. ■

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Schumpeter

Don’t be fooled. AI bosses are regular capitalists

The legal battle between Elon Musk and Sam Altman reveals their true nature

1月 29, 2026 04:19 上午



PRESS RELEASES reveal almost nothing about how a company works. To really lift the corporate veil a firm must end up in court. Consider Elon Musk’s legal battle with OpenAI, for which a treasure trove of documents was released this month. Mr Musk is demanding a giant payout from the maker of ChatGPT, which he co-founded and now says defrauded him by abandoning its non-profit structure. The docket reads like a gossipy e-bestseller. Why did OpenAI partner with Microsoft rather than Amazon? “I think Jeff is a bit of a tool,” Mr

Musk wrote of its founder in 2016. How does Sam Altman, OpenAI's boss, feel about his very public scrap with Mr Musk? "It really fucking hurts," he confided in 2023.

Investors are fixated on the revolutionary potential of AI. Some talk of little else. Primary evidence illuminating the inner workings of its vanguard thus invites careful study. A growing chorus of critics worry that AI will develop more slowly and predictably than its boosters expect: it will, in other words, be a normal technology. But corporate anthropologists studying the behaviour of OpenAI will discover something that Silicon Valley is even less keen to admit: its bosses are normal capitalists.

When a California jury hears the case in April, normality will not be the first impression left on them. As he considered changes to OpenAI's governance in 2017, Ilya Sutskever wrote that his deliberations with Greg Brockman, a fellow co-founder, might be the "highest stakes conversation the world has seen". A deal sheet from 2018 warned investors that OpenAI didn't know "what role money will play" in a world where artificial general intelligence (AGI) beats humans at most economically valuable tasks.

Yet the battle for OpenAI's soul shows how, even as AI has become more extraordinary, the way its most famous company is run has become more ordinary. The enterprise was conceived in 2015 as a civilisation-saving non-profit funded by Silicon Valley donors. Almost immediately the struggle to balance growth with charity forced it into corporate gymnastics. One idea was issuing cryptocurrency. Another was attaching to a corporate sugar daddy in the form of Tesla, Mr Musk's car company.

Neither happened. Eventually Microsoft, and then others, invested in a subsidiary of OpenAI via deals which at first capped their returns at an uncharitable 100 times. In October the model-maker went further and reorganised as a public-benefit corporation (PBC). Although a non-profit entity still has formal control, OpenAI now

operates as a for-profit business that commits to balancing the interests of shareholders with "all of humanity". Anthropic, which makes the Claude chatbot, is also a PBC. Its charter has equally vague obligations to everyone in the world.

Silicon Valley has good reasons to cloak its profit-maximising instincts in piety. Anthropic may be the industry's most do-goody lab, but it is also the developer of its hottest new product, Claude Code. Popular resentment over AI's potential impact on jobs and electricity prices is a worry, particularly as it could lead to regulation. Four factors ultimately explain why AI's star-gazing leaders now look more like standard-issue shareholder capitalists.

The first is self-interest. There is little reason to believe those in charge are altruists. "What will take me to $1bn?" wondered Mr Brockman in his diary (selectively exhumed by Mr Musk's lawsuit), while OpenAI was considering its future in 2017. He should have asked what might take him to $134bn, the top end of what Mr Musk now demands. The huge sum assumes a $500bn valuation for OpenAI, based in part on flattering work by its own bankers. More than a quarter belongs to the non-profit entity—and most of that, says Mr Musk, belongs to him. Not bad for a $38m donation.

Then add competition. The constitutions adopted by OpenAI and Anthropic are built on fuzzy language. Yet the intensifying rivalry between model-makers is clear to all. When high-minded commitments encounter hard commercial reality, the former is destined to become window dressing rather than self-imposed constraints. Fights over regulation and courtroom battles over matters such as copyright will also force bosses to be less woolly.

To stay in the race, model-makers need capital—a third explanation. Investors demand returns, which is why cashflow targets have quickly replaced safety concerns as the industry's *idée fixe*. If OpenAI and Anthropic go public, as they are rumoured to be considering, the disciplining effect that markets have on their

operations will become much stronger. Good luck explaining to prickly Wall Street activists or retail investors that quarterly profits have been sacrificed for the good of the species.

Finally there is recent history, which is unambiguously unkind to bosses who pretend to ignore the bottom line in pursuit of a higher calling. The AI industry has more in common with the environmental, social and governance (ESG) movement, which reached its zenith in the early 2020s, than it would like to admit. Back then, bosses delivered existential warnings about climate change and inequality. Some even embraced new corporate forms, including the PBC. Little of the ESG project was made of strong enough stuff to survive the return of Donald Trump.

Common cause

Nobody likes to be called normal, least of all billionaires. Those who believe AI could imperil humanity if not properly controlled may also despair at the assessment: the thought that AI bosses might handle extinction-level risks with the diligence that Wall Street applies to preventing financial crises is a worrying one.

Yet if AI is a normal technology marshalled by normal capitalists, the true risk may be of a different nature. It suggests that the AI boom is part of a normal cycle of hype, over-investment—and eventual crash. That wouldn't be the end of the world, but it would be painful nonetheless. ■

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Finance & economics

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The cyborg workplace

Why AI won’t wipe out white-collar jobs

The technology will expand their scope and raise their value

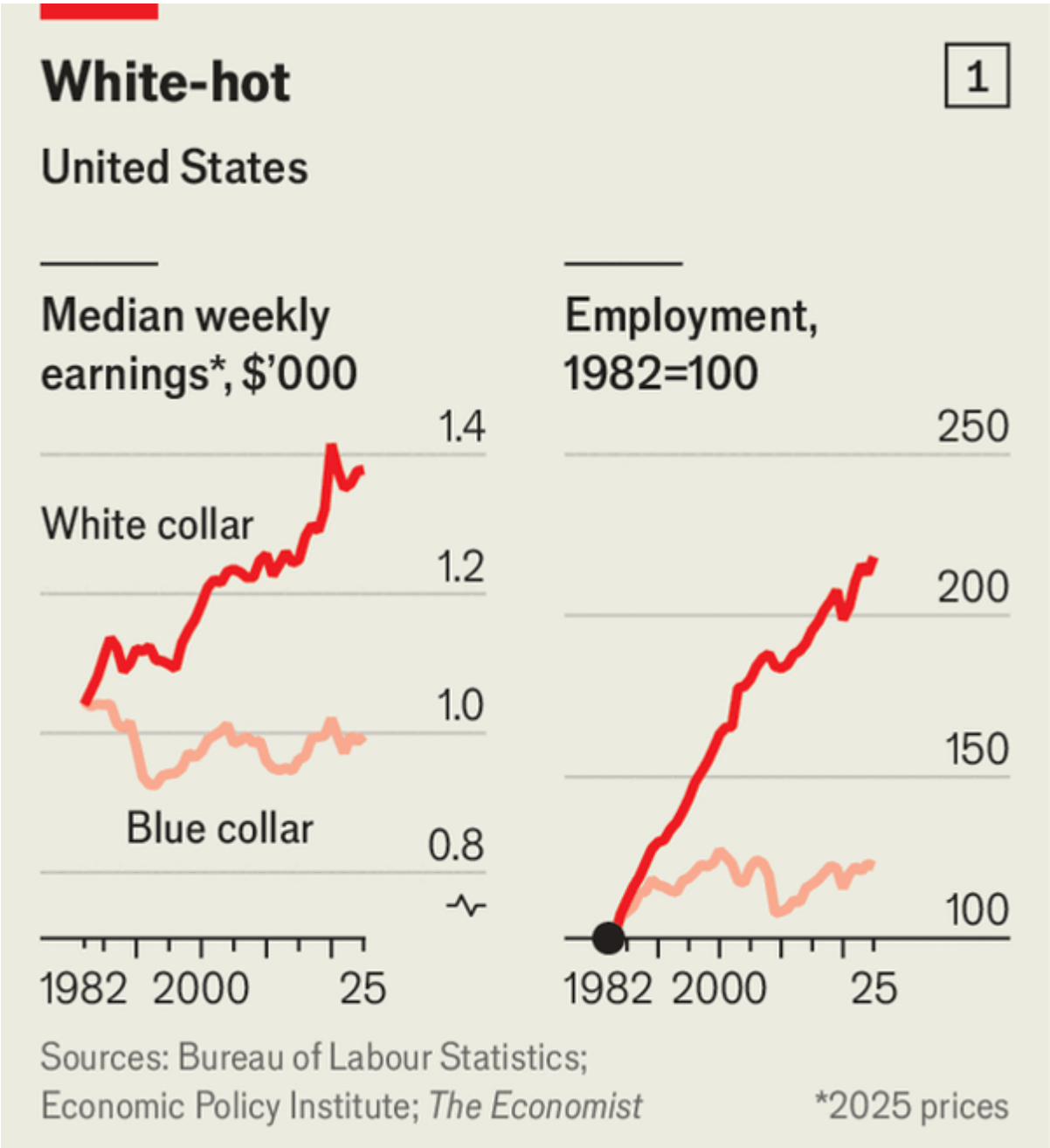
1月 29, 2026 04:18 上午



EVER SINCE the arrival of ChatGPT in November 2022, artificial intelligence which can, cheaply and almost instantly, turn a short query in plain English into a workable software app or a data-rich slide deck has excited and terrified in equal measure. Bosses hoping to trim costs love it. Their programmers, PowerPoint jockeys and other desk-bound employees fear it.

Now prominent voices in the world economy are weighing in. In the past week or so Kristalina Georgieva, head of the IMF, has warned

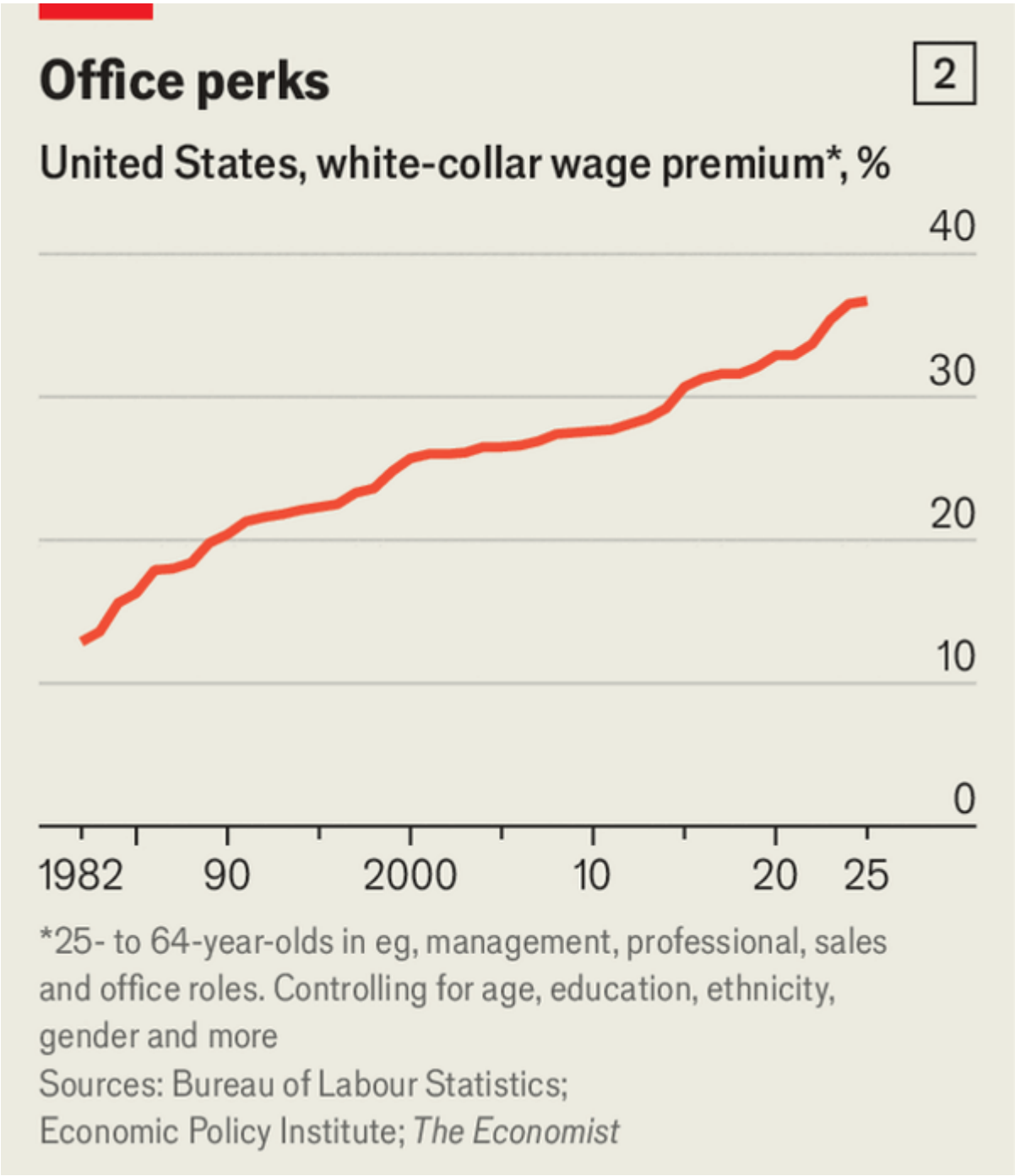
that AI is "hitting the labour market like a tsunami". Jamie Dimon, boss of JPMorgan Chase, has forecast that America's biggest bank would soon need fewer employees. And Dario Amodei, who runs Anthropic, has predicted that the technology his company is at the forefront of developing could wipe out "half of all entry-level white-collar jobs".



AI could indeed wreak havoc in the white-collar workforce. But rather than make many such jobs less lucrative—let alone redundant—it is likelier to reshape them. The AI office will look less like a robot and more like a cyborg, combining the best of human and computer capabilities: the Six Million Dollar Man rather than Terminator. To see why, consider what has happened to white-collar work in the past three years, how this compares with earlier technological revolutions and what those patterns imply about what comes next.

For all the alarm, white-collar workers are still doing well. Since late 2022 America has added roughly 3m white-collar jobs—which include management, professional, sales and office roles—while blue-collar employment has remained flat (see chart 1). Some occupations regularly cast as AI's early victims are on a tear. America has 7% more software developers, 10% more radiologists and 21% more paralegals than three years ago. A slowdown in hiring for some entry-level white-collar work detected lately by academic research appears to predate ChatGPT and, as such, may have more to do with rising interest rates and an increasingly unpredictable global business environment.

Professionals' pay has held up, too. Since late 2022 real (inflation-adjusted) wages in professional and business services (think salespeople, accountants and the like) have increased by 5%. Office and administrative workers earn 9% more. Controlling for education, age, gender, race and several other characteristics, we calculate that white-collar workers now earn a third more than blue-collar ones (see chart 2). That is nearly triple the premium in the early 1980s and has kept rising over the past three years. AI has not, in other words, so far robbed office workers of their abiding pay advantage.



These findings would not surprise historians of technological change. The early years of the computer age were likewise marked by dire predictions of mass displacement. In 1982 Wassily Leontief, a Nobel-prizewinning economist, cautioned that "the relation between man and machine is being radically transformed", as computers began to take on "first simple and then increasingly complex mental tasks". In

the event, digital automation proved a boon for office work. Since the early 1980s employment in management, professional, sales and office roles has more than doubled, and their pay has risen by about a third after adjusting for inflation.

One reason white-collar work thrived in earlier digital eras is that computers rarely replaced entire jobs in one go. They automated routine and repetitive tasks—those that could be codified into explicit rules and executed by machines. When a job was all routine and repetition, it could disappear (as happened with typists). But most professional roles are bundles of tasks, only some of which could be automated. The result was not replacement but upgrading: computers raised productivity and let human effort be directed towards higher-value activities like analysis and judgment. Air-traffic controllers illustrate the pattern: software helped process flight data, humans retained authority over high-stakes decisions, wages rose.

Computer-assisted domination

More important, by raising productivity and cutting costs, computers also widened the range of activities firms could undertake profitably. E-commerce has generated new work in logistics, supply-chain planning and digital payments. Smartphones created app designers. Social media ushered in digital marketers and influencers. The result was sustained growth in white-collar employment. According to Daron Acemoglu of the Massachusetts Institute of Technology and Pascual Restrepo of Boston University, roughly half of America's employment growth between 1980 and 2010 came from the creation of entirely new occupations.

AI is cleverer than digital technologies of old. But the same logic of technological change seems likely to apply this time round. For one thing, today's artificially intelligent systems have what AI scholars call "jagged intelligence", displaying uneven and inconsistent performance. Being good at 95% of a task is not enough when the remaining 5% involves important edge cases and discretion.

Evidence from Anthropic, drawing on millions of anonymised interactions with its models, bears this out. Only around 4% of occupations use AI across three-quarters or more of their tasks; hardly any roles can be automated in full. As with the computer, AI is reducing the cost of specific cognitive activities—drafting text, writing code, gathering information or running standard analyses—rather than replacing whole roles.

Brain-computer interface

3

United States, change in employment, H2 2022-H2 2025, %



Sources: Bureau of Labour Statistics; Economic Policy Institute

Recent labour-market data support this view. We analysed employment and wage trends across more than 100 large white-collar occupations in America since the second half of 2022. Employment across the sample has risen by 4% and real wages by 3%. To get a sense of AI's impact on different roles, we used occupational descriptions to classify white-collar roles into four groups depending on the bundles of tasks involved: technical specialists, managers and co-ordinators, care workers, and back-office employees. We then tracked employment in each group starting in late 2022, using six-month moving averages.

Roles that combine technical expertise with oversight and co-ordination have enjoyed the biggest gains. Employment among project managers and information-security experts has risen by 30% or so. Other occupations which combine deep expertise in maths-related fields with problem-solving are also thriving (see chart 3). So are jobs which involve interpersonal care work and those which demand judgment and co-ordination (see chart 4). Only routine back-office work has shrunk. Over the past three years or so the ranks of American insurance-claims clerks have shrunk by 13% and those of secretaries and admin assistants by 20%.

AI is already generating all-new jobs, too. Companies are hiring "data annotators" to label digital information so that AI can parse it, "forward-deployed engineers" to guide clients through AI implementation and, in the C-suite, "chief AI officers". Indeed, the fastest-growing white-collar occupations in recent years have been those without settled names. "Other mathematical-science occupations" have seen their ranks swell by around 40% since late 2022 and their real wages by about a fifth. "Other computer occupations", such as systems architects and IT project managers, have also expanded briskly. Employment among "business operations specialists, all other"—a grab-bag combining process design, co-ordination and analysis—has jumped by almost 60%, with solid wage growth to match.

Do AIs dream of eclectic creep?

That is not to say all white-collar workers can sleep easy. In the subset of task bundles that include few edge cases and little discretion, AI may soon be able to automate the lot. Already newer models can carry out multi-hour stretches of autonomous work, combining coding, analysis and tool use with limited human input.



Benchmarks created by METR, a research group, suggest that AI can write software by itself for five hours straight, and that this figure has been doubling roughly every seven months. Mr Amodei of Anthropic has mused that AI may be able to do much of a software engineer's job as soon as this year.

Entry-level jobs look vulnerable· for similar reasons. So do those on the receiving end of earlier technological upheavals. The share of Americans in clerical and administrative work, already down from 18% in the 1980s to 10%, looks poised to keep shrinking. New research by Sam Manning and Tomás Aguirre, both of the Centre for the Governance of AI, a think-tank, suggests that such workers have the weakest capacity to adapt, with fewer transferable skills and less scope to move into higher-value jobs.

Such disruption will be painful for the disrupted. But it is a far cry from the sort of labour-market mayhem prophesied by some. Marrying human judgment with machine intelligence is likely to produce more value than AI alone for a while yet. Human accountability and involvement will keep commanding a premium in the marketplace. And white-collar workers have shown themselves to be highly adaptable. AI will redraw their jobs yet again. But it won't erase them. ■

***Correction (January 27th)**: An earlier version of this article stated that the real (inflation-adjusted) wages of office and administrative workers are 17% higher than in late 2022. That is, in fact, the nominal figure. The inflation-adjusted figure is 9%.*

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Buttonwood

Just how debased is the dollar?

Not nearly as much as it could be

1月 29, 2026 09:00 上午



DONALD TRUMP loves shows of strength. Except, it seems, when it comes to the dollar. When asked on January 27th about its recent weakness, the president said it was "doing great". Following that assertion the dollar did even more great, in this Trumpian sense—it slid to its softest in almost four years against a basket of other currencies. It has now declined by around 12% since its peak before Mr Trump's inauguration last year.

Despite the insistence of Scott Bessent, the treasury secretary, that America has a "strong-dollar policy", Mr Trump seems to believe that a weaker dollar will boost American exports and curb imports, reducing the trade deficit—one of his long-standing bugbears. Many investors fear it reflects something more malign: his disdain for America's European allies, his assaults on the independence of the Federal Reserve and the erosion of other institutional norms. Trading floors are abuzz with talk of the "debasement trade", a broad term for bets on the deterioration of American financial exceptionalism. If the debasement traders are right, then the sell-off in the greenback has barely begun.

Exhibit A for the debasement trade is the surging price of gold. An ounce of it costs over $5,500. That is 28% more than at the start of the year—and it is not even February. These days the ancient store of value rallies not just on bad news, but on good news, too. Since Mr Trump's wall of global tariffs was revealed to the world on April 2nd last year, the S&P 500 index of big American firms dropped by more than 1% on 27 occasions. On average, the price of gold popped 0.6% per day during those sell-offs. On the 24 days when the S&P 500 leapt by more than 1%, gold rose by 0.2%.

If gold tells one story, though, other assets tell another. American securities are not exactly being jettisoned. Even as the dollar has weakened over the past 12 months, the S&P 500 has risen by 15%. On January 27th it once again hit an all-time high. The yield on America's ten-year Treasury bonds, which moves inversely to their price, is lower than it was when Mr Trump took office just over a year ago.

Why are American assets so strong despite the dollar's ostensible weakness? One explanation is that the dollar is not actually all that weak. Despite its decline over the past 12 months, the real exchange rate (which accounts for differences in inflation between countries) was 13% above its average of the past 30 years. Using *The Economist*'s Big Mac index, based on the prices of the McDonald's

delicacy around the world, the dollar is overvalued against 49 of 70 currencies.

Another explanation involves how foreign investors, who have gorged on American securities since the global financial crisis of 2007-09, protect against currency risk. A basic form of such protection is the foreign-exchange swap, a derivative which lets an investor lock in today an exchange rate for some point in the future.

If this protection is bought when a security is first purchased, it has no effect on the exchange rate. For reasons of financial maths, that is not the case if a portfolio is hedged only later. Research published in June by the Bank for International Settlements, a club of central banks, suggests that far more investors scrambled to hedge their currency exposure in the aftermath of Mr Trump's tariff broadside in April, which caused American assets to tumble, taking the dollar with them. The dollar's weakness, then, may be a reflection not of "sell America", as some excitable observers describe it, but rather "hedge America".

Both the real exchange rate and the hedging behaviour imply that the dollar may have a long way to fall. If America's currency is not weak by historical standards, it could easily get weaker. And hedging could make it so, particularly if Mr Trump gets his wish and the Fed cuts short-term interest rates. (It held rates steady on January 28th.) That is because the price of foreign-currency swaps moves in line with those short-term rates. Cheaper insurance means that more foreign investors will want some—especially if American assets keep rising in value. But the more currency swaps they buy, the greater the downward pressure on the dollar.

If this self-reinforcing cycle continues for long enough, "hedge America" may eventually turn into full-blown "sell America". If Mr Trump keeps undermining the credibility of America's financial system, that moment could come sooner. In the meantime, debasement traders had better buckle up. ■

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Ghostbusted

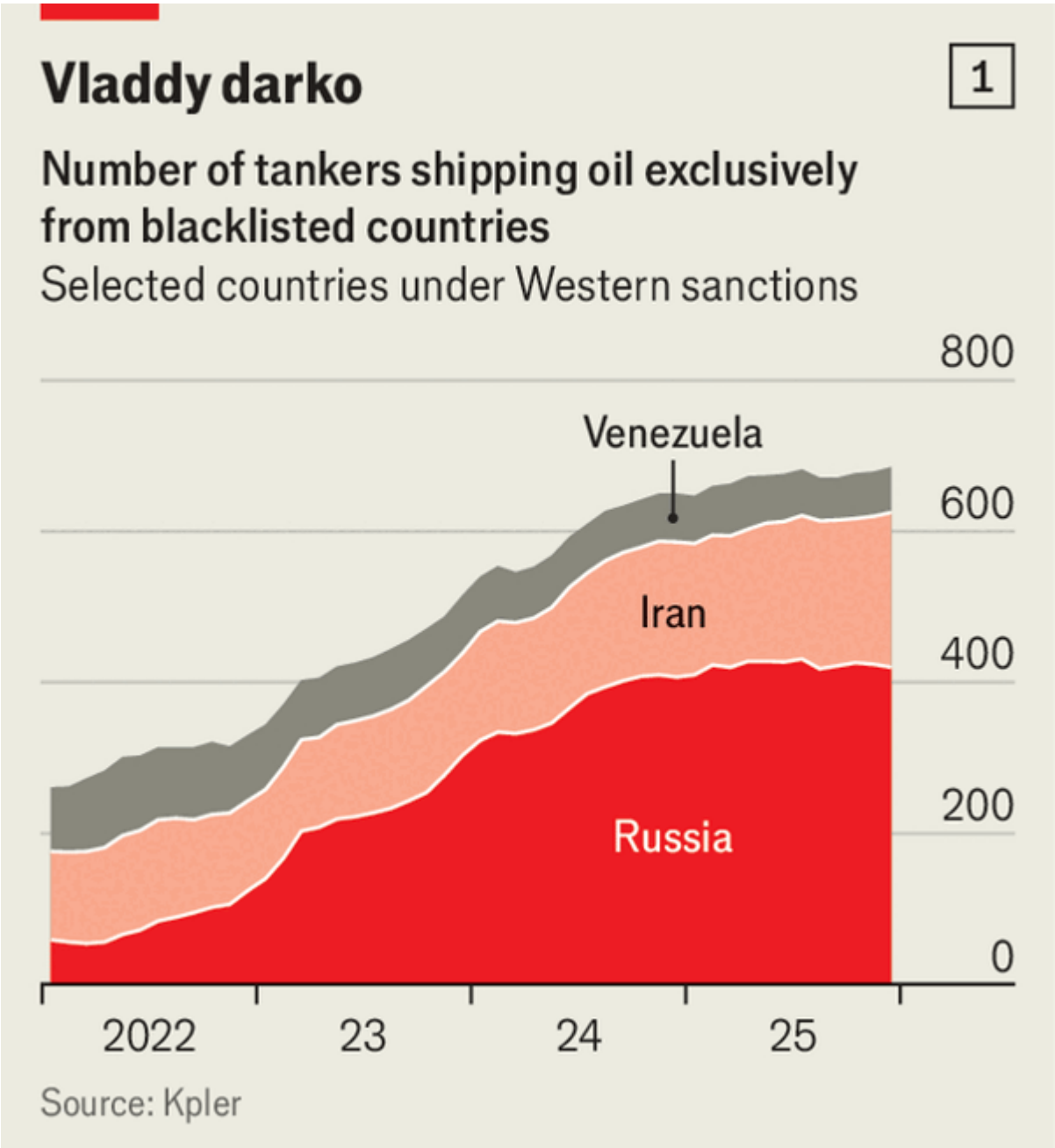
The West and Ukraine are capsizing Russia's shadow fleet

And sinking its oil revenues in the process

1月 29, 2026 07:20 上午



ON JANUARY 22ND the *Grinch* was sailing in international waters off Spain when two helicopters from the French navy hovered overhead. Soldiers burst into the cabin, searched the ship and rerouted her to a port near Marseille, where she is now moored under guard. The *Grinch* was under sanctions, flying a false Comorian flag and carrying 730,000 barrels of Russian oil. It is one of at least five slippery vessels to land in Western nets this month.



First assembled by Iran in the 2010s, the loose fleet that exclusively ships oil under Western embargo has more than doubled in size since mid-2022 (see chart 1). It now numbers nearly 700 mostly older vessels, controlled through shell companies that mask their beneficial owner (rising to as many as 1,500 if you count those that occasionally run shifty crude). Many routinely spoof their locations, change names and colours, and covertly transfer their load to others in poorly regulated waters.

Despite waves of sanctions, the tankers have chugged along, allowing Iran and Russia, now the biggest user, to ship crude to China and India. In early 2025 they assisted Venezuela's regime when Donald Trump withdrew a licence (since reissued) allowing the country to export some oil. In December they carried nearly 5m embargoed barrels per day, equivalent to 11% of global seaborne flows, according to Kpler, a data firm. Michelle Bockmann of Windward, a maritime-intelligence firm, reckons one in five of the world's internationally trading tankers is "dark".

Bring out the search light

Now this flotilla faces a perfect storm. Western countries are blacklisting ships en masse. America has imposed "secondary" penalties on Iran and Russia's oil firms, deterring buyers. Flag registries are being cleaned up and dodgy ships risk being blocked from vital waterways, paralysing the system. Dark vessels have become vulnerable to Ukrainian attacks and, as the *Grinch* discovered, Western military raids. From the Baltic to the Caribbean, the treasure ships of odious regimes are being hunted. Can they be capsized for good?

Raiders of the lost darks

Selected incidents with shadow-fleet tankers, Mar 2025-Jan 2026

● Attacked ● Seized ● Blocked or investigated
○ Tanker sailed despite sanctions

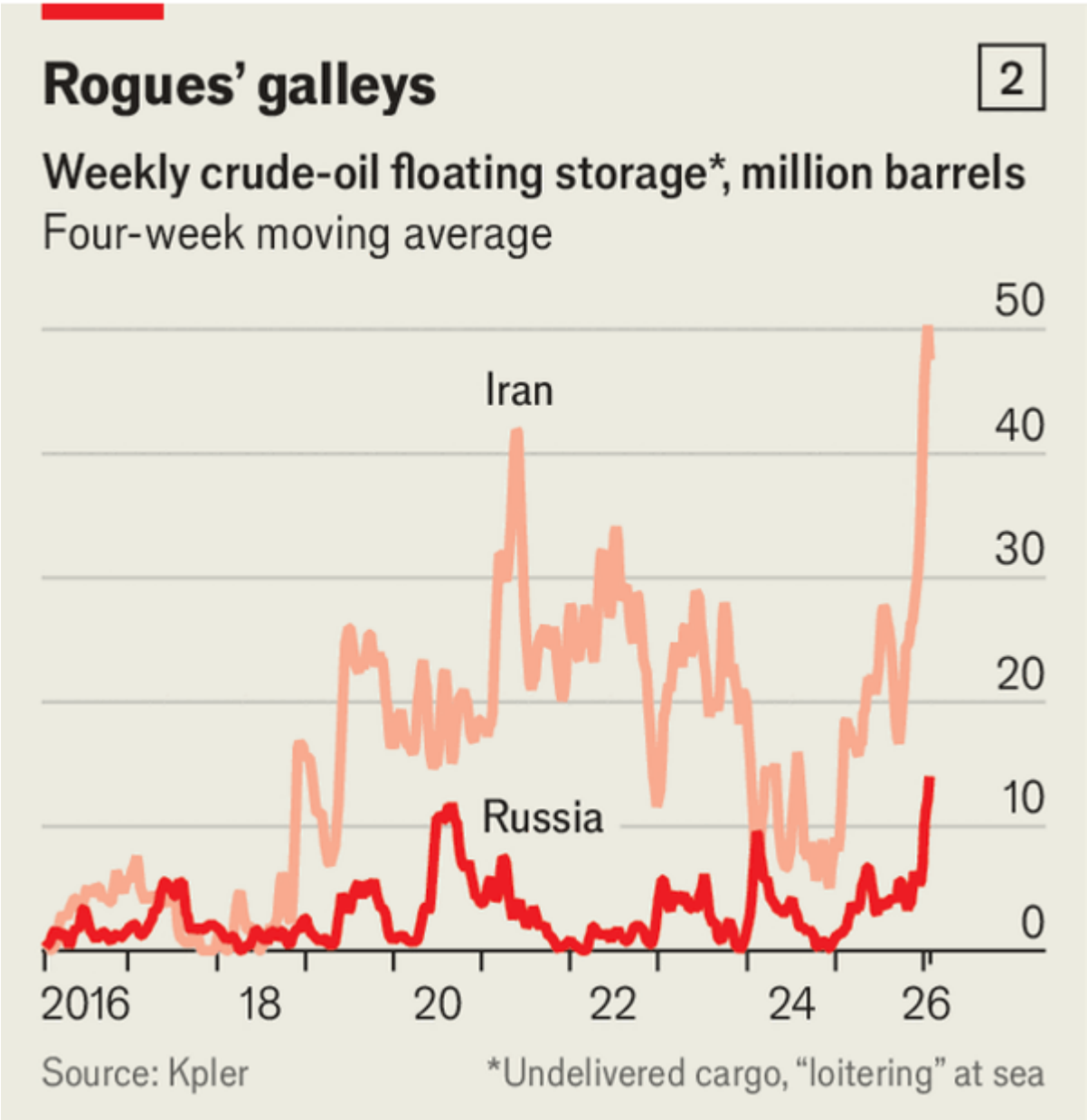


Notable incidents	False flag	Under sanctions
Skipper, Dec 12th 2025 Cargo: Venezuelan crude Seized by US	✓	✓
Marinera, Jan 7th 2026 Cargo: Suspected Venezuelan oil Seized by US after pursuit	✓	✓
Tavian, Jan 10th 2026 Cargo: Bound for Russian crude Blocked by Germany	✓	✓
Matilda, Delta Harmony, Delta Supreme, Jan 13th 2026 Cargo: Awaiting Kazakh crude Attacked in drone strikes	✗	✗
Grinch, Jan 22nd 2026 Cargo: Russian crude Seized by France and Britain	✓	✓

Sources: Press reports; *The Economist*

Start with the sanctions. After failing to impede the trade's middlemen, who hide behind shell companies that can be easily replaced, Western countries are targeting the tankers themselves. Altogether 623 vessels were added to a sanctions list for the first time in 2025, compared with 225 in 2024. About 40% of the ships that ferried Russian oil last year are now blacklisted by at least one government; for Iran the share is two-thirds.

Loopholes are closing, which will drag more tankers into the net. In October America imposed secondary penalties on Russia's two largest oil firms. Add older measures and tankers carrying 80% of the barrels Russia pumps are exposed to potential sanctions. This means they cannot attain certification, buy insurance or bank with compliant institutions. Mr Trump has also announced a "secondary tariff" on countries that trade with Iran. On January 21st the EU banned all imports of products made from Russian oil, stopping flows into the bloc of products from Turkey, India and China that had been refined from Russian crude. Its next sanctions package, due in February, may bar the EU's insurers from serving tankers carrying Russian oil (they may currently do so provided the fuel is sold below a certain price).



Blacklisted vessels must now travel longer routes to avoid inspections and transfer their load more often to obscure the cargo's origin. With buyers and ports fearful of falling foul of sanctions, the volume of Russian and Iranian oil loitering at sea—much of it off the Chinese coast—is hitting records (see chart 2). Kpler estimates that tankers become 30% less productive (measured in tonne-miles, a freight-industry benchmark) in the six months after being added to a European blacklist and 70% less when added to an American one. Less productive tankers mean more of them are needed. Limited

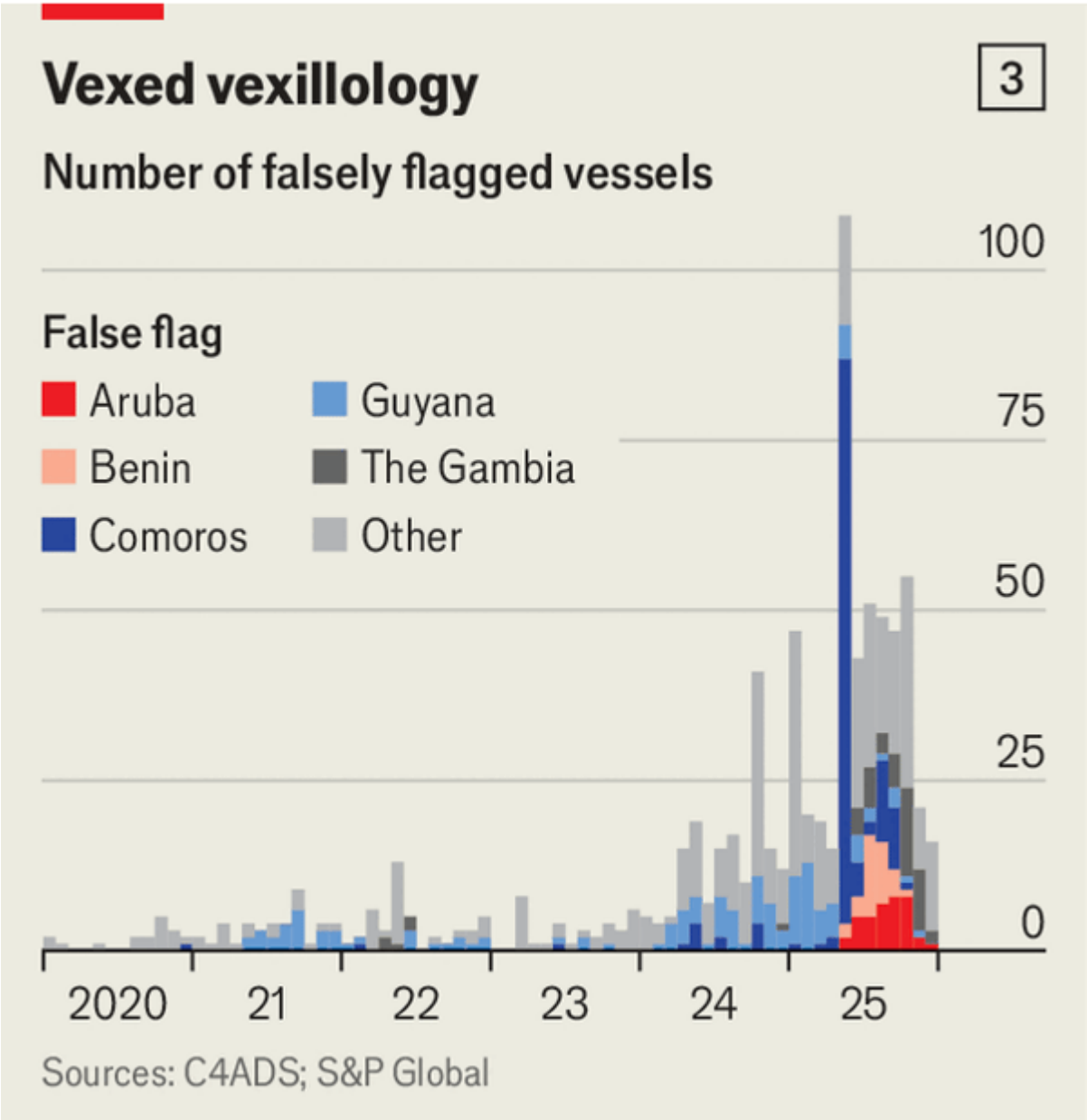
supply is pushing up prices. A list of recent transactions gathered by C4ADS, a research group, and reviewed by *The Economist* shows ageing dark ships fetching higher prices when resold—the reverse of what normally happens.

The sanctions' effects are compounded by Western efforts to render blacklisted tankers flagless. International maritime law requires ships to be registered in a country. Civilian vessels need a flag to legally enter ports and sail through foreign seas; those suspected of lacking a valid banner can be boarded by any navy in its territorial waters or international ones.

Many shadow tankers used to be flagged in permissive harbours such as Panama and Liberia. About a year ago, however, under pressure from America and Britain, these started delisting embargoed ships in earnest. The vessels initially hopped to lower-quality flags like the Comoros—until those, too, began kicking them out. Windward calculates that nearly 700 ships changed flags between two and six times in 2025.

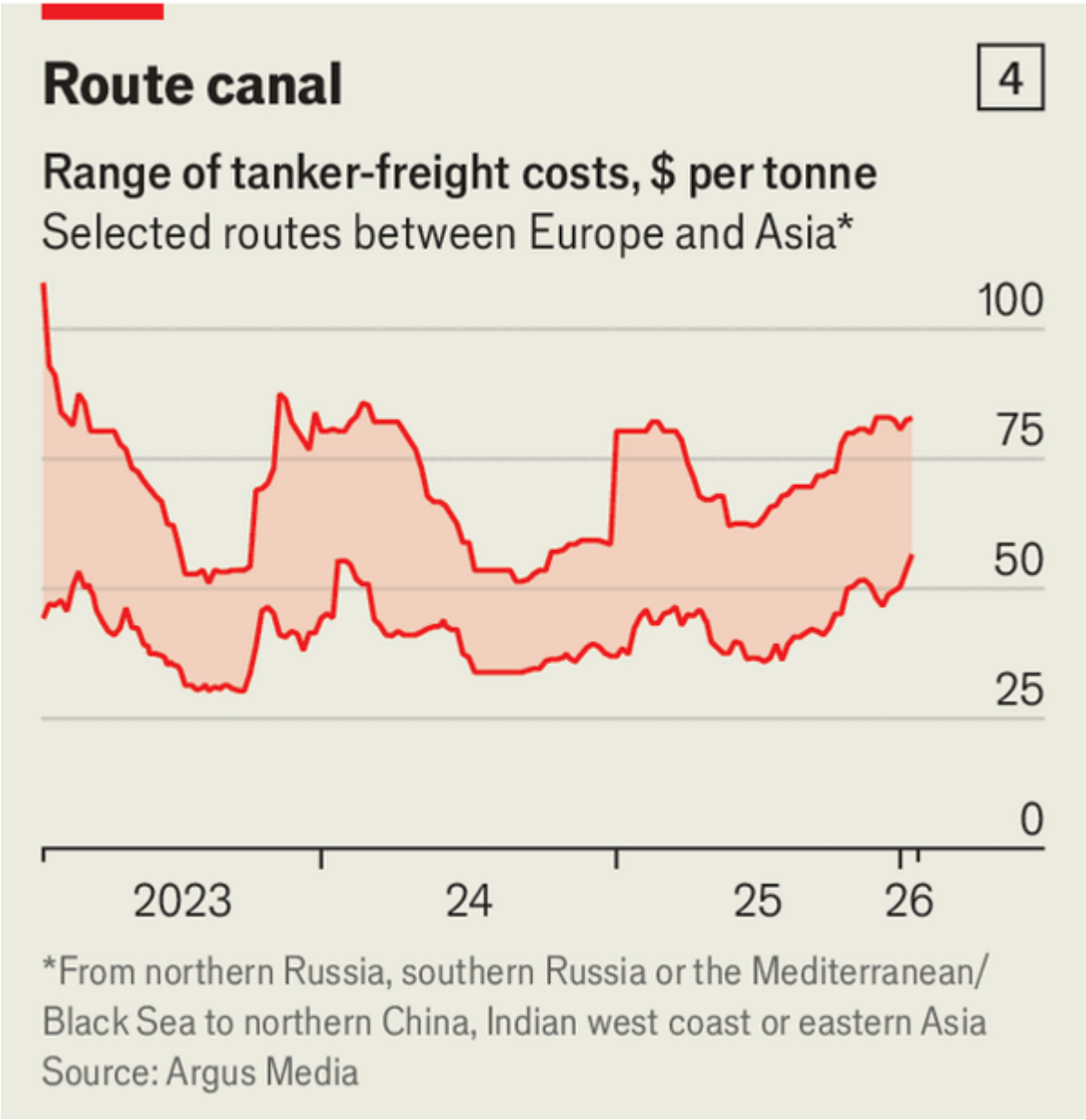
Flags of confidence men

The dark vessels then turned to fraudsters offering fake flag certificates (see chart 3). Many of the impersonated maritime authorities, such as Guyana's and St Maarten's, do not have vessel registries open to foreigners. Such falsely flagged ships are legally stateless.



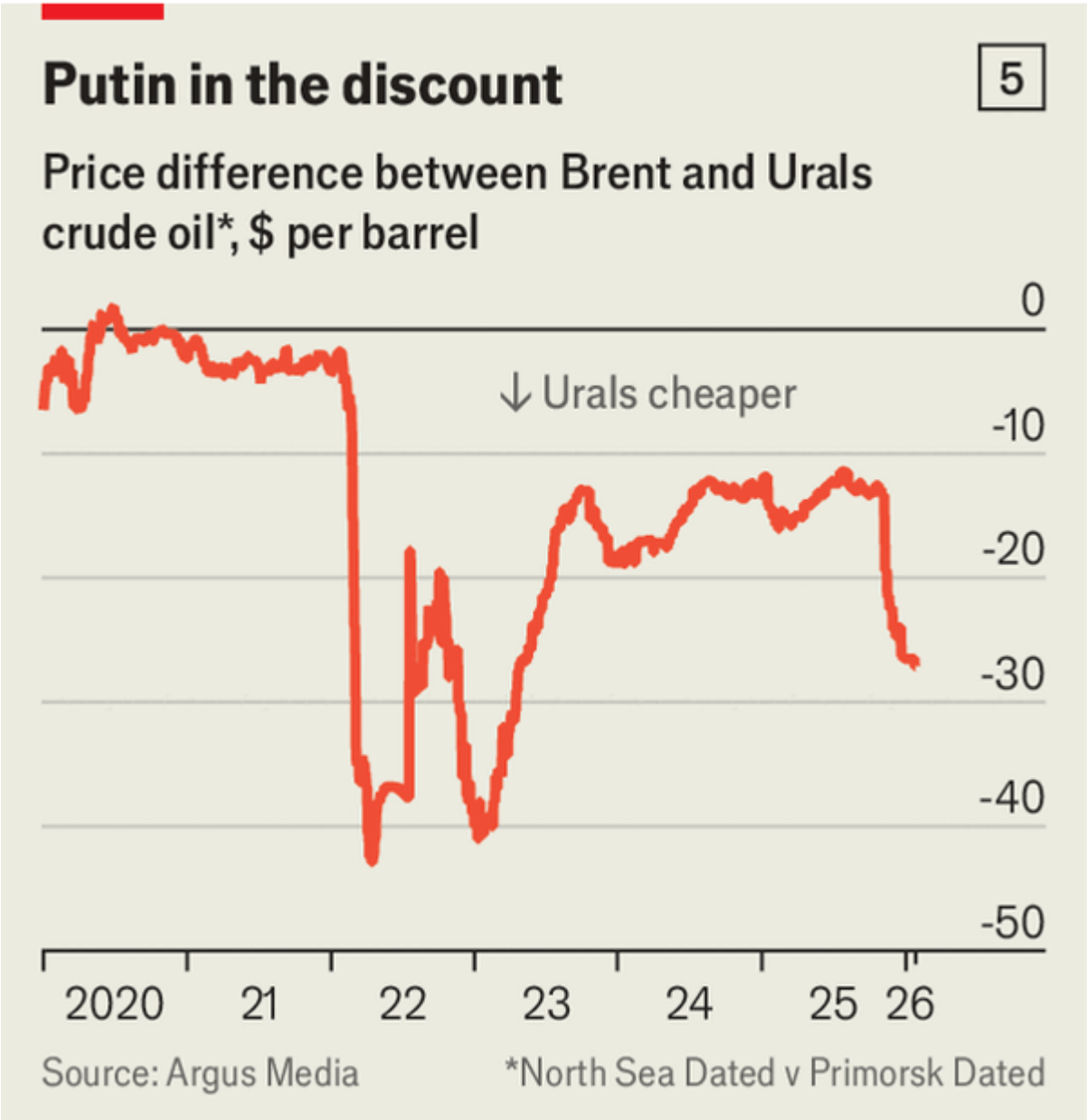
Since December America has used statelessness as justification for seizing at least seven tankers, one of which it chased all the way from the Caribbean to waters near Iceland. Britain, whose Royal Air Force assisted in that raid, later said that it had found a similar legal basis to detain shadow vessels, a dozen of which sail through the strait of Dover every day. On January 10th Germany blocked a tanker suspected of forged registration and headed to a Black Sea terminal from entering its Baltic waters—an EU first.

Ukraine is taking more brazen military action. Since late November it has attacked at least nine tankers, seven of them shadow-fleet vessels, using mines as well as naval and aerial drones. Some of these strikes occurred far from its shores, including one in the Mediterranean. Ambushed tankers usually suffer critical damage. "Kyiv believes the tactic is working," observes Charlie Edwards of the International Institute for Strategic Studies, a think-tank. Mykhailo Fedorov, Ukraine's new defence minister, wants more drones to hit Russia beyond Ukraine's borders.



Drone strikes raise costs for other ships, too. In the past month war-risk insurance premiums in the Russian Black Sea have jumped to 1% of the value of a tanker's hull and machinery. A year ago they were 0.4%. Rates in high-risk but conflict-free waters seldom exceed 0.05%. Data compiled by Argus Media, a price-reporting agency, show that the cost of ferrying barrels from the Black Sea to India or China has surged in recent weeks (see chart 4). This has helped depress the price of a barrel of Urals crude, Russia's main grade, to $27 below that of Brent, the international benchmark (see chart 5)—the biggest discount since April 2023.

The impact of this on the oil market has been muted because the world is awash with crude. If oversupply pushes the price of Brent down further in the coming quarters, this could knock that of Urals below $30 a barrel, less than half its average level in 2024. Russia's oil-and-gas revenues could soon fall below $10bn a month, reckons Jacob Nell, formerly an economist at the Russian finance ministry. That would clobber the country's finances, strained as they are by its warmongering in Ukraine.



To safeguard its route to market, Russia is bringing more of the shadow fleet under its direct control. Since mid-December 32 tankers under sanctions have appeared on its maritime registry. Given that Russia's registry is "closed"—ie, typically accepts only Russian-owned vessels—many shadow tankers may end up in Russian hands. The newly formed Russian company that owns the *Marinera*, a tanker seized earlier this month, has acquired at least one more ship since December. The share of tankers that serve only Russia is on the rise.

A Russian flag will make the shadow fleet less shadowy—and more strategic. The Kremlin may dispatch submarines and fighter jets to protect some ships. This will make it harder for Western forces to intervene. But Russian-flagged vessels would be all but uninsurable and military escort does not come cheap. That will further drain the Kremlin's coffers. With luck, mounting costs will give Russia that sinking feeling. ■

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Burgernomics

Our Big Mac index carries an Asian warning

It isn't just Japan: other currencies also look cheap

1月 29, 2026 10:18 上午 | Hong Kong



CURRENCY CO-ORDINATION can be a treat for the taste buds. When officials from the world's biggest economies negotiated the Louvre Accord in 1987 to arrest the dollar's decline, they did not go hungry. They kept themselves going with a turbot soufflé cardinale and fine wine from the cellar of France's finance ministry.

Japan and America may once again join forces to guide the direction of their currencies. If they need a tasty bite to accompany their deliberations, they could do worse than order a Big Mac. McDonald's

most famous burger provides a stark illustration of the yen's misalignment. In Japan a Big Mac costs ¥480 on average. Converted into dollars at market exchange rates, that works out at only $3 or so, roughly half the price of the same burger in America ($6.12). That is a telltale sign that the yen is deeply undervalued.

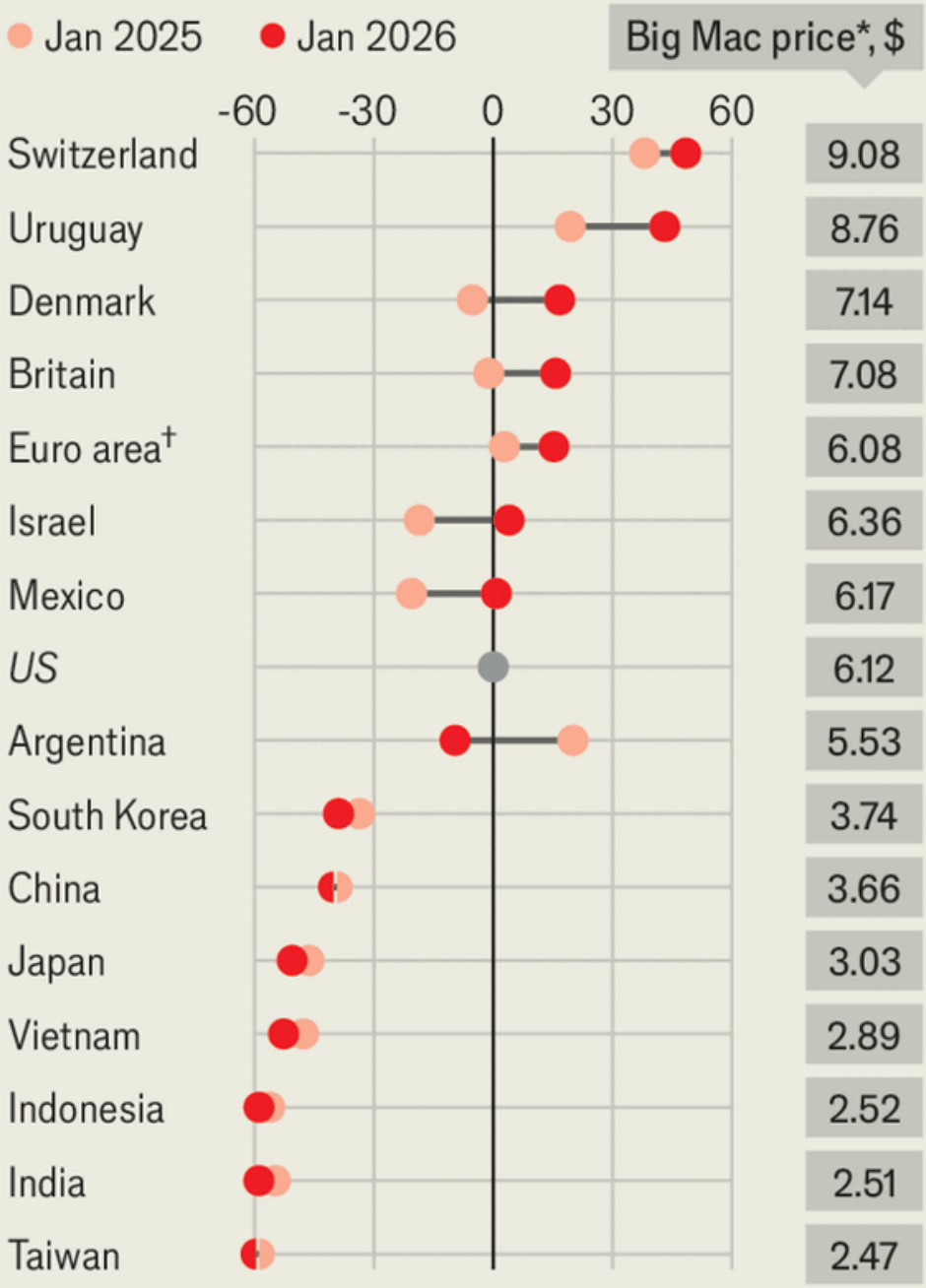
According to an economic principle known as purchasing-power parity, a currency's value should reflect the amount of stuff it can buy. If it takes Harry Potter one galleon to buy a basketful of goods in the wizarding world and $7 to buy the same goods in America, then a galleon has seven times the purchasing power of one greenback. The exchange rate between the two should therefore be about $7 to the galleon. If the actual market rate differs from that, the currencies are misaligned.

Any application of this principle runs into practical difficulties. What should be included in the basket? And what ensures the items are truly the same in each country? One answer is the International Comparison Programme, led by the World Bank, which prices hundreds of items, each fastidiously defined to ensure they are comparable across borders. It is one of the world's largest statistical initiatives.

The Economist takes a simpler approach. Since 1986 we have compared the price of one item, the Big Mac, across the globe. To ensure the sameness of the product across countries, we have relied on the zealous commitment to consistency of the McDonald's Corporation.

The Big Mac index

Local currency under(-)/over(+) valuation against the dollar, selected countries, %



*At market exchange rates (January 15th 2026)
†Weighted average of member countries
Sources: McDonald's; *The Economist*

The latest edition of the Big Mac index shows that Japan is not the only big Asian economy with a cheap currency (see chart). China's Big Macs cost only $3.66, implying the yuan is 40% undervalued. In India, McDonald's does not serve beef burgers. But its Maharaja Mac, featuring a double chicken patty fortified with jalapeños and habanero sauce, is only $2.51. That suggests the rupee lacks the burger's sizzle.

The undervaluation of the rupee and the yuan has also worsened over the past year. In India's case, that is hardly surprising: its currency has been sliding for years. China is more interesting. The yuan has actually strengthened against the dollar in the past year, and especially the past month. But movements in the foreign-exchange markets have been offset by contrary trends in burger prices. A Big Mac in China costs the same now as it did in January 2025, even as America's Big Mac has risen in price. So the yuan's burger-buying power has remained steady, while the dollar's has declined. Although the dollar has fallen, it has not weakened enough to reflect the buck's diminished bang.

America seems mustard-keen on a realignment of the world's exchange rates. "I used to fight like hell" with China and Japan, Donald Trump said on January 27th, "because they always wanted to… devalue, devalue, devalue." Now the dollar is falling and America's president thinks "it's great". This kind of rhetoric, which helped deepen the dollar's decline this week, represents one kind of intervention. America's signals of support for Japan's attempt to strengthen the yen have also swayed markets. But it is hard to imagine a return to the grand currency diplomacy of the 1980s, when world leaders would repeatedly conspire to manipulate their exchange rates. The Louvre accord was accompanied by a sumptuous dinner. Today's ad hoc interventions are more like fast food to go. ■

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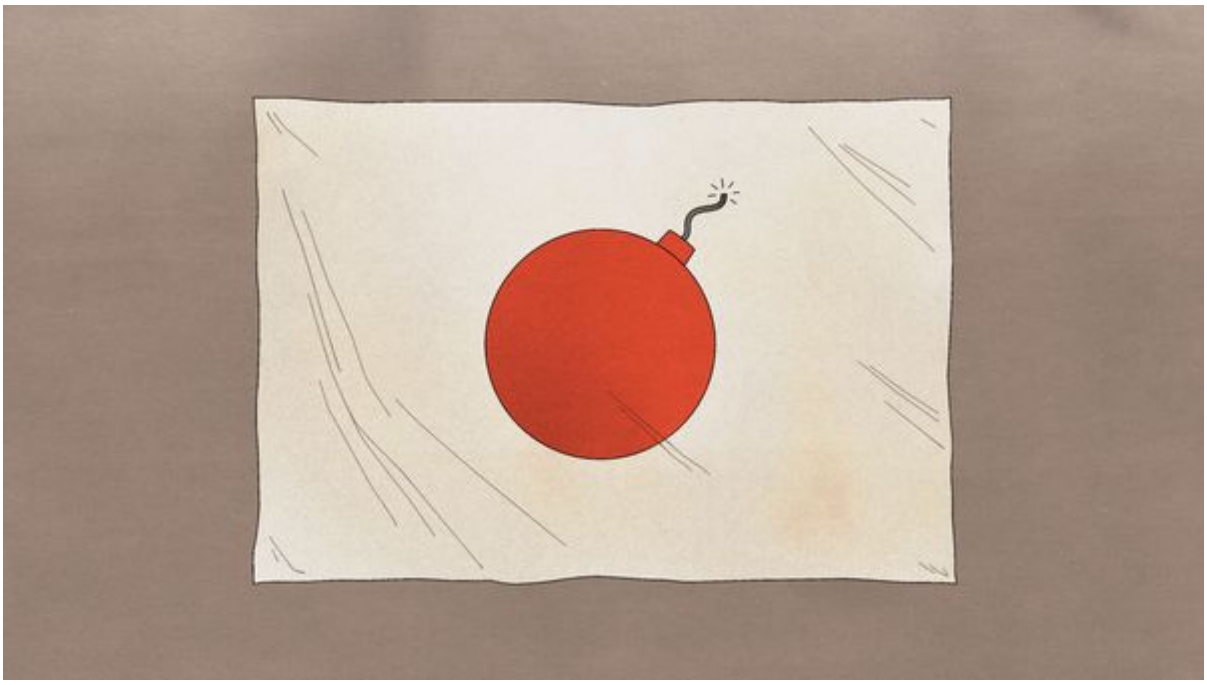
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Unhedgemon

The fate of Japan’s $6trn foreign portfolio rattles global markets

The knock-on effects of a sell-off in Japanese-held foreign investments would be far-reaching

1月 29, 2026 04:18 上午 | New York



JAPAN IS A global investment colossus. Its financial institutions hold $6trn-worth in foreign securities, a figure which has doubled in the past 20 years as rock-bottom interest rates and a weak yen depressed domestic returns. Half of this is tied up in American assets and another fifth in the Cayman Islands, chiefly as a conduit for

more American investments. What would happen if Japanese investors suddenly pulled their money back home?

The question is no longer hypothetical. On January 20th the yield on Japan's 30-year government bond hit 3.8%, the highest in its quarter-century history, as the market digested scenarios for a snap election called for February 8th, which may bolster· a free-spending government. In recent weeks Scott Bessent, America's treasury secretary, has blamed ructions in Japanese markets for a rise in America's borrowing costs.

Research suggests that if foreigners sold $140bn more in Treasuries than they do in a typical month, yields across maturities might rise by about half a percentage point in the short run. For Japanese investors this would mean dumping 12% of their Treasuries, or the equivalent of 2% of their foreign securities. Such a scenario is unlikely outside a full-blown financial panic. But it has become a bit less improbable than it used to be.

The reason has to do with the changing nature of Japanese foreign investments. In the past, many of these were hedged using currency swaps, to safeguard returns in yen terms in the event of a weakening dollar. The price of such swaps reflects the difference in short-term interest rates between two countries. The smaller the difference, the cheaper the hedge.

When Japanese and American rates were both near zero, Japanese investors with a taste for hedging, such as life insurers, ate up foreign assets. As inflation picked up after the covid-19 pandemic, and American short-term rates jumped higher than Japanese ones, currency swaps became prohibitively expensive and those investors lost their appetite for investments abroad—and for hedging those they retained. Between 2021 and 2024 Japan's life insurers went from protecting 60% of their foreign bond holdings to just 40%.

More important, even as hedged Japanese investors reduced their foreign exposure, those that typically eschewed hedging in the first place, like pension funds and investment trusts, were increasing it. Non-Japanese bonds and shares make up half of all assets held by the $1.8trn Government Pension Investment Fund (GPIF), for example, up from 22% in 2012. The trusts, which have grown popular with households since a law in 2014 gave them a favourable tax treatment, hold $1.3trn in foreign securities, mostly American stocks.

The flipside of being unhedged is greater sensitivity to rising interest rates at home—and to a stronger yen. If today's hedgeless investors dump foreign assets and pile into domestic ones, the currency would appreciate. This would make repatriation more attractive, accelerating the sell-off in foreign securities. Such a spiral is not inevitable; Japanese 30-year yields have come down from their peak in the past week. But nor is Japan's insatiable demand for foreign assets. ■

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Free exchange

Why is the yen still so weak?

Newly alluring yields on Japanese bonds have not propped up the currency

1月 29, 2026 04:18 上午



IF ONE BELIEF unites Japan-watchers, it is that its economy is abnormal. The country is home to world-class firms but clocks little economic growth to speak of. Its net public debt to GDP of 130% is among the world's highest but its interest rates are among the lowest. And even as the Bank of Japan (BOJ) has raised them from -0.1% to 0.75% over the past two years, which ought to lure return-hungry capital and strengthen the currency, the yen looks nearly as limp as in mid-2024, when it hit a 38-year low. On a trade-weighted basis and adjusting for inflation, it is among the world's limpest, notes Robin Brooks of the Brookings Institution, a think-tank. So

limp, in fact, that rumours swirl of Japan and America considering a joint intervention to prop it up.

Some, including Mr Brooks, argue that the yen's persistent weakness reflects a slow-motion fiscal crisis. In an effort to end deflation the BoJ has for years been buying Japanese government bonds (JGBs). This has kept a lid on yields—and thus the government's debt-service costs. Although the central bank's bond-buying has been net negative (after accounting for the natural pace of bond redemptions) since 2024, it still picks up ¥2.9tn ($19bn) of JGBs a month. So yields remain low and the demand for yen soft.

Is Mr Brooks right? The good news is that on many measures Japan's fiscal situation has improved lately. Net debt to GDP has shrunk every year since 2020. The primary budget deficit (which excludes interest payments) was a manageable 0.9% of GDP last year, down from 2.4% in 2019. The government has inflation to thank. After years at zero or below, annual inflation has spent much of the past year above 3%, higher than in many big economies. Rising prices translate more quickly into higher tax receipts than into higher spending. They also boost nominal growth, which comfortably exceeds the low coupons Japan has locked in over the years on its debt. As a result, debt has grown more slowly than GDP, even with a small primary deficit.

Another way to make the point is to consider interest rates in real terms. In March 2024 the BoJ scrapped its policy of "yield-curve control", under which it bought unlimited quantities of bonds to pin the ten-year yield below 1%. Since then that yield has risen from 0.7% to 2.3%, putting it within striking distance of the 2.8% on Germany's ten-year bunds. Over the same period, however, inflation has come to look more entrenched. As a result, inflation-adjusted yields still look low, as befits a low-growth economy. The ten-year real yield in Japan is just 0.2%, compared with 1% in Germany and nearly 2% in America. On both a five- and ten-year horizon, the gap

with America, of about two percentage points, is stuck roughly where it has been for four years.

Low real yields give Japan some fiscal wriggle room. It also enjoys buffers. Its public sector owns a gargantuan pile of assets, from land to foreign corporate bonds, not all of which are counted in official net debt statistics. One estimate, by Yili Chien of the Federal Reserve Bank of St Louis, Wenxin Du of Harvard Business School and Hanno Lustig of Stanford University, puts the net liabilities of the consolidated public sector in 2024 at just 78% of GDP. Assets could be sold outright, or the cashflows from them diverted, to pay down debt.

Inflation itself might provide another explanation for the yen's weakness. Since 2024 prices rose faster in Japan than in all three of its biggest trading partners—China, America and the EU—about two-thirds of the time. This has caused the yen to lose purchasing power more quickly than the yuan, the dollar or the euro.

The bad news is that this alternative story has holes. The extent of the yen's weakness goes far beyond what recent inflation can account for. In fact, the yen is dramatically cheaper than it should be based on purchasing power alone. According to our Big Mac index, it is roughly 50% undervalued. Fancier estimates look similar. Goldman Sachs, a bank, reckons that long-run fair value is about ¥90 per American dollar, compared with ¥153 now.

Perhaps investors fear what comes next. Japan has three vulnerabilities. The first is real interest rates. If the BoJ does its job, inflation will fall to 2%. That might raise real yields and put pressure on the budget, especially if getting to the target requires still-tighter monetary policy. Academics estimate that in the 2010s the central bank's bond-buying depressed ten-year yields by between one and three percentage points. The effect, argues Mr Lustig, has been to hugely subsidise funding costs for Japan's public sector. It is not clear if this can be unwound without sparking a crisis.

A Nippon steal

A second problem is the flipside of the country's asset hoard, much of which is held abroad. Its investments make it look a lot like a hedge fund that has issued cheap debt to pursue high returns. Mr Chien and his colleagues argue that low interest rates, a weakening yen and strong asset-price growth have earned Japan an average of 6% of GDP per year over the past decade, helping to pay for deficits. But changing conditions could put these flows into reverse. "The sizeable duration and currency mismatch on the public sector's balance-sheet exposes Japan to significant mark-to-market losses that could trigger a fiscal crisis and even a run on the Japanese currency," they write.

The final risk is politics. Japan's taxes are relatively low, meaning it would be easier than in other rich countries to tighten the budget. Yet Takaichi Sanae, the prime minister, has called a snap election to seek a mandate for fiscal expansion. A fiscal stimulus would be inflationary. The extra monetary tightening it would make necessary would rebound on the budget. That Japan has enjoyed the upsides of higher inflation does not mean it can afford to throw caution to the wind. If real interest rates follow nominal ones upwards, it will learn that normality has downsides, too. ■

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Science & technology

- **For the first time in half a century, astronauts are going to the Moon**
  A new space race :: They will not land. Others, both American and Chinese, soon may
- **Should the Arctic be refrozen?**
  Geoengineering :: It is possible. But as an end in itself, it is not advisable
- **How to get power naps right**
  Well informed :: It’s all in the timing

A new space race

For the first time in half a century, astronauts are going to the Moon

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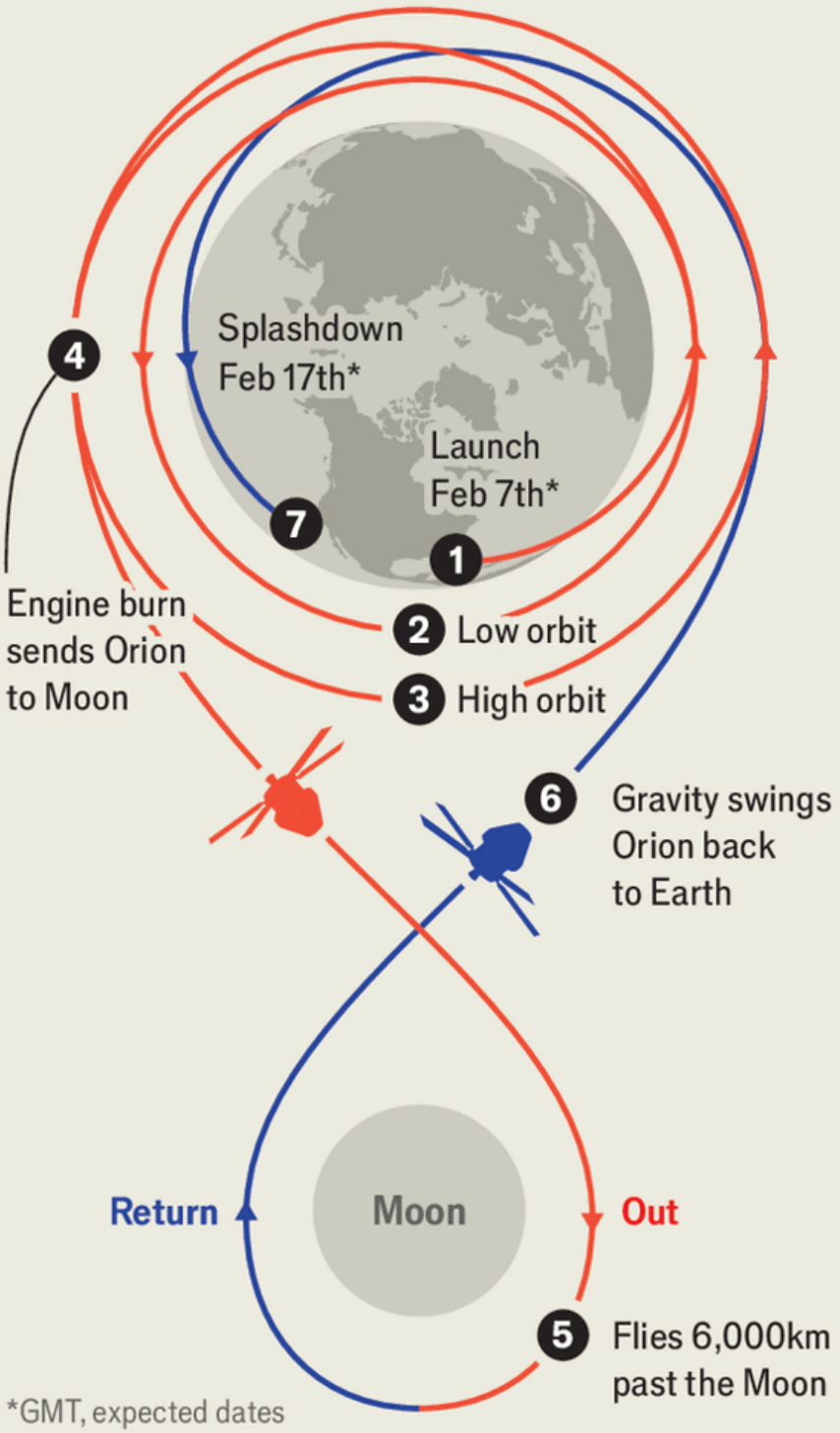
1月 29, 2026 06:12 上午



IF FLYING TO the Moon were like swimming the English Channel, no one in the 53 years since Apollo 17 splashed down in the Pacific would have ventured more than 40 metres from the beach. That is about to change. Sometime in the coming weeks, all being well, Artemis II, Apollo's successor, will carry a crew of four back there.

Eightsome reel

Artemis II's flight path, 2026



*GMT, expected dates

Source: NASA

Well, almost back there, for Artemis II will not land. It is a test flight, designed to see how the giant Space Launch System (SLS) rocket, and the Orion spacecraft perched on top of it, perform with humans aboard. The astronauts will fly a "free-return" trajectory, which will send them looping round the Moon in a figure of eight before its gravity slings them back Earthwards, to a splashdown in the Pacific ocean about ten days after blast-off.

The Moon race of the 1960s, between America and the Soviet Union, was a superpower PR contest. Artemis—announced in 2017 and named after the Moon-goddess sister of the sun-god Apollo—was not initially conceived of in quite the same way. It was partly an attempt to give the SLS and Orion something to do, for both bits of hardware are as much Congressional pork projects as anything else. The SLS is built largely from upcycled Space Shuttle components, with a view to preserving jobs after the final flight of the Shuttle in 2011.

The huntress draws her bow

But things have changed. America feels a second space race has now been thrust upon it. China, an irrelevance in the 1960s, boasts an advanced space programme of its own, part of which is a plan to put humans on the Moon by 2030. Artemis has proved expensive and slow, so it is possible the next set of boots to leave prints in the lunar regolith might belong to taikonauts rather than astronauts. As Jared Isaacman, NASA's new boss, put it in December, "We are in a great competition…if we make a mistake, we may never catch up."

Exactly when Artemis II will blast off is not yet clear. As of January 26th, the crew have been isolated in quarantine, awaiting the call. But before that call can come the rocket must pass various checks and tests, and must also be filled successfully with its liquid hydrogen and liquid oxygen propellants. Moreover, only certain periods are suitable for launch, the earliest beginning at 2.41am GMT on February 7th. And if it were to stay on its pad much beyond the

end of March the whole caboodle would need to be taken back to its hangar to have some of its batteries replaced, which would mean yet further delay.

When the big red button is eventually pressed, the plan is for the SLS to deposit Orion in a low-Earth orbit (LEO), whereupon the astronauts will run checks on both the Orion spacecraft and its attached European Service Module, which provides power and propulsion. Unlike the Apollo missions, which flew straight to the Moon from a low-Earth orbit, Orion will then boost itself into a much higher-flying trajectory, from which it is easier to change orbital planes to get to the Moon, and where the crew will also do a bit of formation flying with the spent rocket stage.

Artemis II will be only the third time an Orion capsule has flown. And the second outing—on the uncrewed Artemis I mission in 2022—was not trouble-free. It suffered repeated electrical glitches and briefly lost contact with Earth because of difficulties with ground-based receivers. But the most worrying problem was that the heat shield, which protects the capsule from the blistering inferno of re-entry, suffered severe and unexpected damage from its passage through the atmosphere, with large potholes scattered across its face.

The shield did not actually fail. But it did not behave as intended—a bad sign for a crucial piece of equipment. The subsequent investigation has delayed Artemis II by more than a year. And NASA's workaround—to tweak the capsule's re-entry trajectory rather than alter the shield itself—is not universally popular. Charles Camarda, a former astronaut and heat-shield expert, was moved to assert, in a public letter to Mr Isaacman, that the Orion heat shield remains a "serious risk".

Fill her up!

Assuming the worst is avoided, though, it will be the next mission—Artemis III—that actually lands astronauts on the lunar surface. This is pencilled in for 2027. But few think that deadline will be met.

In Apollo's day, it was possible to fit everything necessary for a lunar landing atop a single rocket. But Orion capsules are heavier than Apollo command modules (which carried only three crew), and the SLS is less capable than Apollo's Saturn V. The mission must therefore be split in two. The Human Landing System (HLS)—the bit that will take the astronauts to the lunar surface—will be launched first. Only once it is safely in the vicinity of the Moon will a second, crew-carrying rocket be launched, with a view to linking up with it.



Fiction made fact?

The HLS contract has gone to SpaceX, a rocket company founded by Elon Musk. It plans to adapt the upper stage of its giant, reusable Starship for the job. This will land upright, like a 1950s' comic-book rocket-ship (see picture). But, though SpaceX has revolutionised rocketry since its foundation in 2002, that revolution has included many missed deadlines. And this is no exception. True to form, the

HLS is running late, with SpaceX yet to demonstrate some crucial technical capabilities.

Foremost is refuelling in orbit. Starship's HLS version will use most of its propellant getting off Earth. To continue to the Moon it must be replenished with liquid methane and liquid oxygen carried up by other Starships. This has never yet been done. There had been talk of a demonstration last summer, but that did not happen. Leaked documents suggest a test is pencilled in for this summer, with an uncrewed Moon landing next year. But even if everything goes without a hitch, a crewed landing before 2028 looks impossible, and could easily slip further.

That would leave China breathing down America's neck, for the China Manned Space Agency (CMSA) says it plans to land people on the Moon in 2030. And, though transparency is not the People's Republic's strong suit, things seem to be going fairly well. In August the agency suspended its Lanyue ("grasping the Moon") lunar lander between six tall steel towers in Hebei province and conducted a successful simulated landing and take-off.

That does not mean things are perfect. The first plan was to launch Apollo-like, on a single rocket, Long March 9. But the CSMA's engineers seem to have lost confidence in Long March 9, says Patrick Besha, a former NASA China-watcher who now runs Global Space Group, a consultancy. Instead they will use two smaller Long March 10s. One will carry Mengzhou ("dream vessel"), a three-person capsule that was tested uncrewed in 2020. The other will lift Lanyue, with the taikonauts boarding their lander in lunar orbit.

Some challenges remain. Long March 10 has yet to fly. And Mengzhou has not gone beyond LEO. But the CMSA's approach looks less risky than NASA's. Lanyue more resembles Apollo's squat, spidery lunar module than SpaceX's boundary-pushing HLS. And there is no fiddling with fleets of propellant tankers.

In the face of Chinese progress some in America are calling for radical change. In December Michael Griffin, one of Mr Isaacman's predecessors as NASA's boss, told Congress that, "We have lost a lot of time, and we may not be able to return to the Moon before the Chinese execute their own first landing." Artemis, he said, was "a plan that does not make sense." Better, he opined, to scrap it and the HLS entirely and start again with a simpler architecture. That seems unlikely. As Casey Dreier, chief of space policy at the Planetary Society, a lobby group, observes, "Artemis is not optimised for cost or efficiency, it is optimised for political survival."

The Moon is not enough

Whoever gets to the Moon (or back there) first, the question is, "what next?" Both America and China claim to want lunar bases. On January 13th NASA said it would develop a nuclear reactor to power such an outpost. In 2027, despite attempts by the White House to cancel it, NASA is supposed to start launching components for *Lunar Gateway*, a space station of dubious utility that will orbit near the Moon.

Space-history buffs have reason to be sceptical. NASA had Moon-base plans at the height of the Apollo programme, but they came to nothing. There is little of value on the Moon, and once America had won the race, Earthly problems seemed more pressing. Much may depend on whether China proves a more tenacious rival than the USSR. "I think China is in this for the long term," says Dr Besha. It was superpower competition that got humans to the Moon the first time round. This time, perhaps, it might keep them there.■

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Geoengineering

Should the Arctic be refrozen?

It is possible. But as an end in itself, it is not advisable

1月 29, 2026 08:14 上午



DONALD TRUMP says he sees in the thawing of the Arctic a serious threat, allowing as it does the Russians and Chinese to spread their influence further and wider. There is a bevy of reasons to see this professed belief as a pretext, rather than a true concern. One does not need to add to them the revealed preference of not doing anything to stop the great thaw.

But others think it is beyond time for such efforts. In 2023 Operaatio Arktis, a group of young Finnish climate activists, published a manifesto for what they called "climate repair": research aimed at finding ways to stabilise glaciers and ice sheets, to pull carbon

dioxide out of the atmosphere, and to cool the surface by reducing incoming sunlight. They pointed to the intrinsic value of sublime landscapes and the ways of life they support. They expanded on the threats posed by "tipping points" which would see sea ice vanish completely, or ocean circulation change catastrophically. They called on their fellow activists, and the world at large, to take on a new attitude to such climate interventions, rooted in a refusal to accept the damage being done by greenhouse gases already emitted.

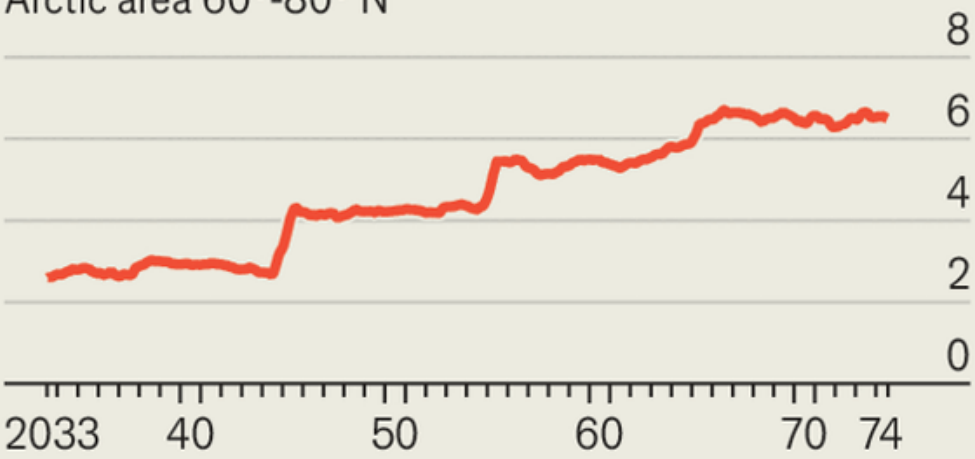
Among those who gathered in Helsinki to discuss the group's "Arctic Endgame" document was Matthew Henry of Exeter University. He noticed that when talk turned to solar geoengineering—the reduction of incoming sunlight at the surface—it focused on the idea of spraying sulphur dioxide, a gas, into the stratosphere, where it goes on to form small, reflective particles. He also noticed that many people had strong and understandable misgivings about such "stratospheric aerosol injection" (SAI), which depends on creating sulphuric acid that will eventually return to the surface.

There is another form of solar geoengineering that feels more benign: "marine-cloud brightening" (MCB). It would add tiny particles of sea salt to the lower part of the atmosphere—the troposphere—perhaps from aircraft, but more probably from the decks of ships or barges. These would form reflective hazes and make the water droplets in clouds smaller and more numerous, rendering those clouds longer-lived and more reflective. That means less sunlight reaching the sea below. No one has yet created hardware capable of delivering the ultrafine saltiness needed. But this does not matter to computer models.

Arctic role

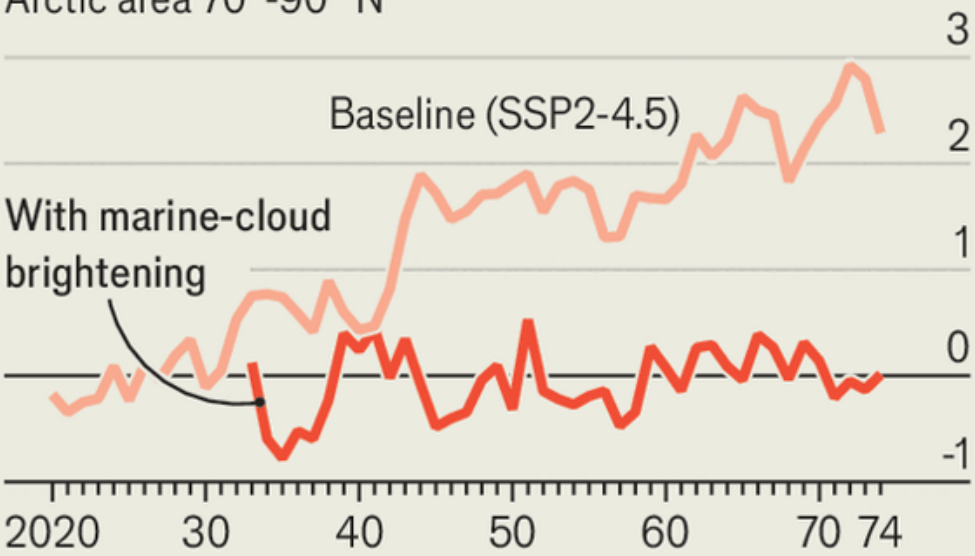
Sea-salt aerosol emissions*, teragrams per year, 12-month moving average

Arctic area 60°-80° N



Average change in surface-air temperature*, °C

Arctic area 70°-90° N



*Based on Community Earth System Model 2

Source: "Marine-cloud brightening to cool the Arctic: an earth system model comparison", by M. Henry et al., Earth's Future, 2025

Inspired by the meeting in Helsinki, Dr Henry and his colleagues asked three models of Earth's natural systems whether MCB could, in principle, preserve the Arctic's sea ice. Virtual sea-salt aerosols were sprayed into the air above all the open water in the Arctic at the same time as greenhouse-gas levels increased in a reasonably realistic way. In all three models it worked (see chart) and ice cover persisted.

What is more, effects outside the area were minimal. One drawback of MCB at a whole-planet level is that to cool everywhere a bit means cooling the places most susceptible to it a lot. But when it comes to limiting side-effects attendant on an Arctic cooling, this regionality feels like a plus.

The MCB results are in striking contrast to the drastic changes suggested by models that simulate Arctic cooling by means of SAI. Spraying sulphur dioxide into the stratosphere at 60°N also lowers Arctic temperatures. But at the same time it damages the ozone layer—probably not catastrophically, but almost surely significantly—and deposits a fair amount of sulphate on people and ecosystems in high and mid latitudes. It also cools the northern hemisphere enough to move the "intertropical convergence zone" (ITCZ), the rippling border between the northern hemisphere's weather and that of the southern hemisphere. That changes patterns of rainfall and drought throughout the tropics.

The models offer a fix for this: cool the south, too, using counterbalancing injections of sulphur at 60°S. Doubling the level of effort this way seems to keep the ITCZ in place. If the geophysical status quo is thus maintained, though, the geopolitical one is not. The position of the ITCZ stops being just an aspect of the way the planet is and starts being something for which someone, somewhere is responsible.

Given all this, why even look at polar SAI? One answer is that, unlike MCB, for which there is no hardware, from a technical point of view

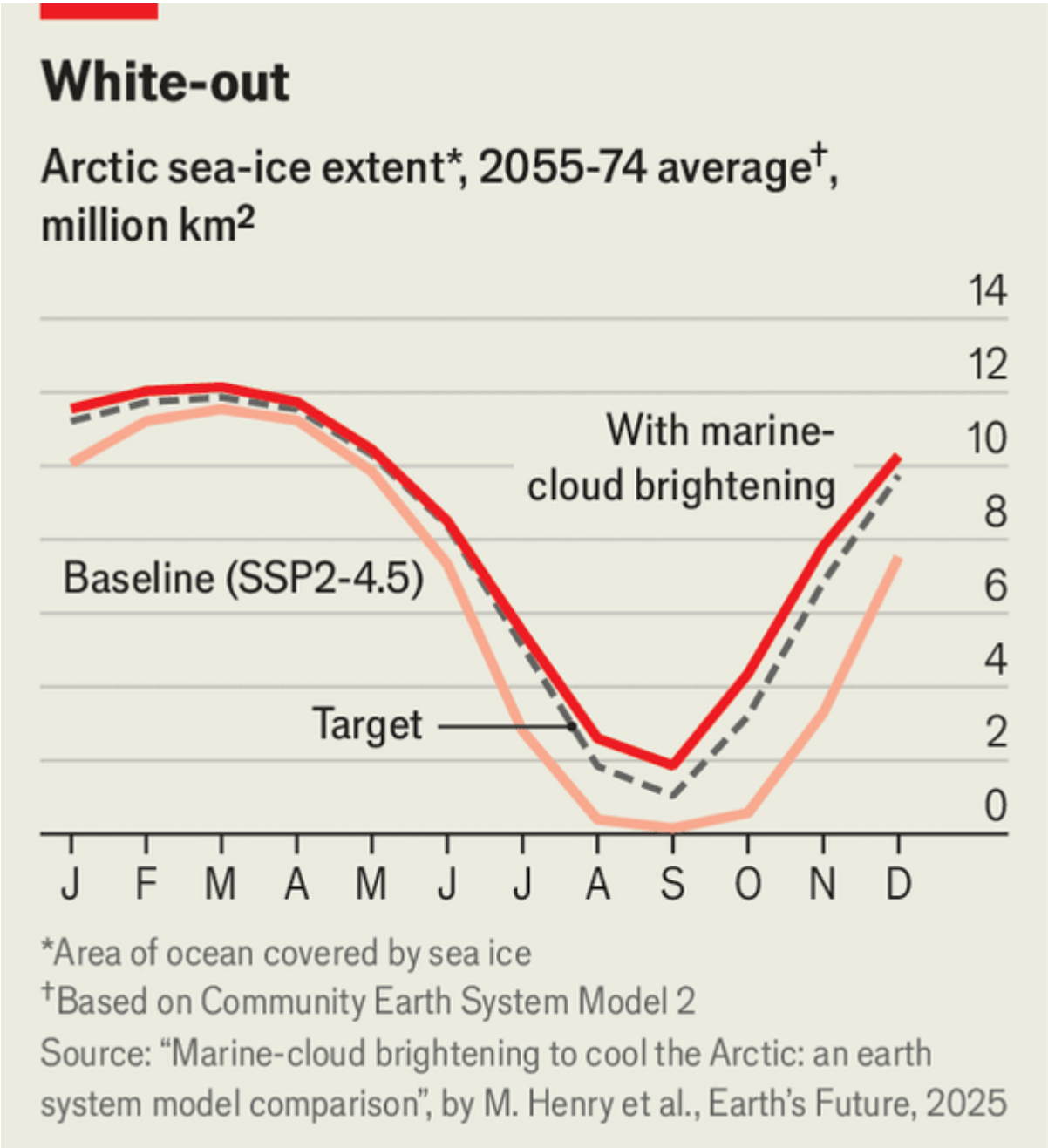
injecting aerosols into the atmosphere around the poles looks almost indecently feasible. At high latitudes you can get sulphur into the stratosphere using everyday planes.

A plane truth?

In the tropics, the border between troposphere and stratosphere—the tropopause—sits at around 20km, far above any normal aircraft's ceiling. But its height drops as you move away from the equator. By the time you get to 60°N and 60°S it is low enough for airliners to rise above it.

It is widely accepted among those who study solar geoengineering that the best approach to SAI would be to spread aerosols at both low and high latitudes, thus covering the planet more or less evenly. But this would require planes that could carry sulphur dioxide to altitudes not now reachable. Designing and building even a few such aircraft would cost hundreds of millions of dollars, maybe billions. And they would have no uses other than exploring the possibility of SAI.

In their absence, might polar-only SAI be better than nothing? It would probably save the sea ice and it might reduce the risk that further warming will weaken a crucial bit of the ocean's circulation. At the same time it would be vigorously opposed by countries and companies with an interest in the new fisheries, trade routes and access to raw materials the great thaw could provide. And as Ted Parson, a professor of law at the University of California, Los Angeles, points out, it also looks illegal. All countries in and near the Arctic have signed the Convention on Long-Range Transboundary Air Pollution (CLRTAP). The convention's Gothenburg protocol limits sulphur emissions from their territories to levels far below what SAI requires.



What of the world beyond the poles? You would get some cooling there, too, which seems at least a potential benefit. Recent work led by Alistair Duffey, a researcher at University College, London who now works for Reflective, an NGO focused on solar geoengineering, suggests that SAI using jets flying at 13km to inject 12m tonnes of sulphur dioxide a year, half at 60°N and half at 60°S, could lower the global average temperature by 0.6°C.

But you could get the same effect with half that sulphur—and thus less pollution and risk to ozone—if you had the means to insert it at 30°N and 30°S (which are also, as it happens, largely beyond the scope of CLRTAP). That would also result in more cooling of the tropics, home to the people most vulnerable to warming.

Solar geoengineering is on no one's near-term agenda. To put it there would take not just some nifty new aircraft, but a widespread move towards the refuse-to-accept-the-harm stance of Operaatio Arktis. But if that happens, it looks as if the argument should be over cooling the world as a whole, not just a part of it, however special that part may be. ■

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Well informed

How to get power naps right

It's all in the timing

1月 29, 2026 04:18 上午



WINSTON CHURCHILL swore by them. After polishing off a boozy lunch and a cigar the former British prime minister would climb into bed for an afternoon nap. The last part of his regime may be worth imitating.

Sleeping during the day is usually the preserve of shift workers and cats. But the science suggests that office workers can benefit, too. A randomised controlled trial in 2023 found that nappers woke up with improvements to mood, alertness and memory. Napping habitually might also be wise. A study from 2007 by the Harvard School of Public Health found that healthy adults who took regular naps had a

37% lower risk of dying from heart disease compared with non-nappers. One published in 2003 in *Sleep Health* suggested that habitual napping could even add years to your life by slowing the rate at which your brain shrinks with age.

Timing is crucial, though. Sleep scientists tend to agree that a short "power" nap, somewhere between ten and 30 minutes, is best. For example, in 1994 NASA found that a 26-minute power nap enhanced pilots' physiological awareness and performance. Sleep for too long and you enter the deeper phases of the 90-minute sleep cycle and wake up feeling groggy. You may also struggle to fall asleep at night.

Taking longer naps on a regular basis could even have deleterious effects. A meta-analysis in 2016 concluded that daily naps lasting more than an hour increased the risk of developing diabetes and associated cardiovascular trouble. And a study involving 1,400 participants in 2023 found a link between frequent extended naps and a higher risk of developing Alzheimer's. An alarm clock is a vital tool for the health-conscious.

Some sleep experts contend that humans are biologically disposed to nap. They point to a natural dip in alertness after midday, caused by fluctuations in the circadian rhythm. Studies which find that power naps do not disrupt night-time sleep also appear to bolster the case for kipping twice a day. In cultures where this is common, however, nappers must nevertheless rest at night for the recommended seven hours.

What types of health consequences, asks Matthew Walker, a neuroscientist, in "Why We Sleep", have been caused by humans' abandonment of biphasic sleep (the practice of splitting up daily slumber into two chunks)? Many people recognise the feeling of post-lunch lethargy; few give into it. Nowadays falling asleep in the middle of the day is not always practical—workers have little opportunity to take a voluntary break from consciousness. Some opt

for micro-sleeps instead. But the research suggests that the benefits of getting less than five minutes of shut-eye wear off quickly.

Coffee is a popular antidote to midday drowsiness. A nappuccino might work better. A study published in 2008 found power naps to be more effective than caffeine at improving alertness and memory. Research published last year suggested that a midday doze could even reverse the effects of a bad night's sleep.

"The rest and the spell of sleep in the middle of the day", Churchill wrote in his autobiography, "refresh the human frame far more than a long night." Modern sleep experts might not go so far. But if you have time for a Churchillian catnap, it could do you some good. Just remember to set that alarm.■

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Polar madness

What to read to understand the Arctic

A new book, "Polar War", shows how America needs Europe in the far north

1月 29, 2026 05:47 上午



Polar War. By Kenneth Rosen. *Simon & Schuster; 320 pages; $29.99. Profile Books; £22*

IN RECENT WEEKS Donald Trump's aggressive pursuit of Greenland, a Danish territory, has put the icy Arctic back at the fiery heart of geopolitics. European states have rushed troops to the island, and NATO is considering a new mission, Arctic Sentry, to monitor the airspace and waters around it. Mr Trump stakes his claim to

Greenland on two grounds. One is the importance of Greenland to America's defence. The island's location means that it sits underneath the flight path of nuclear missiles fired from Russia towards America. The second is Europe's inability to defend it. "You know what Denmark did recently to boost up security on Greenland? They added one more dog sled," Mr Trump has howled. (The sleds, as it happens, are part of an elite Danish special-forces unit.)

Every author dreams of their book capturing the zeitgeist. Kenneth Rosen, a journalist and war correspondent, could not enjoy better timing. "Polar War" comes out just as Mr Trump has propelled the northern region to global attention. The book is a collection of reportage from different sites across the Arctic—from Alaska to the Norwegian island of Svalbard and from Swedish Lapland to Greenland itself. It is knitted together into a story of great powers competing over a region whose harsh geography imposes limits even on the abilities of superpowers.

The Arctic has no clear definition, Mr Rosen writes. Some define it as anything above the Arctic Circle. Others see it as where the semi-arid grassland of the steppe turns into frigid tundra, with a boundary that shifts with climate change. That geographical uncertainty reflects a wider sense of the Arctic as a liminal space. Even before Mr Trump's attempted land grab, disputes over sovereignty were common: Canada says that the Northwest Passage, an Arctic sea route from the Atlantic to the Pacific, is part of its territorial waters; America claims it is an international waterway. Ever heard of the "whisky war"? It was a low-level dispute over Arctic territory between Denmark and Canada resolved only in 2022; each of them would deposit local liquor on a remote island to stake their claim to it.

Mr Trump, though not known as a voracious reader, would do well to pick up a copy of "Polar War", because it makes two points that cut to the heart of his diplomacy. One is that competition in the Arctic is growing. Global warming is melting polar ice, creating new navigable

sea routes that pass through sensitive areas. Russia's invasion of Ukraine and annexation of Crimea in 2014 sparked a new period of military competition in Europe, one in which Russian submarines (sallying from their Arctic ports on the Kola Peninsula) and warplanes (practising bombing runs near Alaska) play a prominent role.

Meanwhile, China's rise has fuelled its interest and presence in the region for economic and intelligence purposes. In 2018 China declared itself to be a "near-Arctic state", to the bemusement of locals, and accelerated efforts to buy land and become involved in projects with both civilian and military applications in the high North.

That supports Mr Trump's view that the Arctic is important. But, awkwardly for the president, the book's thesis is that America, much more than Europe, has been asleep at the wheel. Consider Pituffik Space Base in Greenland, the site of a large American radar that allows the Pentagon to observe threats from space, including approaching Russian missiles. That radar, or a future one, would be integral to Mr Trump's plan for an expanded missile-defence system he has dubbed Golden Dome. But Pituffik, "relegated to an afterthought" in American plans, is literally falling apart. Its concrete was laid on permafrost that is now melting and shifting. Door frames have been ripped from the floor, walls spread apart and runways fractured from constant freezing and thawing.



Mr Trump derides the competence and capacity of his European and Canadian allies. In fact, Europeans are "arguably ahead" of America in the Arctic, one expert tells Mr Rosen. That becomes clear during the author's two weeks aboard the *KV Svalbard*, Norway's main icebreaker, as it escorts the American *Healy* to skirt Russia's coastline. The *Healy* is larger and more powerful than the Norwegian ship. But its shortcomings become apparent. It lacks an ice-breaking propeller. Its gyroscope and radar repeatedly fail. "The American crew seems ravaged, tired and frustrated," writes Mr Rosen. When a Russian helicopter buzzes the ship, the American sailors are "visibly unnerved by the encounter", while the Norwegians, long used to such games, are nonplussed.

Amid these struggles, Russia is racing ahead, argues Mr Rosen. It has reopened and modernised more than 50 cold-war bases along its 15,000 miles of Arctic coastline. Its fleet of icebreakers "dwarfs the maritime Arctic fleets of every other nation", and it has much greater proficiency in cold-weather operations.

Playing catch-up is not easy. For the book's second point is that getting anything done in the Arctic is forbiddingly difficult. The

region is a frontier that resists efforts to tame it. Satellite ground terminals struggle to connect with satellites near the equator. In Longyearbyen, a town on Norway's Svalbard, each intake of breath is "enough to make one's throat seize", writes Mr Rosen. Suicide rates among American soldiers in the 11th Airborne Division, an Alaska-based unit specialising in Arctic fighting, were, until recently, disturbingly high. "I stayed too long and grew mad," admits the author. It is hard enough to live in such places, let alone wage war in them.

Mr Rosen's point is that America, despite its wealth and power, cannot succeed in the Arctic without European allies. "For all their co-operation, the United States relies more heavily on Norway than Norway relies on it," notes Mr Rosen, pointing to American radars, drone bases and training grounds in Norway's north.

"Polar War" is immersive and richly reported, with Mr Rosen speaking to military officials and ordinary citizens alike. Unfortunately, his writing is at times more flowery than the bleak landscape and serious subject call for. Nonetheless, the book speaks to the moment. A war is unlikely to begin over control of Arctic territory, but the Artic's importance to the great powers—to America for missile defence, to Russia as a bastion for its submarine force, to Europe as its northern flank—means that a conflict elsewhere could spread there, as happened during the second world war. And if that conflict comes, Mr Trump should remember that he will need friends to operate in the harsh and lonely climes of the region he covets. ■

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Reiding between the lines

Do Democrats need another centrist old white man?

Revisiting the consequential life of Harry Reid, the Senate majority leader

1月 29, 2026 04:19 上午



Not your average Democrat

The Game Changer. By Jon Ralston. *Simon & Schuster; 400 pages; $30*

ASK AN AMERICAN-HISTORY buff to name her five favourite presidents, and she will give you a disquisition on each choice. But ask her to name five favourite Senate majority leaders, and you may receive a blank stare. Public political memory is short, especially for

legislators. Presidents spend their lives in the limelight; effective legislators spend theirs in back rooms, arm-twisting, horse trading and making unsavoury compromises. As a new biography shows, few legislators understood their job as well as Harry Reid, who represented Nevada in the Senate for 30 years, including eight as majority leader from 2007 to 2015.

Reid, who died of cancer in 2021 at the age of 82, was one of the "most consequential national leaders of the 21st century", Jon Ralston, a journalist, argues in a new book. He had an upbringing and set of beliefs that made him unusual among Democrats. He was a devout Mormon who personally opposed abortion and described himself as "generally opposed to the regulation of guns"—heretical positions in his party today. Brought up in a tiny town in Nevada, in a home that lacked running water, he worked nights as a Capitol policeman when he was in law school.

He was a centrist: just after getting to the Senate, he backed the more conservative Al Gore instead of Michael Dukakis as his party's nominee for president. Twenty years later, a colleague sent him an article from *Mother Jones*, a magazine that he called "a little to [sic] far left for someone as cautious as I am…I am more of a *Wall Street Journal* guy." He was good at what, before American politics turned national and dysfunctional, used to be a senator's primary jobs: bringing money back to his home state and defending his constituents. (For Reid that included casinos and mines, the latter sitting oddly with his environmental bent.)

In person he had a brusque decency and a quiet sense of humour but little warmth or bonhomie. He was known for ending phone conversations abruptly, without saying goodbye. Barack Obama praised his "pragmatism, adaptability [and] premium on getting things done", and indeed, Mr Obama's signature achievement, the Affordable Care Act, might not have passed almost 16 years ago without Reid's skilful negotiations and compromises while leading the Senate.

But the dark side of his results-focused pragmatism was a ruthless streak. "If he doesn't need you, he'll throw you out with the trash," said one rival. Reid tried to get Mr Ralston fired several times from the TV station owned by the senator's good friend, the author alleges in the book's afterword. (Remarkably, that experience did not kill the author's deep respect for his subject.) Reid was also not above stretching the truth: in 2012 he turned a tip about Mitt Romney, the Republican presidential candidate, paying too little tax into a rumour that he paid none for a decade, cementing the impression of Mr Romney as an out-of-touch plutocrat.

Many Democrats might be glad to see the back of a pro-gun, anti-abortion old white guy who praised Mr Obama's ability to have "no Negro dialect, unless he wanted to have one". (Reid later apologised, and the two became so close that Mr Obama gave Reid's eulogy.) Democrats seethed about Joe Manchin, a similarly heterodox Democratic senator from West Virginia, for years; when he left office a Republican replaced him, making it that much harder for them to retake the Senate.

Politics, at root, is not about the public performance of virtue or rigidly enforcing a party line; it is about assembling coalitions to achieve tangible, practical goals. The Affordable Care Act, which improved the lives of millions, passed because Reid knew when to tell senators to his left that pushing for a government-run insurer was impractical and would kill the bill. He did not make perfection the enemy of the good. There is a lesson there for Democrats: clear-eyed ruthlessness and heterodoxy do not dilute the party; they make it larger and more effective, and therefore stronger. ■

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Back Story

Run for your life! The world, according to the Oscars

The Academy Award nominees for Best Picture are entertainingly frantic and defiantly political

1月 29, 2026 04:18 上午



A MAN ON the run in a society turned upside down: that is the image of the world projected in this year's Oscars nominees. Their heroes dodge injustice and prejudice, flights from danger and towards salvation that are frenzied and exhausting (even for audiences). At a time when some showbiz bigwigs fear offending the powerful, these films pack politics into rollercoaster stories.

During the Renaissance, some artists embraced a principle known as *copia*, or abundance. Depicting the wealth of creation, they thought, required richness, intricacy and variety. Today's top directors seem to agree. Many of the titles are whoppers. "Sinners" (pictured) earned an all-time record 16 nominations; "One Battle After Another" has 13; "Marty Supreme" has nine: all are well over two hours long. One response to cinema's box-office woes is evidently to offer more bangs for your buck.

Yet there are no longueurs here. "Sinners" is a fantasia about twin gangsters, both played by Michael B. Jordan, who open a juke joint in Mississippi in 1932; it is part musical and part horror flick, incorporating the Ku Klux Klan, shoot-outs, vampires and the blues. In "One Battle" Leonardo DiCaprio is chased relentlessly across cities, rooftops and deserts. "Marty Supreme" is a madcap caper about a table-tennis hustler (Timothée Chalamet) in the early 1950s, which features two competing love stories and a gunfight over a stolen dog.

These are overstuffed movies, careening through moods and genres —sports flick to *bildungsroman*, or thriller to Western. Together they convey a sense that, from today's perspective, life is too mercurial and overwhelming to fit into neat formats or plots. It is also unfair.

"Wokeness" is said to be retreating nowadays; some media executives kowtow to the White House. By contrast these films are uncompromising, though they are also cunning, dressing argument in fantasy and period costume. "One Battle" is set in a parallel America where, as lawless militias hunt down immigrants, activists ponder how to resist. (Since the movie's release last year, the gap between its dystopia and reality has rapidly shrunk.) The new "Frankenstein"—which also has nine nominations—gives its mythic narrative a political edge, too. The scientist depends on an arms dealer for his funding and battlefields for his corpses.

And though some politicians are trying to snuff it out, here America's discussion of race is vivid and irrepressible. Segregation and exploitation stalk "Sinners" along with its ghouls. In "One Battle" the ultimate villains are a white-supremacist cabal. The striving hero of "Marty Supreme" is Jewish, and the world is not his friend, peopled as it is with corrupt cops, vicious hoodlums and bullying tycoons.

That film's interest in Jewishness and antisemitism is underlined in a standout sequence. In a brief but haunting flashback, a concentration-camp survivor recounts smothering his body in honey to feed to fellow prisoners. The whole hysterically ping-ponging saga of "Marty Supreme" unfolds in the shadow of the Holocaust, this interlude implies. "Sinners" has its own daringly symbolic moment, in which a blues song conjures up the spirits of black artists past and future, from west African musicians to hip-hop DJs. In "One Battle" a hallucinatory car chase along a dipping road hints that its struggle is unending.

Crowd-pleasers that take artistic risks, such nominees deserve their success. They are also largely dominated by men, who do most of the frenetic running and fighting. (In "Frankenstein" a man even gives birth, kind of.) The old-fashioned template for screen heroism seems as unkillable as those vampires.

An exception to all this is "Hamnet" (eight nominations). Bucking the old rule about not working with children and animals, this is the story of William Shakespeare's marriage, the birth of his offspring and the death of his son. The drama is staged in a narrow, muddy world of timbered houses, inglenook fireplaces, leather jerkins and rummaging livestock, with the odd boozy all-nighter and burst of iambic pentameter.

"Hamnet" looks through the other end of history's telescope: its focus is not Shakespeare's seismic career but domestic joys and tragedy. The real protagonist is his wife, here called Agnes and played by Jessie Buckley (a hot favourite for Best Actress at the

ceremony on March 15th). Her wails in childbirth and after her boy's demise are the film's most piercing sounds. The quietness, too, distinguishes "Hamnet" in a noisy, frantic field. At this year's Oscars, the rest is sirens. ■

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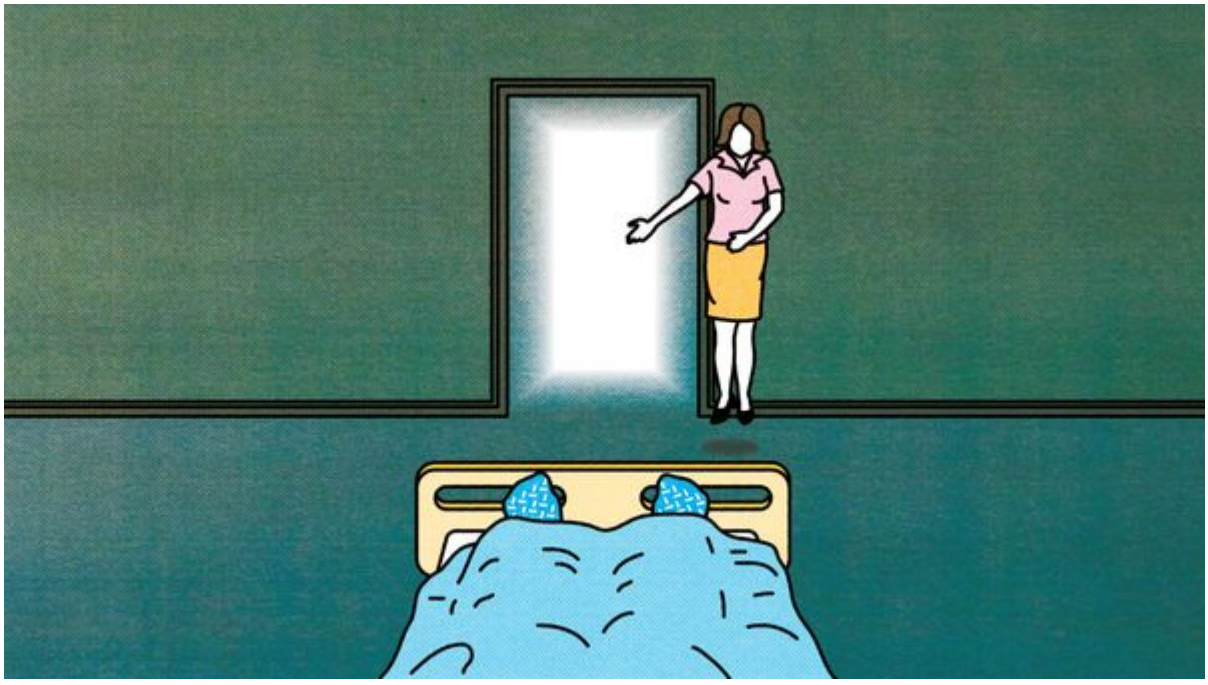
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A different sort of ghost story

What are novels for? George Saunders has answers

The author behind one of this century's best books is back with "Vigil"

1月 29, 2026 04:19 上午



Vigil. By George Saunders. *Random House; 192 pages; $28. Bloomsbury; £18.99*

WHAT IS FICTION for? In an idealistic view, it lets readers clamber inside other minds and see the world through strangers' eyes. George Saunders, a zany American author, is a proponent of this theory, aiming, he says, to foster compassion and "human connection". He has dreamed up a way to include such leaps of

empathy in the plot of his novels—first in "Lincoln in the Bardo", which won the Booker prize in 2017, and now in "Vigil".

"Lincoln" was his debut novel. (A creative-writing teacher at Syracuse University and on Substack, Mr Saunders has also published short stories, novellas and criticism.) A cacophony of souls in limbo make up that book's antic cast; they hover in a cemetery in 1862, where Willie Lincoln, son of Abe, is interred. In a beautiful central passage, two ghosts sit on top of one another and in doing so are able to grasp each other's lost loves, longings and regrets. "So many years I had known this fellow and yet had never really known him at all," one of these spectral figures observes.

"Vigil" elaborates on such magical moments. It unfolds in the final hours of K.J. Boone, once a big-oil CEO, now dying cantankerously in his mansion in Dallas. "His heart was beating irregularly, like an afterthought," Mr Saunders writes, with his sensitive Chekhovian eye for human frailty of all sorts; Boone's nappies are changed by carers to "the sound of efficient under-the-breath co-ordination". Once again, ghosts mingle with the oblivious living. The fading man's wife and daughter are here, as is the narrator, the spirit of a woman named Jill Blaine. Her heaven-sent mission is to ease his passage across life's threshold.

Wearing the clothes her mortal self was buried in—"beige skirt, pale pink blouse, black pumps"—Jill is perceptible only to other spirits and to Boone. When she enters "the orb of his thoughts", she can eavesdrop on them and hold hallucinatory conversations with him. More than that, as in the graveyard epiphany in "Lincoln", she and her fellow shades can plunge into each other's forms, and Boone's, and through such temporary cohabitations share their feelings and memories.

She is not the only ambassador from the next world. The shade of a Frenchman, who invented the combustion engine and now regrets it, wants Boone to repent for his past as a climate-change denier. The

spectres of people and animals who have suffered in the planet's despoliation crowd in, too. Jill and the Frenchman in effect stage a deathbed debate over free will and predeterminism. Charitably, Jill suggests that Boone, and everybody else, could not be other than they are; her only job, she reasons, is to "comfort, for all else is futility". Prickly and spiteful, Boone is disinclined to repent and none too keen on the comforting malarkey either.

If all that sounds heavy or abstruse, it isn't. The prose zips with the author's trademark wisecracks and quick-fire repartee. These ghosts are aware of their situation's absurdity and drolly joke about it. Jill flits entertainingly into other lives, such as those of the adulterers at the wedding party next door. Intermittently she is beset by poignant recollections of her own earthly years, which ended in a rogue explosion in 1976. The novel lingers on life's priceless ephemera—kisses, kind words, dancing—even as it ponders morals and mortality.

"Lincoln in the Bardo" is widely and rightly regarded as one of the greatest novels of the century so far. Expanding as it does on its predecessor's innovations, "Vigil" is not quite as staggeringly original. Now and then Mr Saunders overdoes the kookiness. Not everyone will appreciate the environmental politics, nor enjoy his rumbling lament for "this lovely old place, ruined forever, maybe".

Still, at a time when doomsayers predict the demise of the novel—destined, supposedly, to be seen off by glitzier distractions and dwindling attention spans—Mr Saunders has a recipe for fiction's survival, as well as a rationale for reading it. Finding new ways to tell stories with words on a page, his work nudges forward the boundaries of the form. He powers his empathy machine with restless invention. ■

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In tune

How Russian brainrot became a hit for children

"Sigma Boy" has spread faster than nits

1月 29, 2026 04:18 上午



THE BRITISH playground usually echoes to screechy impersonations of well-known artists such as Katy Perry. But if you approach one today you may well hear a seven-year-old adopt a vaguely Slavic accent and drone: "Sigma boy, sigma boy." The lyrics come from an electropop track sung by two Russian tweens (pictured). The music video has racked up around 270m streams since being uploaded to YouTube in April. Academics across Europe are puzzling over its popularity. Some have called it "a cultural invasion", says George Charonitis of the University of Thessaly in Greece.

For older listeners, the appeal is not clear. The melody is repetitive, and the Russian lyrics are unintelligible even in translation. ("I'm the icon of your icons / They dream about me as if I were bitcoin, got it?") Some parents were appalled when their children began singing it; "sigma" is a term from the manosphere used to describe a lone (male) wolf who does not conform to norms or expectations. "It absolutely terrified me," posted one parent: it "really made me think about the influences around my DS [darling son]".

"Sigma Boy" spread through the perplexing ecosystem of youngsters' social media. A clip of an influencer blasting the song in Munich's underground has millions of views—as does a video of an AI-generated shark enjoying the song. But some think that a different sort of shark is behind "Sigma Boy". Ukraine's government says it has been promoted by bot farms, indicating that it could be Russian propaganda. A spokesperson claims the song helps Russia by "reinforcing among young people the idea of dominance, masculinity and contempt for the 'weak'".

This is not as far-fetched as it sounds, says Carl Miller of Demos, a think-tank. He has noticed a shift in Russian disinformation tactics in recent years, with less emphasis on promoting counterfactual versions of events and more on masculinity and patriotism. If nothing else the "Sigma" scare highlights how little adults understand about children and social media. It is not their playground. ■

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To have and too old

Age gaps in relationships are not as bad as you think

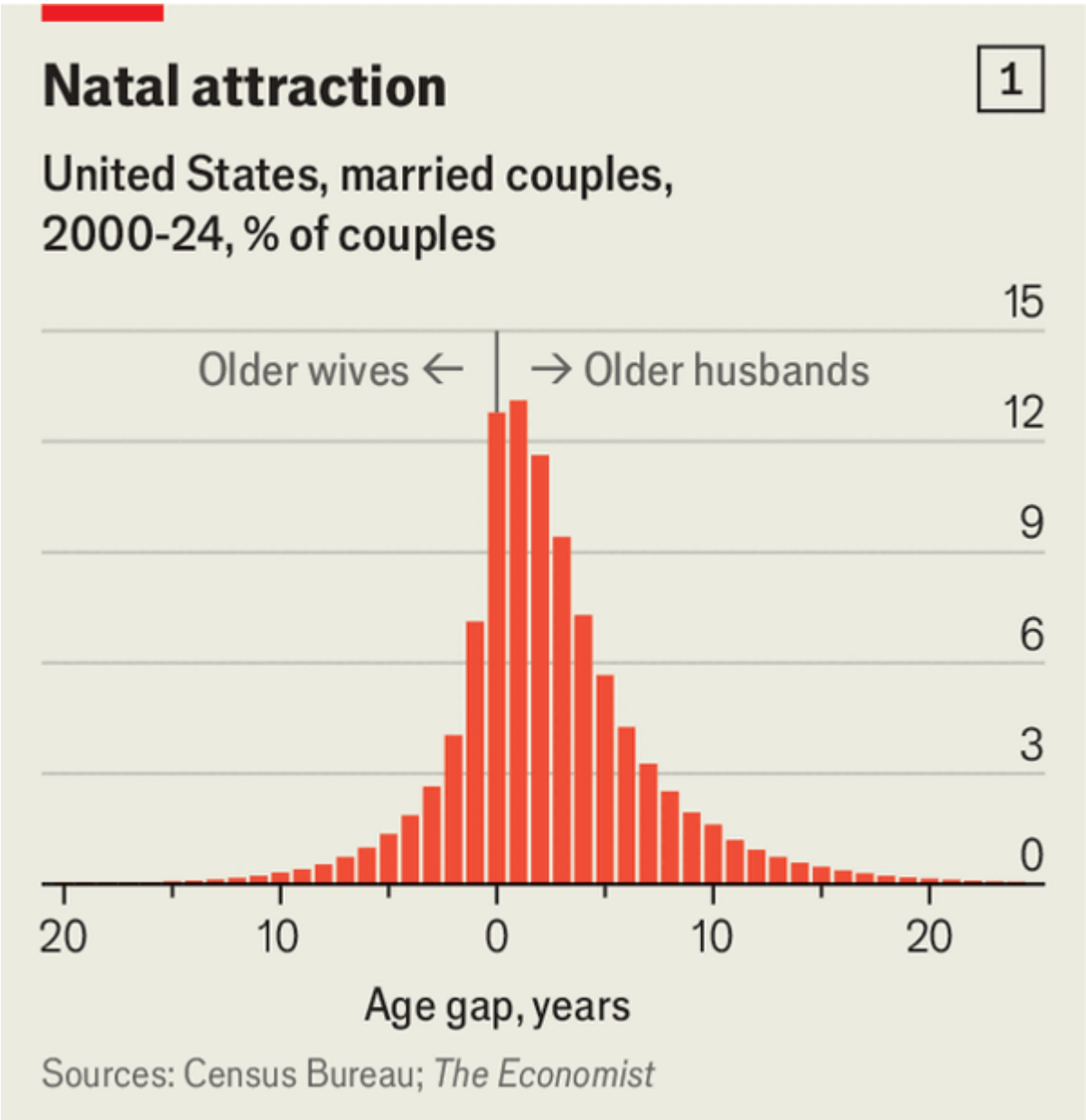
On screen and in real life, they are getting smaller anyway

1月 29, 2026 04:18 上午



IT WAS NOT love at first sight. When Nick Viall, a reality-television star, met his wife Natalie Joy, he insisted they would never date. His reluctance stemmed in part from being 18 years older, about the length of a generation. Mr Viall married Ms Joy in 2024. Now he is embarking on a different sort of courtship: trying to seduce new viewers. "Age of Attraction", a dating series hosted by Mr Viall and Ms Joy, will debut on Netflix later this year. The show follows single 22- to 59-year-olds to test whether "age is just a number". Mr Viall has said the programme will set aside cultural biases about age to

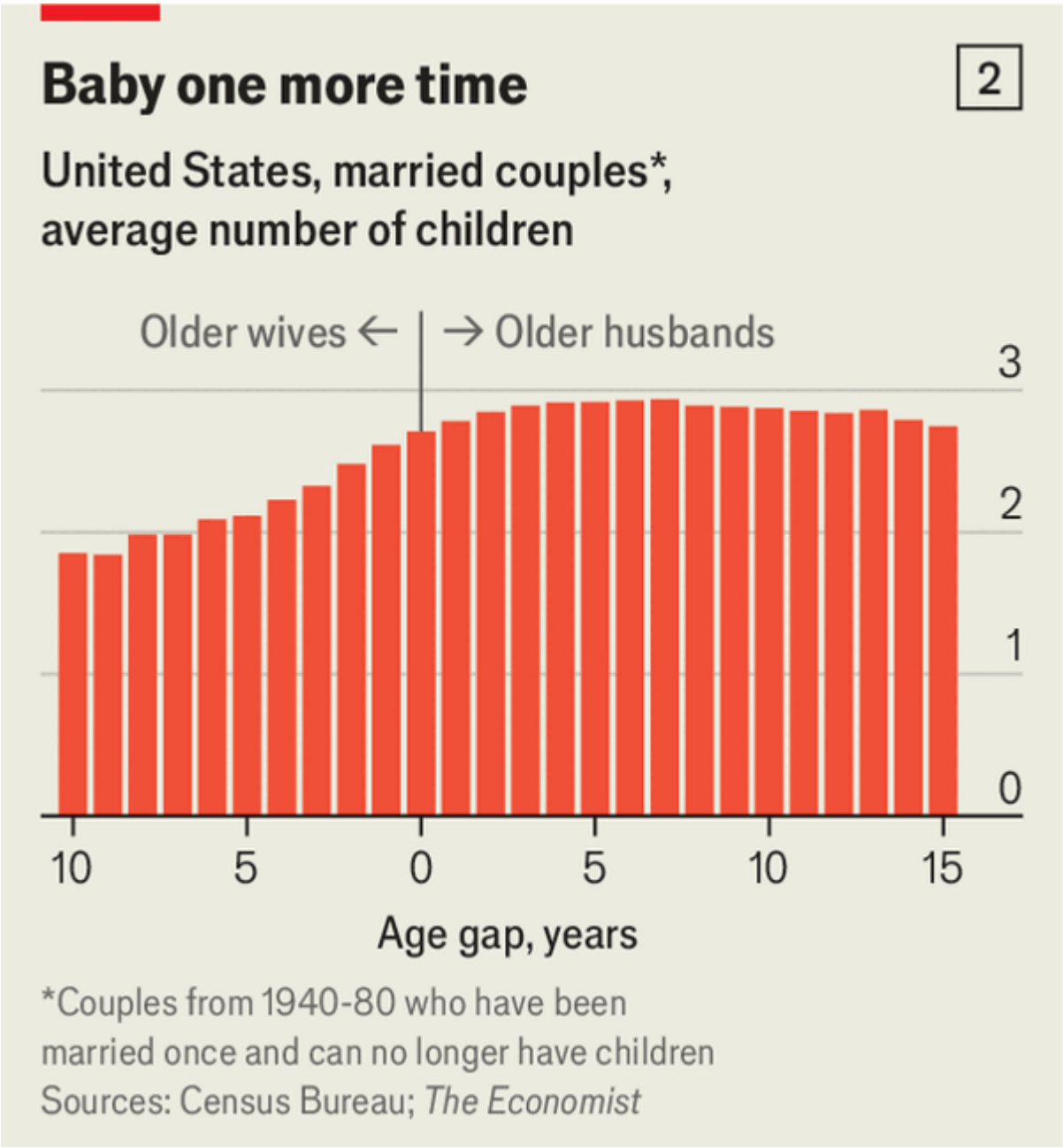
focus on compatibility. It is a romantic idea that speaks to an empirical truth. Age gaps are not as unhealthy as some assume.



Birds of a feather flock together, as the saying goes, and so do people. Researchers studying marriage data have found that couples tend to be similar in age. This is not entirely unexpected. People frequently pair up with others who share similar traits, including race, education and religion. In America one in eight married couples is the same age, to the nearest year; a third is no more than a year

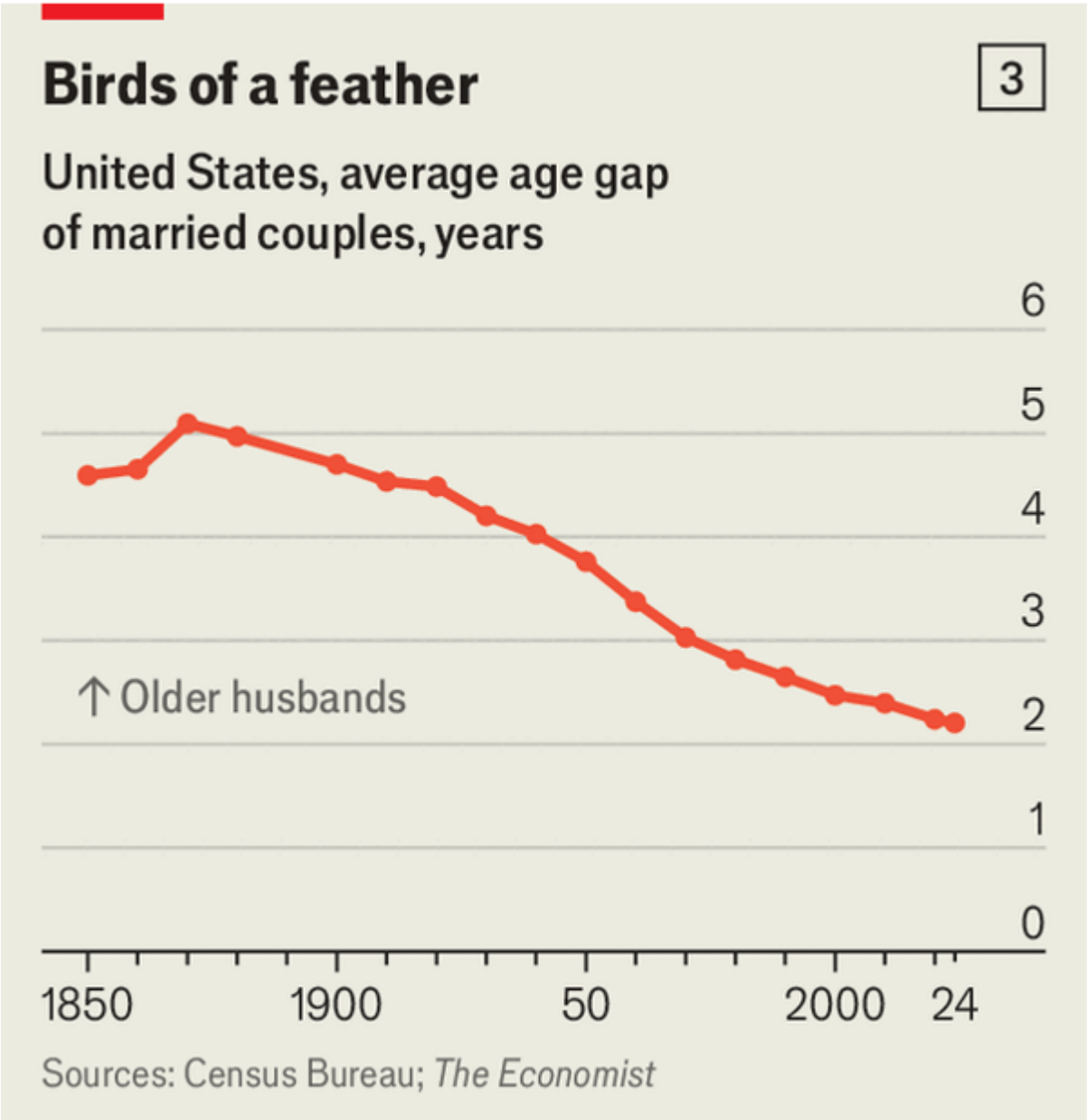
younger or older (see chart 1). Schooling reinforces this trend by sorting pupils into age-based cohorts, otherwise known as classes.

And yet, though both men and women tend to choose partners close to their own age, the most common pairing—two-thirds of American marriages—is between an older man and a younger woman. This pattern can be found in almost every country across the world. A recent paper by researchers at the Pew Research Centre, a think-tank, puts the global average gap at 4.2 years. In North America husbands are 2.2 years older than their wives, on average; in Europe the average age gap is 2.7 years; in Asia-Pacific it is 4. The age difference is highest in sub-Saharan Africa: 8.6 years.



Why are age gaps so common? The leading explanation is evolutionary. Men, it is argued, prefer partners who are fertile; women prefer mates who can provide for their offspring. Since women are most fertile when they are young, and men tend to accumulate resources with age, a modest gap should, in theory, produce more children. Data show this to be true. A paper published in 2007 by researchers at the University of Vienna showed that Swedish couples in which the husband is roughly five years older

than the wife have 5% more children than same-age couples. American data tell a similar story (see chart 2). The benefit of an older, wealthier husband may be even greater in poor countries.



Social norms play a part, too. Those attracted to a much older or younger partner may choose someone closer to their own age to avoid raising eyebrows. "Can you bring someone who's 20 years younger to your parents?" asks Renata Topinkova, a social scientist at Ludwig Maximilian University of Munich. What is considered

acceptable changes over time. In 1920 American husbands were about 4.5 years older than their wives, compared with 2.2 years today (see chart 3). Once-common "trophy wives"—young spouses of high-earning men—are now rare enough in America that they can no longer be spotted in the data (though they can still be spotted at country clubs like Mar-a-Lago).

Even the age gaps on screen are narrower today than in the past, when Clark Gable (38) starred opposite Vivien Leigh (26) in "Gone With the Wind" and Humphrey Bogart (43) alongside Ingrid Bergman (27) in "Casablanca". Today romantic partners in films and on TV are typically around six years apart, down from nearly 20 in the 1940s-50s. When films do show dramatic age gaps, they are often subverting tradition, by instead showing an older woman with a younger man. This includes "Babygirl" (female boss with an intern), "The Idea of You" (40-year-old with a boy-band star) and "Marty Supreme"· (ageing actress with a young table-tennis pro). These do not reflect common situations. But that is rarely Hollywood's intent.

Are relationships between people of different ages less healthy? The conventional wisdom is that partners born decades apart may not share the same interests and values (not to mention pop-culture references). Power imbalances may emerge, too, particularly when the older partner earns more. Surveys show that people often disapprove of age gaps because they believe the younger partner may be looking for a parental figure or—worse?—a fortune. ("I ain't saying she's a gold digger," Kanye West sang in a popular song, saying exactly that.) Couples with age differences of at least ten years report suffering more social disapproval. Ms Joy has said online critics have branded her a "child bride" and other "terrible, terrible things".

However, the evidence suggests that such relationships are relatively happy and last just as long. A study published in 2002 by researchers at Maastricht University found that marriages with larger

age gaps are associated with higher life satisfaction for both spouses. Researchers at Britain's Office for National Statistics also found no strong link between age differences and divorce among couples in England and Wales. American evidence points the same way. Data from the Centers for Disease Control and Prevention show that couples with larger age gaps last even longer than those with smaller ones. Using a sample of nearly 5,000 long-term, live-in relationships, *The Economist* estimates that a five-year difference in age is associated with staying together an extra six weeks.

Age gaps do bring some risks, however. The incidence of intimate-partner homicide rises sharply when the man is at least 16 years older than the woman (or the woman at least ten years older than the man). But such cases are rare. For most relationships other factors are more important: "Whether it's a ten-year gap, or a two-year gap, your relationship is going to be driven by other things" than age difference, says Paul Eastwick, a professor at the University of California, Davis. Like, say, what show to watch on Netflix. Mr Viall and Ms Joy can certainly agree on that. ■

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Economic & financial indicators

- **Economic data, commodities and markets**
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1月 29, 2026 04:18 上午

Economic data

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	Gross domestic product, % change on year ago: latest		quarter*	2025†	Consumer prices, % change on year ago: latest		2025†	Unemployment rate, %	
United States	2.3	Q3	4.4	2.1	2.7	Dec	2.7	4.4	Dec
China	4.5	Q4	4.9	5.0	0.8	Dec	-0.1	5.1	Dec‡§
Japan	0.6	Q3	-2.3	1.2	2.1	Dec	3.2	2.6	Nov
Britain	1.3	Q3	0.4	1.4	3.4	Dec	3.9	5.1	Oct††
Canada	1.4	Q3	2.6	1.7	2.4	Dec	2.0	6.8	Dec
Euro area	1.4	Q3	1.1	1.4	1.9	Dec	2.1	6.3	Nov
Austria	0.9	Q3	1.7‡	0.6	3.8	Dec	3.5	5.8	Nov
Belgium	1.0	Q3	1.0	1.1	2.2	Dec	3.0	6.4	Nov
France	0.9	Q3	2.2	0.9	0.7	Dec	0.9	7.7	Nov
Germany	0.3	Q3	nil	0.2	2.0	Dec	2.3	3.8	Nov
Greece	2.0	Q3	2.4	2.1	2.9	Dec	2.9	8.2	Nov
Italy	0.6	Q3	0.5	0.6	1.2	Dec	1.7	5.7	Nov
Netherlands	1.8	Q3	2.0	1.5	2.5	Dec	3.0	4.0	Dec
Spain	2.8	Q3	2.5	2.8	3.0	Dec	2.7	10.4	Nov
Czech Republic	3.0	Q3	3.2	2.5	2.1	Dec	2.5	2.8	Q3‡
Denmark	4.0	Q3	9.2	2.8	1.9	Dec	1.9	2.9	Nov
Norway	2.1	Q3	4.6	1.2	3.2	Dec	3.1	4.4	Nov‡‡
Poland	3.8	Q3	3.6	3.4	2.4	Dec	3.8	5.7	Dec§
Russia	0.6	Q3	0.4	0.7	5.6	Dec	8.7	2.1	Nov§
Sweden	1.9	Q4	0.8	2.1	0.3	Dec	2.8	8.3	Dec§
Switzerland	0.5	Q3	-2.1	1.2	0.1	Dec	0.2	3.0	Dec
Turkey	3.7	Q3	4.4	3.5	30.9	Dec	34.9	7.8	Dec§
Australia	2.1	Q3	1.6	1.9	3.8	Dec	2.7	4.1	Dec
Hong Kong	3.8	Q3	2.8	3.2	1.5	Dec	1.5	3.8	Dec‡‡
India	8.2	Q3	8.4	7.4	1.3	Dec	2.2	6.9	Dec
Indonesia	5.0	Q3	4.1	5.0	2.9	Dec	1.9	4.9	Aug§
Malaysia	5.7	Q4	2.6	4.9	1.6	Dec	1.4	2.9	Nov§
Pakistan	3.7	2025**	na	3.7	5.6	Dec	3.5	6.9	2025
Philippines	3.0	Q4	2.4	5.0	1.8	Dec	1.7	5.0	Q4§
Singapore	5.7	Q4	7.8	4.8	1.2	Dec	0.8	2.0	Q4
South Korea	1.5	Q4	-1.1	1.3	2.3	Dec	2.1	4.1	Dec§
Taiwan	8.2	Q3	7.0	7.6	1.3	Dec	1.7	3.4	Dec
Thailand	1.2	Q3	-2.2	2.0	-0.3	Dec	-0.1	0.7	Dec§
Argentina	3.3	Q3	1.1	4.5	31.5	Dec	41.7	6.6	Q3§
Brazil	1.8	Q3	0.4	2.4	4.3	Dec	5.0	5.2	Nov§‡‡
Chile	1.6	Q3	-0.6	2.4	3.4	Dec	4.2	8.4	Nov§‡‡
Colombia	3.4	Q3	5.0	2.8	5.1	Dec	5.1	7.0	Nov§
Mexico	-0.1	Q3	-1.1	0.5	3.7	Dec	3.8	2.6	Dec
Peru	3.4	Q3	5.7	3.3	1.5	Dec	1.4	4.0	Dec§
Egypt	5.3	Q3	39.4	4.3	12.3	Dec	14.1	6.4	Q3§
Israel	3.1	Q3	11.1	3.3	2.6	Dec	3.0	3.1	Dec
Saudi Arabia	2.6	2024	na	4.4	2.1	Dec	2.0	3.4	Q3
South Africa	2.1	Q3	2.0	1.4	3.6	Dec	3.2	31.9	Q3§

Source: Haver Analytics *% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast §Not seasonally adjusted ‡New series **Year ending June ††Latest 3 months ‡‡3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

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	Current-account balance % of GDP, 2025†	Budget balance % of GDP, 2025†	Interest rates 10-yr gov't bonds latest, %		change on year ago, bp	Currency units per $ Jan 29th	% change on year ago
United States	-3.7	-5.9	4.3		-29.0	-	
China	2.7	-5.6	1.6	§§	15.0	6.95	4.3
Japan	5.0	-0.5	2.2		104	153	1.4
Britain	-2.8	-5.5	4.5		-15.0	0.72	11.1
Canada	-1.5	-1.9	3.4		23.0	1.36	5.9
Euro area	3.0	-3.2	2.9		30.0	0.84	14.3
Austria	1.4	-4.5	3.0		13.0	0.84	14.3
Belgium	-1.5	-4.7	3.3		20.0	0.84	14.3
France	-0.3	-5.7	3.4		14.0	0.84	14.3
Germany	5.2	-2.7	2.9		30.0	0.84	14.3
Greece	-5.3	1.7	3.4		-9.0	0.84	14.3
Italy	1.2	-3.1	3.5		-17.0	0.84	14.3
Netherlands	7.8	-2.4	2.9		18.0	0.84	14.3
Spain	2.7	-2.8	3.3		13.0	0.84	14.3
Czech Republic	1.2	-2.1	4.4		27.0	20.3	18.4
Denmark	12.5	2.2	2.7		44.0	6.25	14.6
Norway	14.3	9.6	4.2		35.0	9.60	17.5
Poland	-0.6	-7.0	5.1		-87.0	3.52	14.5
Russia	1.7	-2.6	14.7		-179	76.3	28.4
Sweden	3.4	-1.3	2.8		50.0	8.84	24.4
Switzerland	4.0	0.5	0.3		-18.0	0.77	18.2
Turkey	-1.2	-2.9	27.5		204	43.4	-17.7
Australia	-2.1	-1.8	4.8		36.0	1.42	12.7
Hong Kong	12.0	-4.8	3.2		-55.0	7.80	-0.1
India	-1.1	-4.4	6.7		2.0	92.1	-5.9
Indonesia	-0.3	-2.9	6.3		-62.0	16,742	-2.9
Malaysia	2.4	-3.9	3.5		-31.0	3.92	12.0
Pakistan	-1.4	-4.8	11.0	†††	-112	280	-0.3
Philippines	-4.4	-5.5	6.0		-20.0	58.8	-0.5
Singapore	17.4	0.5	2.0		-85.0	1.26	7.1
South Korea	5.9	-2.4	3.5		66.0	1,430	1.1
Taiwan	19.1	1.8	1.4		-18.0	31.3	4.9
Thailand	2.6	-5.3	2.1		na	31.1	8.9
Argentina	-2.1	0.3	na		na	1,444	-27.3
Brazil	-3.2	-6.5	13.4		-161	5.19	12.9
Chile	-1.8	-2.3	5.3		-66.0	863	15.2
Colombia	-2.4	-7.5	12.3		131	3,666	15.1
Mexico	-0.4	-3.9	8.9		-110	17.2	19.5
Peru	1.9	-2.4	5.9		-81.0	3.35	11.7
Egypt	-2.4	-7.7	na		na	46.8	7.2
Israel	1.3	-4.5	3.8		-65.0	3.09	17.1
Saudi Arabia	-2.3	-5.3	na		na	3.75	nil
South Africa	-0.6	-4.4	8.1		-97.0	15.8	18.4

Source: Haver Analytics §§5-year yield †††Dollar-denominated bonds

Markets

In local currency	Index Jan 28th	% change on: one week	Dec 31st 2024
United States S&P 500	6,978.0	1.5	18.6
United States NAS Comp	23,857.5	2.7	23.5
China Shanghai Comp	4,151.2	0.8	23.9
China Shenzhen Comp	2,718.1	0.9	38.9
Japan Nikkei 225	53,358.7	1.1	33.7
Japan Topix	3,535.5	-1.5	27.0
Britain FTSE 100	10,154.4	0.2	24.2
Canada S&P TSX	33,176.1	1.0	34.2
Euro area EURO STOXX 50	5,933.2	0.9	21.2
France CAC 40	8,066.7	nil	9.3
Germany DAX*	24,822.8	1.1	24.7
Italy FTSE/MIB	45,138.7	1.5	32.0
Netherlands AEX	997.1	0.3	13.5
Spain IBEX 35	17,607.6	1.0	51.9
Poland WIG	125,561.7	3.9	57.8
Russia RTS, $ terms	1,151.6	2.3	28.9
Switzerland SMI	13,023.8	-1.0	12.3
Turkey BIST	13,407.4	5.3	36.4
Australia All Ord.	9,250.6	1.6	9.9
Hong Kong Hang Seng	27,826.9	4.7	38.7
India BSE	82,344.7	0.5	5.4
Indonesia IDX	8,320.6	-7.7	17.5
Malaysia KLSE	1,756.5	3.0	7.0
Pakistan KSE	188,380.4	0.7	63.6
Singapore STI	4,909.3	2.1	29.6
South Korea KOSPI	5,170.8	5.3	115.5
Taiwan TWI	32,803.8	5.0	42.4
Thailand SET	1,338.9	1.6	-4.4
Argentina MERV	3,230,714.0	6.0	27.5
Brazil BVSP*	184,691.1	7.5	53.5
Mexico IPC	69,959.8	2.8	41.3
Egypt EGX 30	47,785.9	3.8	60.7
Israel TA-125	3,991.4	1.3	64.5
Saudi Arabia Tadawul	11,458.1	4.7	-4.8
South Africa JSE AS	125,069.2	3.6	48.7
World, dev'd MSCI	4,552.8	1.9	22.8
Emerging markets MSCI	1,556.8	5.2	44.8

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 31st 2024
Investment grade	87	95
High-yield	341	324

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Jan 20th	Jan 27th*	% change on month	% change on year
Dollar Index				
All items	147.3	150.0	3.7	8.5
Food	138.2	140.2	-1.1	-11.0
Industrials				
All	154.9	158.1	7.5	29.4
Non-food agriculturals	132.1	133.4	4.2	0.9
Metals	160.8	164.4	8.2	37.4
Sterling Index				
All items	140.7	140.1	1.6	-1.9
Euro Index				
All items	143.6	143.4	2.0	-5.4
Gold				
$ per oz	4,741.6	5,094.3	16.9	84.7
Brent				
$ per barrel	64.9	67.6	9.2	-12.9

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

- **Mark Tully spoke to Indians as one of them**
  The voice of truth :: The veteran BBC reporter and writer died on January 25th, aged 90

The voice of truth

Mark Tully spoke to Indians as one of them

The veteran BBC reporter and writer died on January 25th, aged 90

1月 29, 2026 05:47 上午



THEOLOGICAL COLLEGE was not a good fit for Mark Tully. He had left Trinity Hall, Cambridge determined to be a priest, but found he was just too fond of wine, women and song. He concluded that, though his faith was strong, there was something morally quite bad about him.

It was therefore embarrassing that in India, where he felt large and clumsy anyway, people would rush to shake his hand; that children would shout “Mark Tully!”, scampering after him; and that in dusty

villages he was seen as something of a saint, along with Mother Teresa. But he was given this respect for a reason. It was he, in his plummy English tones, who told them on the BBC what was going on in their country.

All-India Radio reported what the government of the day wanted them to hear, but he told them the truth: about the Bhopal chemical disaster, the struggle for Bangladeshi independence, the Indian army's attack on the Sikh Golden Temple at Amritsar in 1984, and the assassination of Indira Gandhi, then prime minister, that followed. At Ayodhya in 1992, when an ancient mosque was demolished by Hindu hardliners, his car was battered by men screaming for his death; they dragged him out and confined him for hours in a tiny room, from which he eventually escaped disguised in a shawl. The religious rioting that followed was the worst thing he ever saw. Yet he went back to observe the slow building of a new Hindu temple on the site, interviewing everyone and taking neither side.

In more than 20 years as the BBC's Delhi bureau chief, in the midst of this teeming, tumultuous country, his job was to insist on balance. His commentary was not aimed at the powerful or the elite. It went out in six languages to 50m listeners, many of them illiterate. He connected them to the world, just as he connected his British listeners to ordinary Indians, reporting the issues of the day not merely from offices of state but from tea-houses, villages and railway stations. His beat also included Pakistan, Bangladesh and Afghanistan, but he left no doubt where his heart lay.

Of course he was an Englishman, and never pretended not to be. From his brief visits to England he would return with Marmite and bacon in his luggage. He was frustrated by the snail-like pace of Indian bureaucracy, the crazy cacophony of horns and crows when he was trying to broadcast, and his own too-easy tolerance of the poverty around him. Sometimes he blew his top about it all. Yet he was no ex-pat; he had deep roots in India. His English father worked

as an accountant under the Raj; his English mother was born in Bengal. He himself was born in Calcutta and schooled, until at nine he was sent away, in Darjeeling. When he returned in 1965 in his first lowly BBC role, the smell of the hotel gardener's food instantly told him he was home.

From then on, for three-quarters of his life, he lived in Indian style. His Hindi became fluent, and he tackled Urdu. His British pipe was exchanged for pungent hand-rolled cheroots, and Master Brew for Rosy Pelican beer. He liked his evening whisky—feeling that the character closest to him was the rumpled, hounded whisky-priest of Graham Greene's "The Power and the Glory"—but every afternoon he chewed *paan* for his stomach. He became an ardent fan of Bollywood films and rackety trains.

Nonetheless, India's elites frequently attacked him. Indira Gandhi expelled him, though after 18 months he returned. The defeat of her son Rajiv's government, in 1989, was also blamed on him. Because he hated to be seen as a coward, he had to speak his mind on the country he adored. His books did so. The Western way of progress through consumerism, based on greed, did not suit India. In its hectic rush to modernise, it was forgetting its own genius: culture, literature, language, tradition. He even found himself defending the caste system: though it kept people down, it also gave them a sense of identity and community.

That might have been a stretch to argue. He was still afraid of social *faux pas*: not talking enough at weddings, wearing shoes on pilgrimage. Most of all he feared sliding back into a colonial mindset, posing as superior. India's rulers continued to follow the West because they had been fed the corrosive lie that the Western model was best. He disagreed. To be called "Tully Sahib", a colonial tag, even in the friendliest way, was bittersweet.

Religious tensions worried him more than anything else. Though he had missed the bloodbath of Partition, Ayodhya had deeply affected

him. He was still a Christian, if unorthodox, but the sheer variety of Indian religion had shown him there were many equally valid ways to God. State secularism was the firm, essential basis of independent India. The rise of Narendra Modi and Hindutva were a horror to him.

By then, however, he had retired. He had fallen out spectacularly with John Birt, then director-general of the BBC, whom he accused of ruling the corporation as a monolith and forgetting what it really was. In 1994 he left; but he did not leave India. He was determined to make it his home, even though he had a delicate domestic arrangement involving a wife, Margaret, in London and a partner, Gilly, in Delhi, neither of whom he could bear to give up; one more balancing act to consider.

He did not leave broadcasting, either. Independent production companies sought him out, most successfully to present a radio series called "Something Understood", a collage of prose, poetry and music that offered, undogmatically, a sense of the divine. These multi-various ways to God soothed listeners for 24 years.

His own strongest legacy from India was a belief in fate. His karma had shaped his life like a circle. He had been born in India, and would die there. He had wanted to be a priest and, in a way, he became one. In his end was his beginning, as T.S. Eliot said: Eliot, and the humblest *chai wallah*, recycling clay cups in the street. ■

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