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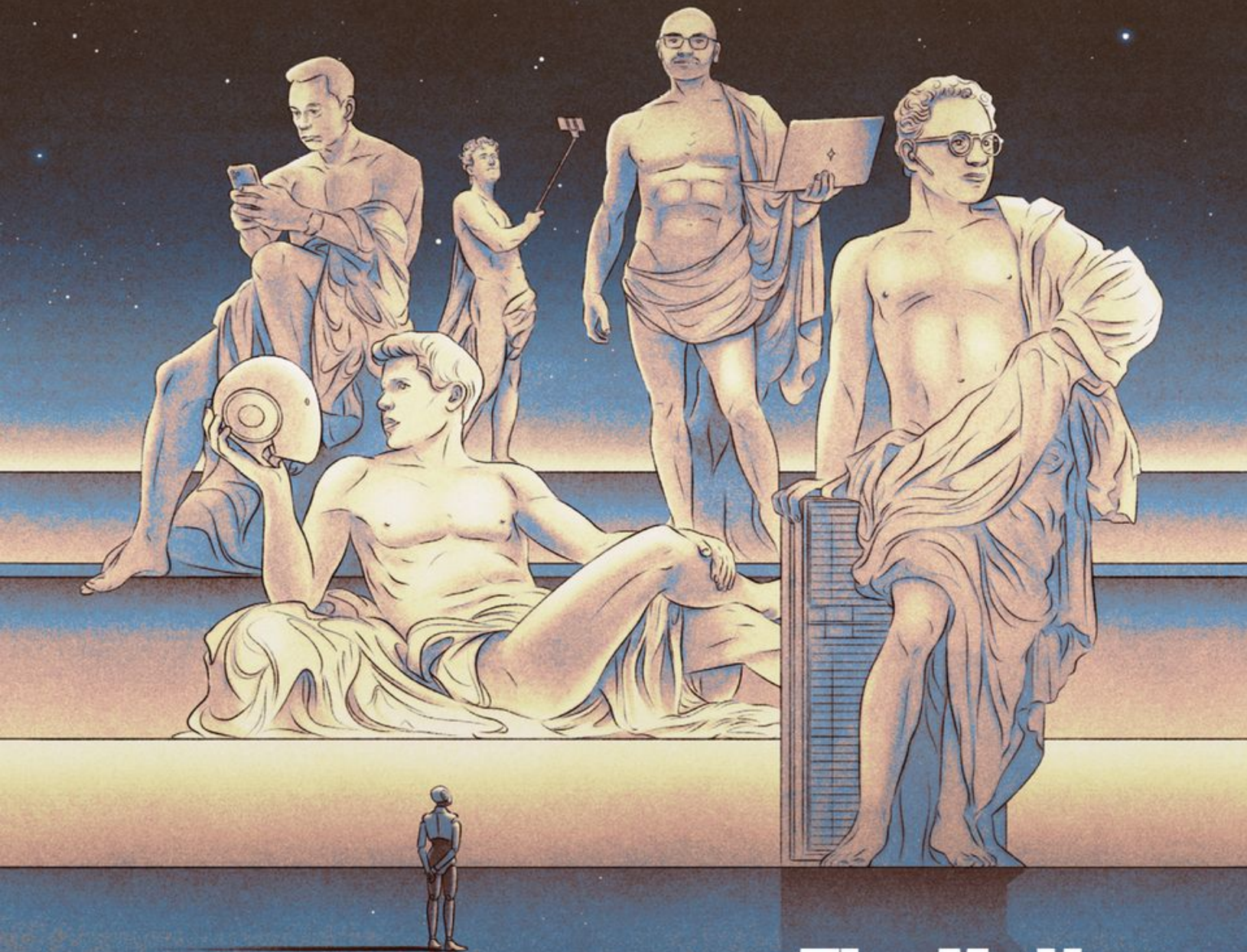
The food shock from Iran

Split levels: Divorce in China

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J.D. Vance, righteous hypocrite

APRIL 18TH-24TH 2026



The Mythos moment

Can five men be trusted with AI?

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The world this week

Politics

4月 16, 2026 04:16 上午



America and **Iran** maintained a [shaky ceasefire](#). The two countries held peace negotiations in Pakistan, their highest-level official talks since Iran's Islamic revolution in 1979. The talks ended without a deal, but both sides are preparing to hold another round of discussions. Donald Trump said the war is "close to over". America claimed its own blockade of the Strait of Hormuz was successful, targeting ships going to and from Iran's ports and through its coastal waters.

Hopes for peace were also given a boost when **Israel** and **Lebanon** held their first [official direct talks](#) in decades, as their ambassadors met in Washington. After the meeting America said they had agreed to launch negotiations. The Israeli ambassador declared that Israel

and Lebanon were “united in liberating Lebanon” from Hizbullah. The Iranian-backed militia has made thinly veiled threats of a coup against the Lebanese government should it try. Meanwhile, Israel’s ground assault in southern Lebanon continued, as did Hizbullah’s rocket attacks on Israel.

Cyril Ramaphosa, **South Africa’s** president, appointed Roelf Meyer as the country’s new ambassador to America, following the expulsion of the previous ambassador last year for accusing Mr Trump of projecting “white victimhood”. Mr Meyer was one of the National Party’s chief negotiators with the African National Congress in the talks to end apartheid. He later helped found the centre-left United Democratic Movement. <https://t.me/demagazinesharing>

The Australian government announced a rise in defence spending from 2% of GDP to 3% by 2033. **Australia** “faces its most complex and threatening strategic circumstances” since the second world war, said the defence minister.

The head of the International Atomic Energy Agency warned that **North Korea** has made “very serious” advances in its nuclear-weapons programme, and has probably developed a new uranium-enrichment facility. It is thought that the regime has several dozen nuclear warheads.

Around 250 people were missing after a **boat capsized** in the Andaman Sea. The vessel had left Teknaf, a town in southern Bangladesh that borders Myanmar, and was headed to Malaysia. It was carrying Rohingya refugees and Bangladeshis.

Must do better

George Robertson, a former NATO secretary-general and former **British** defence secretary, levelled a scathing critique at current defence policy. Lord Robertson, who wrote the latest British strategic defence review, says Britain is in “peril” because of the government's

“corrosive complacency”, blaming the Treasury for its failure to fund the review’s recommendations. His conclusion is that the country is underprepared, underinsured, under attack and not safe, giving as an example recent Russian activity around British undersea infrastructure.

In **Canada** the Liberal Party secured a small majority in the House of Commons after winning three special constituency-elections. The Liberals had hitherto been in power with a minority government, first under Justin Trudeau as prime minister and then under Mark Carney. Mr Carney has been credited with reaching out to disaffected members of the opposition; four Conservatives crossed over to the Liberals in recent months.

Keiko Fujimori advanced to the second round of **Peru’s** presidential election. It is her fourth run for the office. Ms Fujimori is the daughter of Alberto Fujimori, who was president from 1990 to 2000 and later convicted of ordering an army death squad to massacre alleged supporters of Shining Path, a Maoist terrorist group.

At least 15 people were killed in another wave of [drone attacks by Russia](#) on **Ukraine**, including Kyiv, the capital. Meanwhile, Ukraine’s army captured a Russian position using unmanned ground systems and drones for the first time in the war, according to Volodymyr Zelensky, without any loss of Ukrainian life. The president said that ground robotic systems were used more than 22,000 times on Ukraine’s front line during the first three months of the year.



The centrist Tisza party won around two-thirds of the seats in [Hungary's election](#), booting Viktor Orban and his populist-right Fidesz party out of office after 16 years in power. Peter Magyar, the incoming prime minister, made improving relations with the EU a priority. Soon after his victory Mr Magyar spoke to Ursula von der Leyen, president of the European Commission. He also suggested that he would reverse Hungary's block on a €90bn (\$106bn) EU loan to Ukraine. The Kremlin said it wanted a "pragmatic dialogue" with the new government.

Following several days of protests the government of **Ireland** announced a support package to help people affected by the [spike in fuel costs](#). Protesters had blocked highways with lorries and tractors and snarled up traffic by forming slow-moving convoys.

A pupil at a school in south-east **Turkey** shot and killed at least nine people. The previous day a former pupil at a separate school wounded 16 people before killing himself.

Pedro Sánchez, the Socialist prime minister of **Spain**, launched a scheme to offer permanent residency to half a million illegal

migrants. The migrants must have lived in Spain for five months and have no criminal record. Separately, Mr Sánchez's wife, Begoña Gómez, was charged with corruption following a lengthy investigation. She denies the charges. Mr Sánchez has said the allegations are rooted in conservative dissatisfaction with his government.

The prime minister of **Italy**, Giorgia Meloni, said her administration had suspended the renewal of its defence co-operation agreement with Israel in light of "the current situation". Italy's conservative government has hitherto been a comparatively reliable ally for Israel, and has not recognised Palestinian statehood. In March Italy said it would not allow America to use an air base in Sicily as a launch pad for operations against Iran.

Caduta in disgrazia

Ms Meloni's refusal to support America's war with Iran has angered Mr Trump, who said he was disappointed with her, telling an Italian newspaper: "I thought she was brave, but I was wrong." Ms Meloni also waded into the furore caused by Mr Trump's [scathing criticism of Pope Leo](#), after the pontiff took a strong stand against the Iran war. [J.D. Vance](#), a Catholic convert, also suggested the pope stay out of international affairs. Ms Meloni said Mr Trump was wrong, and it was "right and normal" for Pope Leo to call for peace.

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The world this week

Business

4月 16, 2026 04:16 上午

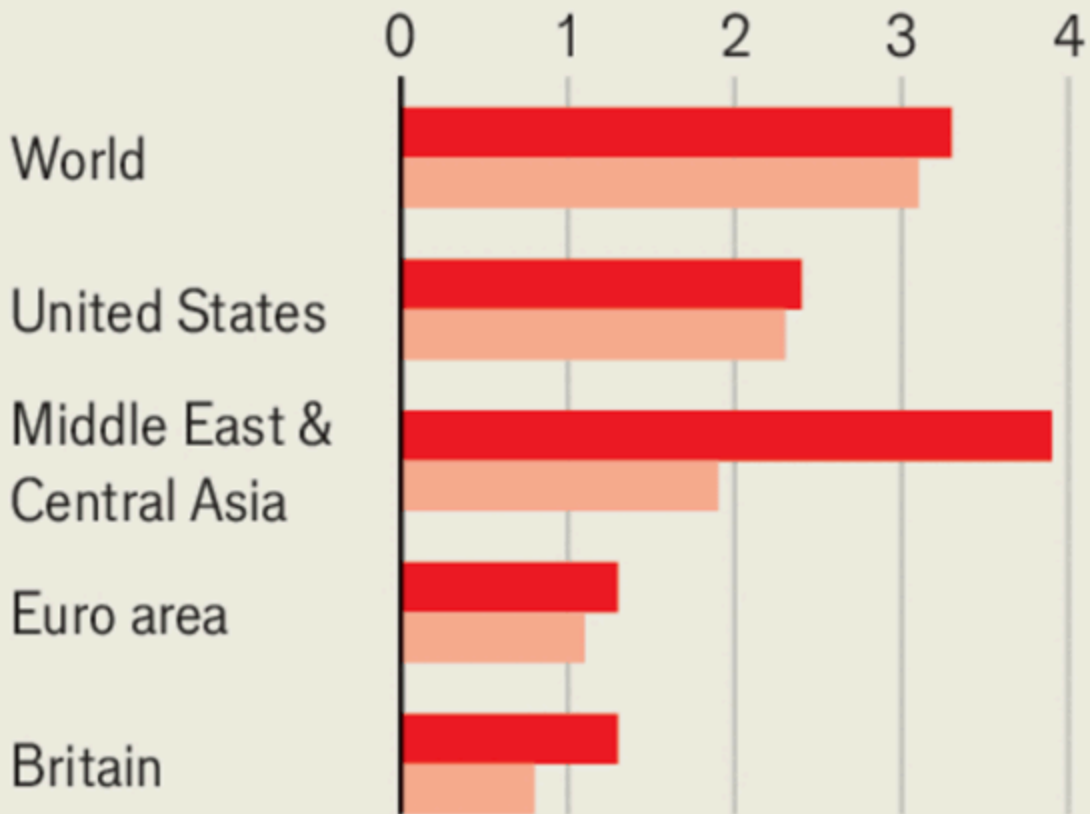


2026 GDP forecasts

% change on a year earlier

■ Made in January

■ Made in April



Source: IMF

The IMF lowered its forecast of global growth, projecting the **world economy** to expand by 3.1% this year, down from the 3.3% it estimated in January. It shaved its forecasts for most big economies, taking half a percentage point off Britain's GDP growth, which it now thinks will be just 0.8%. The economic toll from the Iran conflict will be much more pronounced on commodity-importing emerging-market and developing economies, the fund said. It pointed out that

without the war it would have upgraded growth, making the cost of the conflict greater than it appears in its forecasts.

The Trump trade

America's annual **inflation** rate surged to 3.3% in March from 2.4% in February. Energy prices jumped by 10.9% from February, with fuel-oil prices rising by 30.7%. The price for regular petrol remains above \$4 a gallon, according to the AAA, up from \$3.17 a year ago.

Oil trading stayed volatile, with Brent crude fetching between \$95 and \$100 a barrel. The International Energy Agency said the Iran conflict had caused the "most severe oil-supply shock in history". It now expects global oil demand to decline by 80,000 barrels a day on average in 2026, compared with growth of 640,000 barrels a day in its previous forecast. The forecast assumes a resumption of regular deliveries of oil and gas from the Middle East by mid-year.

Not everyone is suffering because of the war. BP reported that its oil-trading desk had recorded an "exceptional" quarter, as prices soared and customers scrambled to obtain supplies. **Oil companies'** full earnings later this month will square off those gains from higher prices with losses to production during the conflict.

America's big banks also said their trading desks had done well in the first quarter, helped by volatility in equity markets. JPMorgan Chase's net profit rose by 13%, year on year, to \$16.5bn. Citigroup pulled in \$24.6bn in revenue, the most in a decade, pushing its profit up by 42%, to \$5.8bn. Equity traders at Goldman Sachs helped power the bank to a \$5.6bn profit, an increase of 19%.

Tech stocks resumed their ascent. Oracle's share price rose by more than 20% over five days, and Nvidia's by 10%. Intel's stock is up by 45% since April 1st; it has announced a partnership with Elon Musk's Terafab project. The NASDAQ Composite has had its longest winning streak since 2023. The S&P 500 hit a new record.

China's GDP grew by 5% in the first quarter, year on year, a robust performance that beat analysts' expectations. The government warned that it expects the economy to take a hit from the Iran war in the second quarter.

Donald Trump said he would remove Jerome Powell from the **Federal Reserve's** board of governors if he stays on beyond the end of his term as chairman, which is May 15th. In March a judge dismissed the subpoenas issued by the Justice Department in its investigation of Mr Powell for allegedly misleading Congress about the Fed's refurbishment. The Senate Banking Committee is due to hold a confirmation hearing for Kevin Warsh, Mr Powell's replacement as chairman, on April 21st.

A jury found that **Live Nation**, the owner of Ticketmaster, had illegally tried to thwart competition in the market for live events. The Department of Justice launched its case against Live Nation in 2024, and reached a settlement with the company soon after the trial started in March. Other parties in the suit pressed their claim. The judge will now decide what penalty to impose.

Amazon struck a deal to buy **Globalstar**, which operates a low-orbit satellite constellation, for \$11.6bn. The acquisition furthers Amazon's aim to compete with Elon Musk's Starlink communications network by giving it rights to radiowave spectrum, which will enable it to offer mobile connections in the future. Amazon is rushing to launch more satellites as it prepares to provide internet services to JetBlue and Delta Air Lines.



The crew of NASA's **Artemis II** mission returned safely to Earth. Their capsule splashed down in the Pacific Ocean off the coast of San Diego, after travelling at 25,000 miles an hour (40,200kph) before entering the atmosphere, eventually slowing to 20mph. Jared Isaacman, NASA's administrator, promised that more missions would be sent to the Moon "until we land on it in 2028 and start building our base".

The boss goes AI

In what will be many employees' worst nightmare, **Meta** is reportedly building an animated AI version of Mark Zuckerberg that can interact with staff. The AI is being trained with Mr Zuckerberg's image, voice and mannerisms to discuss problems workers may have, and also performance. And possibly job cuts.

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The world this week

The weekly cartoon

4月 16, 2026 05:12 上午



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

[Israel and Lebanon both want to dislodge Hizbullah:](#)

[How long will Israel stay in Lebanon?](#)

[Without a strategy, a quagmire awaits in Lebanon](#)

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

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Our cover

America wakes up to AI's dangerous power

After Mythos, a laissez-faire approach is no longer politically tenable or strategically wise

4月 16, 2026 05:30 上午



SHOULD A HANDFUL of men be entrusted with the world's most potent new technology? Five geeks so famous that they can be identified by their first names—Dario, Demis, Elon, Mark and Sam—exercise almost godlike command over the artificial-intelligence models that will shape the future. The Trump administration has stood aside even as those models have gained jaw-dropping capabilities, convinced that unfettered competition between private

firms is the best way to ensure America wins the AI race against China.

Until now. Suddenly, America's free-wheeling treatment of AI looks as if it is coming to an end. The reason is that the models' dizzying progress also poses a threat to America's own national security, unnerving members of the Trump administration previously more inclined to worry about overregulation. At the same time, growing resentment among American voters is turning AI into a political lightning-rod. A laissez-faire approach is no longer politically tenable or strategically wise.

Read the rest of our cover package

- [Why Anthropic and OpenAI are locking up their latest models:](#)
- [The tech jobs bust is real. Don't blame AI \(yet\):](#)
- [Could AI's leading men become as powerful as Ford or Rockefeller?:](#)
- [How AI hackers will shake up cyber-security:](#)

The watershed was Anthropic's announcement of Claude Mythos on April 7th. The model-maker's latest creation is so startlingly good at finding software vulnerabilities that, in the wrong hands, it would [threaten critical infrastructure:](#) from banks to hospitals. AI models increasingly pose other risks, too, from biosecurity hazards to industrial-scale scamming.

Anthropic's boss, Dario Amodei, wisely thought Mythos too dangerous for general release. Instead he has reserved it for use by around 50 big firms, in computing, software and finance, so that they can boost their own defences. America's treasury secretary, Scott Bessent, was so unnerved that he summoned the biggest banks for urgent talks.

It was not the first time the administration had acted. Only weeks ago the Pentagon stepped in after Mr Amodei refused to allow

Anthropic's model to be used in fully autonomous weapons or for mass domestic surveillance. Then, too, the Trump administration was alarmed—because of the power a single firm wielded over a technology central to national security.

A backlash among voters will add to the pressure on the administration to intervene. Opinion polls are leading ever more politicians to think that AI will be one of the big issues in elections in 2028. Americans are far more sceptical of AI than people in other countries. [Seven out of ten think 'AI will hurt job opportunities'](#), a sharp rise from a year ago (and well before they have good evidence). Grassroots opposition to data centres is surging, even though AI has little or nothing to do with rising electricity prices. In a sign of the times, the house of Sam Altman, the head of OpenAI, has been attacked twice in recent days.

History suggests that, with a technology as world-changing as AI, a Mythos moment was inevitable. From John D. Rockefeller to Henry Ford, [America's great industrial innovations](#) were led by a small number of men who grew immensely powerful. Eventually, 20th-century governments stepped in to tame over-powerful industries, from the trust-busting that broke up Standard Oil to the creation of the Federal Reserve and the breakup of AT&T. Those times were at least as polarised and febrile as today's are. And our calculations suggest that the AI gods are not yet any more dominant than their historical predecessors were.

But history also suggests that controlling AI will be fraught. That is partly because the stakes if things go wrong are so high. It is also because AI is evolving at warp speed.

The trade-offs are acute. Economic growth will benefit from rapidly diffusing AI's benefits, but the potential backlash could easily lead to overregulation. Doing nothing could leave America vulnerable to malevolent AI-induced chaos, but regulatory overkill would ensure that China wins the AI race. That makes this a perilous moment.

Time is short. Two years ago, during the Biden administration, discussions about regulation were largely about AI's potential risks. Today its capabilities are already alarmingly powerful and growing more so with every release. The pace of innovation means that debates over the proper role of government, which played out over years, even decades, in the past, now need to be resolved in months.

And the technical hurdles to a more interventionist approach are daunting. Tools of government control, such as nationalisation, are ineffective because talented engineers can move freely between companies and computing power is a commodity. Worse, the leading model-builders are only months ahead of their open-source competitors, including those in China. Sooner or later [the capabilities of their models will be available to all](#).

Even so the Mythos moment could be when a workable scheme to control AI starts to take shape. Trusted users would get early access to the most powerful new models: OpenAI is following Anthropic by rolling out its latest tool to a limited group of vetted cyber-security professionals. Before allowing these models to be broadly commercialised, the government could demand certification from industry-led bodies that have tested them for different uses.

Beware geeks with gifts

This idea has advantages for the big model-builders and the government alike. It avoids the lengthy process of creating a new regulator. By allowing only a few premium users, it enables the model-makers to charge higher prices and limit the use of scarce computing power. Meanwhile, the government can restrict who can use the most powerful models, reducing the risk that China can copy them and catch up faster.

But it also suffers from grave problems. Limited release will reduce competition and increase the clout of entrenched AI companies. It

will slow the diffusion of AI's benefits and create a two-tier system within America's economy, disadvantaging the many firms that are repeatedly deprived of privileged early access to powerful new models. What if making AI defences takes a long time or is impossible? What about open-source models? How can you insist that they also follow these rules?

A regulatory system built on these foundations could prove unjust. Insiders could secure themselves against frontier threats; outsiders would have to hope for the best. The opportunities for lobbying and outsize profits would be immense. That would test the honesty and competence of the most openly corrupt administration of America's modern political era. And a fix that concentrates power and wealth yet further among the handful of AI gods risks aggravating the very political backlash that is starting to worry Washington.

Moreover, the Mythos approach can be only half the solution. AI safety cannot be secured nationally. Eventually it will demand international co-operation, starting with China. The new focus on cyber-security also needs to be matched by urgent thinking about the economic and social effects of AI. Dealing with the disruption to jobs and designing an AI-adapted tax system that favours labour are huge problems for which no one yet has good answers. This needs to change. The Mythos moment is a wake-up call for AI safety. It demands hard thinking in other areas, too. ■

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Blockade heads

How to end the war in Iran

America and Iran must resume their efforts to strike a deal, even though it is sure to be an imperfect one

4月 16, 2026 05:30 上午



BE GRATEFUL FOR small mercies. The ceasefire between America and Iran may be extended. Talks that began in Islamabad last weekend may soon resume. Though the Strait of Hormuz is closed, oil markets are no more spooked than they were. And though economic damage is spreading, a deep Hormuz-induced global recession could yet be averted.

But small mercies are not enough. If they are not to return to a futile war, America and Iran will have to ensure the ceasefire produces a lasting peace, by opening the strait and settling their

dispute over Iran's nuclear programme. That will require compromise and a willingness to grapple with complexity that has eluded both sides—especially President Donald Trump.

Dig deeper

- [The Gulf war has settled into an uneasy limbo:](#)

The search for peace starts with a reckoning of America's leverage. Mr Trump's recent imposition of his own blockade was an attempt to strengthen his hand after weeks of bombardment failed to force Iran's capitulation. It traps tankers taking as much as 2m barrels a day of Iranian oil to market even as war raged. The idea is to use the economy to get Iran's hardliners to give ground.

It is a less harmful tactic than the many bad ideas America's president has aired in recent weeks—bombing power plants, sending troops to be sitting ducks on Kharg Island or wrecking the oil industry. A dire economy was Iran's greatest weakness before the war began. Mass protests in January were the result of fury over the currency's collapse, shortages and joblessness. American and Israeli bombs have worsened all those things and made the regime even more desperate for sanctions relief.

The blockade's success, however, is highly uncertain. Such measures usually take months, even years, to force compliance. The regime is desperate to alleviate sanctions and knows that this is its best chance to strike a [good bargain:](#) That may mean it is prepared to endure the blockade for longer. Mr Trump may lose patience as petrol prices surge for American consumers.

What matters most, therefore, is whether talks can produce a deal. The first stage is reopening the strait, which should be possible for Iran and America to agree on—after all, each side knows it could force closure again. In no circumstance should America agree to let Iran levy tolls on ships traversing the waters. That would give it a permanent hold over the rest of the region. There will have to be an

argument in which America may have to trade the lifting of some sanctions in return for safe passage.

The second stage will be about Iran's nuclear programme. The outlines of a deal are simple here, too: Iran must close off its path to a nuclear weapon in return for more sanctions relief. Unfortunately, everything about the details will be tricky.

The two sides do not trust each other—so neither will take bold steps, fearful that the other may not later honour its part of a deal. A willingness to compromise may also be lacking, because both sides want to portray a total victory at the negotiating table as a substitute for the total victory they could not achieve on the field of battle. Last, as nearly two years of negotiations for the deal with Iran in 2015 attest, nailing down the details of a nuclear programme will be fiendishly complex.

At issue is Iran's stock of roughly 400kg of highly enriched uranium and its capacity to enrich more. America wants the stock of uranium removed from the country and a ban on fresh enrichment. Iran wants relief from sanctions and to be able to enrich—a symbol of sovereignty that it would find hard to surrender.

Compromises are available. Iran could dilute the uranium to a low level suitable for civilian use. It could forswear enrichment for a long but limited time; or it could enrich uranium as part of a consortium. Iran would not get all sanctions lifted, but some limited Iranian financial assets held abroad could be unfrozen.

To be credible such a deal needs international monitors. Even if Iran is not enriching, it must face limits on the number and calibre of its centrifuges and on theoretical work, given that post-war Iran has even more incentive to dash for a bomb. The danger is that Iran will drag out talks hoping to screw more out of America, but end up with nothing.

Even if the two sides reach an agreement, there will be [no room for triumphalism](#). Iran will remain a threatening presence in the Middle East. Its embittered, insecure regime has discovered that it can use Hormuz and regional strikes as weapons. America has discovered that going to war with Iran is perilous. Much work will be needed to rebuild the Gulf's security infrastructure and its economies, including in Iran.

Before America and Israel started bombing, a decent agreement may already have been within reach. It is hard to see the sum of what comes out of the fighting being any better. ■

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Tax day mayday

America will come to regret its war on taxes

Lately, Democrats have joined the charge

4月 16, 2026 05:30 上午



BEWARE ANY policy that is overwhelmingly popular. That usually means it has not been properly scrutinised. The latest example is taxes in America. The country is in the grip of a [bipartisan tax-cutting mania](#). Tax-filing season has just closed and Americans are receiving hefty refunds from Donald Trump's "Big, Beautiful Bill"—financed by trillions of dollars in deficit spending.

Not to be outdone, two Democrats in the Senate, Cory Booker and Chris Van Hollen, have put forward their own plans which, if

implemented, would mean around 55% of tax filers would pay no federal income taxes. Unsurprisingly, those proposals poll tremendously well.

Dig deeper

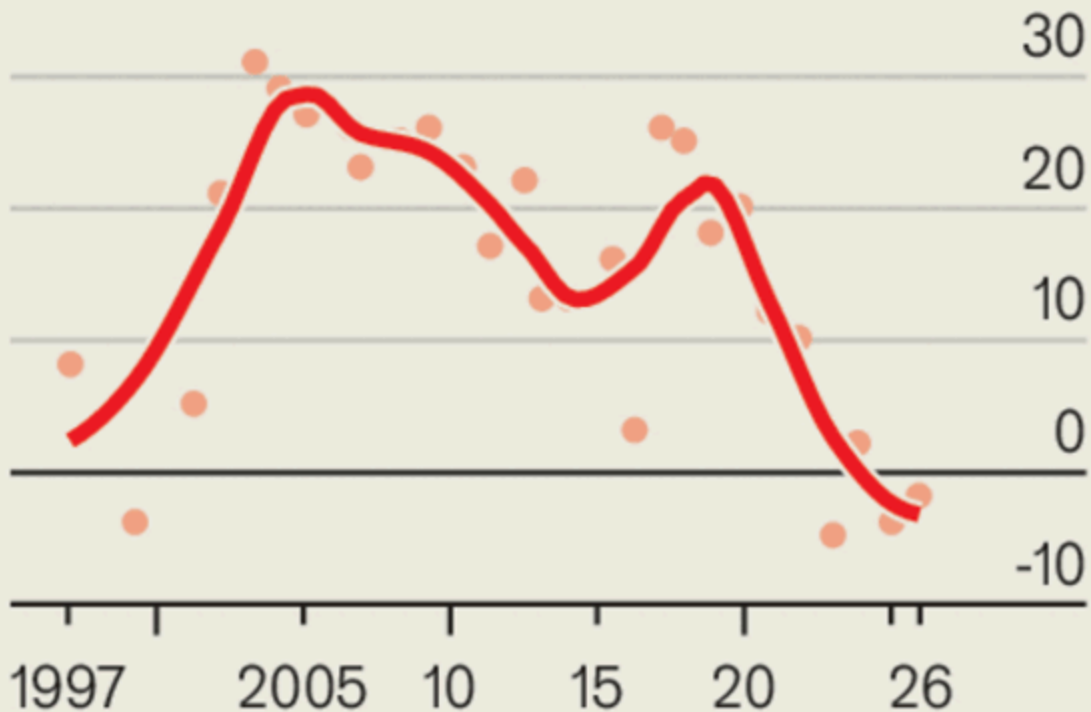
- [A tax revolt is under way in America:](#)

Giveaways are always appealing, and Americans are particularly disenchanted with the tax system at the moment; perceptions of tax fairness are at a 30-year low. Zany ideas are bouncing around at the state level, too. See, for example, the wave of property-tax exemptions for old folk, or a proposal in Georgia to eliminate income taxes that is specifically reserved for teachers.

This newspaper is certainly no fan of big government. But it is foolish to think that ordinary Americans should be exempted from taxes. For the burden to be bundled onto a disfavoured few—be they foreigners, via tariffs, in Republican plans or the rich in Democratic ones, as in California’s mooted 5% wealth tax on billionaires—would be economically unrealistic and politically corrosive.

Share saying their income tax is fair

United States, net % points



Source: Gallup

First, the economics. It is hard to argue that Americans are over-taxed. Barring some Democrat-run states, America has low taxes compared with most other rich countries. The tax code is already progressive; making it more so would distort the incentive to earn. And America is running budget deficits worth 6% of GDP, the highest on record outside recession or wartime. The Congressional Budget Office, a fiscal watchdog, expects that figure to keep rising.

So this is a bad time for both parties to enter an irresponsibility spiral. At the IMF spring meetings in Washington this week, economists were beginning to wonder when, rather than if, America will suffer a bond-market reckoning worthy of Liz Truss, briefly

Britain's prime minister. As emerging-market finance ministers have long known and their counterparts in Europe are rediscovering, living under the bond market's microscope is not pleasant.

Then take the politics. The notion that tax giveaways will buy politicians lasting popularity is dubious. Mr Trump's first-term tax cuts did not prevent him from being beaten in 2020. His approval ratings have kept sliding during this refund season, too. Rishi Sunak, Ms Truss's successor, jammed through payroll-tax cuts worth 0.7% of GDP ahead of his bruising election loss in 2024. When British voters were polled about his list of achievements, they ranked those tax cuts below banning the XL Bully, a nasty sort of dog.

Democrats hope that cutting taxes will assuage voters' [concerns about affordability](#). Yet that angst does not reflect actual falls in purchasing power. Wage growth for the average American has outstripped inflation for years. Instead, voters keep getting sticker shock from high nominal prices. Padding incomes by lowering taxes won't fix that problem.

Removing so many Americans from the tax base entirely, as the latest Democratic ideas propose, sounds nice but comes with an additional downside. Taxes, if not quite the price of civilisation, do give citizens a reason to care about efficient and effective government. Severing that connection, and leaving large chunks of the electorate as mere recipients of state largesse, risks deepening America's political dysfunction. That would be lamentable on its own terms, and put the mature political conversation about its fiscal choices that America needs even further out of reach. ■

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Hungary's elections

Peter Magyar's victory will keep Hungary in the spotlight

The country will become a test case for reversing democratic decay

4月 16, 2026 06:14 上午



VIKTOR ORBAN, Hungary's corpulent prime minister, revelled in his role as the champion of the growing band of populist nationalists in Europe and beyond. Only days before a general election on April 12th, America's vice-president, J.D. Vance, visited Hungary to proclaim that a vote for Mr Orban was a vote for Western civilisation.

Mr Orban's crushing defeat in that election was a rebuke to the [veep's arrant nonsense](#). But it also means that the election's triumphant—and solidly conservative—winner, Peter Magyar, will be

seized on by centrists and progressives as a case study in how to reverse democratic decay.

Dig deeper

- [J.D. Vance's theory of Trumpism is no match for the practice](#)
- ["Complete change of regime" in Hungary](#)

One conclusion is that nothing turns the page like an overwhelming victory. After years of chipping away at Hungary's independent institutions, Mr Orban could have aped Jair Bolsonaro of Brazil and Donald Trump of America by contesting a close result. In the event, with his Fidesz party on track to win just 40% of the votes and 56 seats, compared with 52% and 137 seats for Mr Magyar and Tisza, the Budapest bulldozer had the grace to concede promptly.

Mr Magyar will now command a two-thirds majority in the parliament, just as Fidesz did. That gives him the legal power to amend the constitution, unless the president risks voters' anger by vetoing every amendment. During 16 years in charge, Mr Orban jammed Fidesz into every corner of the state. The party controls the supreme and constitutional courts. Its allies own most of the broadcast, online and print media. It has apparatchiks throughout the civil service, in state-owned companies and the education system.

A second conclusion is that voters are more susceptible to arguments about corruption and economic competence than to warnings about inchoate tyranny. On the campaign trail, Mr Magyar never tired of pointing out to Hungarians how Mr Orban and his cronies were making out like bandits. And that is precisely because they were bandits. Rigged public contracts, favours from regulators under Fidesz's thumb and the diversion of European Union subsidies all fattened the wallets of those favoured by Mr Orban.

[Voters want Mr Magyar to restore the rule of law](#), revive Hungary's economy and eradicate corruption and the crooks who benefit from it. Because the Fidesz machine could yet hinder his ability to govern, Mr Magyar should be ruthless in dismantling its controls. He must also act quickly. Poland, which voted in a new government in 2023, has demonstrated how hard it can be to repair the damage caused by years of populist rule.

But Mr Magyar must also be magnanimous in the reconstruction that follows. Tisza did not win its victory alone. Nearly all the other opposition groups in Hungary—conservative, liberal and leftist—laid down their standards to unite behind Mr Magyar. They need to share in the new Hungary, too.

A third conclusion is that nobody likes foreign interference. That applies to Mr Vance, who warned of the malign intentions of bureaucrats from Brussels only to find that meddlers from MAGA are not wildly popular, either. But it also applies to Russia's president, Vladimir Putin, who has courted Hungary with cheap energy and special favours, and to China's president, Xi Jinping, who has seen Hungary as a gateway to Europe. By rejecting Russian and American efforts to influence their votes, a majority showed that they want to belong in that least fashionable sphere of influence, the EU.

To Peter the spoils

The responsibility for putting all this right falls upon the new leader. Mr Magyar remains something of a mystery. He defected from Mr Orban's camp only two years ago. As a campaigner, he was extraordinary, criss-crossing the country to hold rallies against Fidesz and unite a broad coalition behind Tisza.

In office, he deserves help. Now that Hungarians have elected a government bound to abide by the law, Europe should quickly unlock the billions of euros it has withheld from the country. That might seem like another form of foreign interference, but Hungary freely

decided to become an EU member and to follow its rules. Mr Magyar has an awesome task ahead. Liberals everywhere will be rooting for him. ■

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The Caracas condition

Donald Trump has made Venezuela a better place

But the American president is misinterpreting an incomplete success

4月 16, 2026 04:58 上午



BEFORE ITS strongman leader, Nicolás Maduro, was captured by American special forces on January 3rd, Venezuela was a grim, hopeless place. His regime silenced critics and stole elections. Some opposition politicians were killed, tortured or thrown into jail. The economy had collapsed; 8m people had fled. The notion of Venezuela spontaneously becoming more open or prosperous seemed too much to hope for.

But in the 100 days since Mr Maduro's seizure, Venezuela has changed for the better. Opposition politicians, many only just released from prison, are meeting openly. Protests are no longer routinely suppressed. [Investors are sniffing around oil, gas and mining assets](#). Delcy Rodríguez, previously Mr Maduro's deputy, is running the country to Donald Trump's liking, albeit under the threat of violence if she fails to comply.

Dig deeper

- [Venezuela is not the triumph Donald Trump claims, but it's improving](#):

None of this would have happened without Mr Trump. But the president is muddled about what Venezuela shows, in two important ways. The first is that he talks about the country's transformation as though it were complete, speaking of how "Venezuela has worked out so incredibly". The second is that he holds Venezuela up as a model for regime change. "What we did in Venezuela", Mr Trump said in March, when asked about his plans for Iran, "I think is the perfect, the perfect scenario." On both counts he is wrong.

For one thing, Venezuela's positive transformation is only limited so far. It will not be secure until democracy has been rekindled. Foreign investment will not pour in at the scale needed while the rule of law is backed only by Mr Trump's word that he will keep the regime's cronies in line. What's more, having had their hopes dramatically raised, Venezuelans will bridle without more progress away from dictatorship. Those jails still hold some 480 political prisoners. Investors want stability; delaying elections will eventually cause unrest.

The return of democracy is a possibility. However, the path towards it is narrow and murky and, without sustained American pressure, it may vanish altogether. It probably requires María Corina Machado, leader of the opposition, to return to Venezuela and campaign for

elections. After she was barred from standing in the presidential vote in 2024, Venezuelans voted overwhelmingly for her political ally, Edmundo González; Mr Maduro pretended he had won. This time, Venezuelans may have to take to the streets at the same time as seeking negotiations with those in power.

The threat of his big foreign-policy success being marred by protesters angrily demanding change may motivate Mr Trump to press for elections. Marco Rubio, his Cuban-American secretary of state, also has staked much on Venezuela's success, including [his own presidential ambitions](#). But the long game is hardly a Trumpian strength. Besides, Ms Rodríguez will surely seek to string things out, hoping that Mr Trump will lose interest. The temptation for America to trade democratic delay for short-term stability will be strong.

Even if Mr Trump and his officials can nurture a democratic Venezuela, his methods are not easily reproduced elsewhere. The Venezuelan regime was uniquely vulnerable to Mr Trump's transactional approach, because it has long been corrupt and ideology-free. Mr Maduro was no more than the gangster-in-chief. By removing him, Mr Trump helped others profit more. With few shared beliefs beyond grabbing power and money, it cost them little to fall in line with America. Venezuela's history of democracy and its robust political opposition also aided Mr Trump, by giving Venezuelans a group apart from the regime to rally around. Most interpreted Mr Maduro's seizure narrowly, as an attack on a hated dictator.

Contrast this with Mr Trump's failed attempts to topple the regime in Iran. The strike at the start of the war that killed Ali Khamenei, the country's supreme leader, prompted the rest of the regime in Tehran to close ranks and fight back. However corrupt and self-serving the Islamic Revolutionary Guard Corps may be, a shared ideology helps prevent the regime from fracturing. By contrast, Ms Rodríguez's deal with America was consistent with the self-serving values of Mr Maduro.

The mullahs and the moolah

Iran's regime is far more powerful than the one in Venezuela. But even tiny Cuba has [so far held out](#) against Mr Trump's aggression. For 66 years the island has been run by the Castro family, who are true believers in communism regardless of the country's corruption. Neither the regime in Cuba nor that in Iran faces an organised domestic political opposition.

Mr Trump sees ideology as weakness. He thinks making money is all that really counts. If he keeps following the model he stumbled into in Venezuela, reality will prove him wrong. ■

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A slow-motion tragedy

The impending global food shock is preventable

So why won't it be prevented?

4月 16, 2026 05:30 上午



FOUR YEARS ago the world averted a humanitarian catastrophe—or seemed to. One giant cereal producer, Russia, invaded another, Ukraine. Fears of food shortages spread in poor countries unable to pay suddenly astronomical prices for wheat and other staples. Then the two foes agreed to let grain-laden ships sail from their Black Sea ports. Markets calmed; hunger vanished from the headlines. But not from destitute lives. The Ukraine war is thought to have killed more people in the global south than on the battlefields of eastern Europe.

Now a war in the Gulf threatens a similar slow-motion calamity outside the theatre of conflict. The poor in Africa and Asia are already growing less on their plots and skipping meals. The [UN's World Food Programme](#) warns that if the Strait of Hormuz is not open by mid-year, the more than 300m people who already struggle to feed themselves will be joined by another 45m. The world could help avert this outcome. The tragic reality is that it won't.

Dig deeper

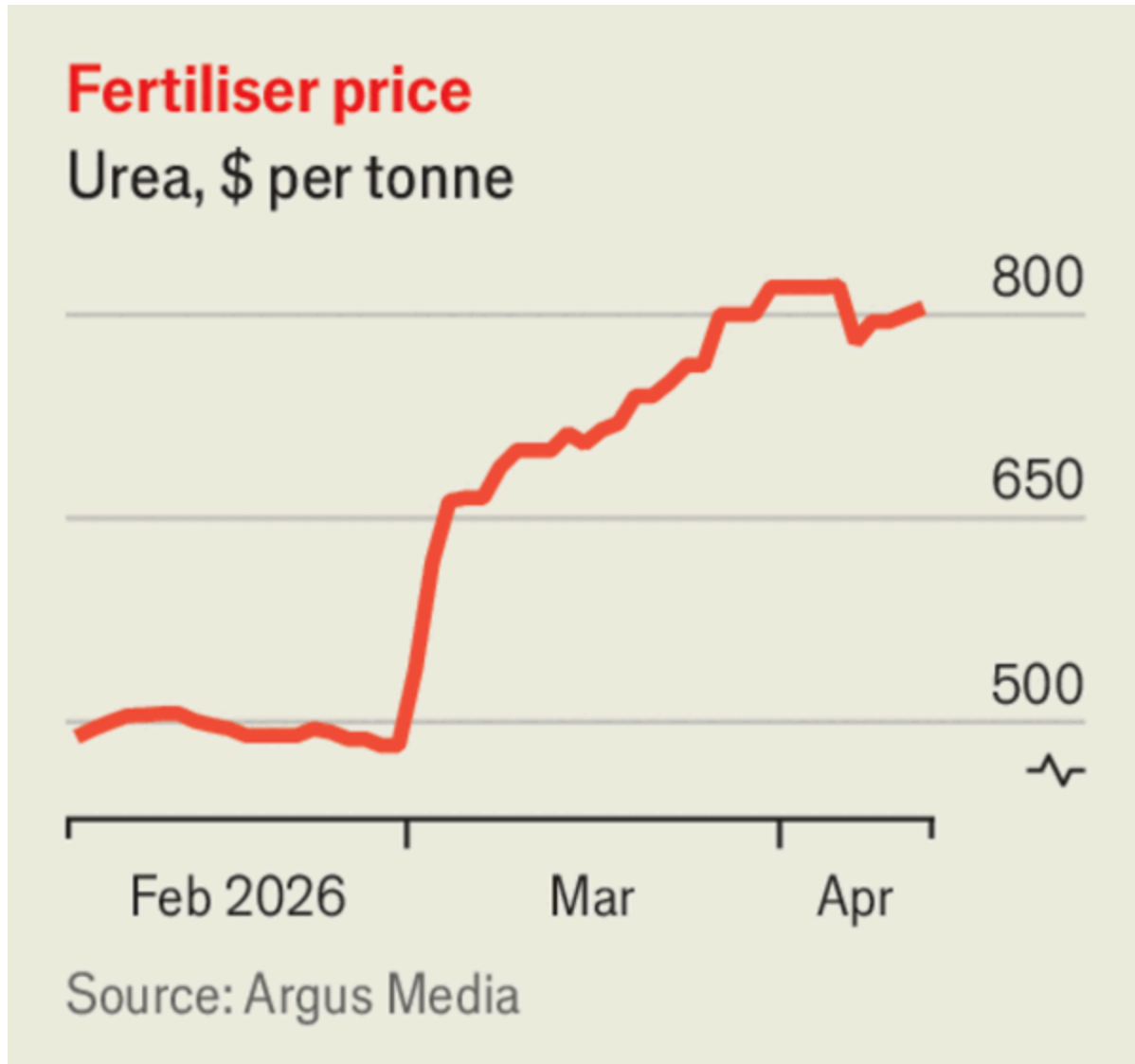
- [Millions will go hungry if the Strait of Hormuz stays closed](#):

Although Iran and its neighbours are not big food exporters, they are a critical link in agricultural supply chains. The blockaded region sells 30% of globally traded fertiliser, 20% of liquefied natural gas (used as feedstock in making fertiliser and as fuel for cooking) plus 15% of oil (needed to power farm equipment). If the nearly 2m tonnes of fertiliser stuck behind the blockaded strait does not start moving soon, many crops will not be nourished at the right time in the growing season. Yields will plummet, prices will rise and many poor city-dwellers will go hungry.

[Fertiliser shortages](#) will hurt the poor world's agribusiness more than its subsistence farmers, who use little of the stuff anyway. But countrysides will bear the brunt of a geophysical disaster that is about to compound the geopolitical one. The world is due to be hit by an El Niño, a weather pattern that temporarily warms the planet every few years and creates a pattern of droughts and floods across the world. This one could be especially powerful.

Though the gentler effects of El Niño outside the tropics can help farmers there, in poorer places its consequences are all too often bad. Argentina and Uruguay tend to get too much rain; southern Africa, India and South-East Asia too little. The "super" El Niño in 2015-16 caused food-crop production to decline by up to two-thirds in some southern African countries. The last El Niño, in 2023-24,

brought the worst drought in 100 years to the region as a whole. Crops failed and thousands of cattle and other livestock died. According to the World Bank, more than 30m people required food assistance.



The true strength of this year's El Niño will not become clear until the northern summer, but one thing is already certain. Super or not, it will layer on top of accelerating global warming, which makes dry regions drier and wet ones wetter. It will thus stack extremes on top of extremes—of weather and of poverty.

The worst could yet be averted. Much of the needed fertiliser already exists and there is still time, in some regions, to apply it to this year's crops. Though no amount of urea can save a crop ripped out by a landslide or singed by drought, careful application can limit some of El Niño's ravages. The world is not short of calories, either. Lots of the corn (maize) that is converted into ethanol for cars could instead feed humans. And even as rich countries' governments spend money to spare their citizens from the fuel shock caused by the war in the Gulf, they have the means to pay for food assistance in the poor world.

The hunger shames

So much for the theory. Iran should allow fertiliser to pass through the Strait of Hormuz; America should not blockade urea shipments from Iran. Tragically, neither shows any inclination to do so. High petrol prices make biofuel more attractive to farmers, not less. And rich countries are in a selfish mood. Failure to act thus looks baked in. In the face of an avoidable disaster, that is shameful. ■

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Letters

- **[Does the European Convention on Human Rights need reforming?](#)**

A selection of correspondence :: Also this week, farming, Bob Dylan, Donald Trump's ballroom, netizens

A selection of correspondence

Does the European Convention on Human Rights need reforming?

Also this week, farming, Bob Dylan, Donald Trump's ballroom, netizens

4月 16, 2026 04:15 上午



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Reforms of the ECHR

Your article on [reforms to the European Convention on Human Rights](#) inadequately addressed three considerations regarding the Chisinau political declaration that is currently being negotiated (“Heading off ECHRexit”, April 4th). First, the “freedom” that member states want to interpret as they see fit of Article 3 (protection from torture and degrading treatment) and Article 8 (the right to a private and family life) is a direct challenge to judicial independence. When political guidelines dictate the boundaries of protection from torture or the right to family life, the judiciary ceases to be an independent arbiter and becomes an instrument of policy.

Second, hierarchising rights holders by limiting protections for specific groups, starting with migrants, sends a chilling message to all Europeans that human rights are not inherent, but depend on politics. Third, it is an illusion that migration challenges can be solved by weakening legal protections. Such measures will do nothing to tackle the drivers of migration but are likely to weaken the European legal order.

As the discussions on the declaration proceed, states need to be evidence-based and wary of the unintended consequences of their actions.

MICHAEL O’FLAHERTY
Commissioner for Human Rights
Council of Europe
Strasbourg

Down on the farm

[Your portrayal of post-Brexit farming policy](#) bears little resemblance to the reality experienced by most farmers (“Into the promised land”, March 28th). Setting aside *The Economist’s* consistent Ricardian contention that food production is best offshored, the current situation in England is not a model: it is a warning.

The crucial shift is that under the European Union's Common Agricultural Policy, subsidies underpinned farm viability, accounting for around 60% of profits and buffering volatile markets. England's new policy, of paying farmers only for income forgone in delivering environmental benefits, covers costs but not livelihoods, leaving a structural gap in most farm finances. Meanwhile, the true value of those "public goods" remains unpriced.

Worse, the support budget has been frozen since 2014 in real terms and was exhausted by March 2025, excluding around half of farms. Private investment in nature has been extremely limited despite government aspirations. The result is visible. In 2024-25 a record 6,365 farm businesses closed their gates.

At a time of geopolitical and climatic instability, neglecting the economic foundations of food and farming is a risky experiment. A resilient farming sector is not a luxury but a necessity, for food security, the rural economy and the environment.

JOE STANLEY

Head of sustainable farming

Allerton Project

Loddington, Northamptonshire

You rightly applaud the government for slashing traditional farm subsidies in England and redirecting money to environmental activities. More important for British consumers are the wider international changes that are taking place.

History tells us what might happen if domestic food-production declines to the level experienced for 100 years before the second world war at a time when global geopolitics is proving to be unstable and protectionism is on the rise. Equally important are the growing wealth and attendant dietary changes in the Far East, where domestic production cannot meet demand. Patterns of trade are

changing fast and traditional suppliers find Britain a less attractive market.

Without maintaining a reasonably high level of self-reliance, British supermarkets will struggle to attain the resilience the government wants without food inflation continuing to outstrip that of our neighbours.

Politicians will need to recognise that in a competitive world, cheap food supplies are considered by consumers to be as much of a public good as sorely needed environmental change and the rebuilding of biodiversity.

NICHOLAS SAPHIR

Former chair

Agriculture and Horticulture Development Board

Wadhurst, East Sussex

It is indeed true that England can take the lead in demonstrating how to support farming in a way that benefits growers, consumers and the environment. This opportunity is further strengthened by the ability to adopt technologies such as gene editing ahead of our continental neighbours, another rare Brexit dividend.

However, as much as I welcome your optimism, the premise that the farming industry is currently in a position of strength does not reflect reality. The recent Farming Profitability Review by Baroness Minette Batters found that only 8% of farms in England remained in the high-performance band over a five-year period. For a farming business to be economically sustainable, it must be able to support a family and allow reinvestment. For a typical farm of 140 hectares, the report indicates that profits of around £34,500 (\$46,800) per year are required. It is sobering that around 50% of all farms fall below this level.

The opportunity to benefit from the new approach to farming support, and from the access to world-class innovation, is real. But

to seize it we must start with profitable farming businesses. Otherwise, we will have the right environmental schemes and the most advanced technologies, but nowhere to apply them.

PROFESSOR MARIO CACCAMO
Chief executive
National Institute of Agricultural Botany
Cambridge

Britain's farming policies are far from what is needed. It is tragic to see a vast field of monoculture ryegrass with some bird-friendly planting on the edges. Or bare earth where winter rain washes scarce topsoil away, leaving cracked dirt by early spring. This is not resilient and climate change will treat it harshly.

The right goal would be based on the government's signature at COP21 in 2015 to achieve "4 per 1,000", a global carbon-sequestration rate that would negate the climate crisis. Its importance is highlighted by a Joint Intelligence Services' report from earlier this year, which found that all key ecosystems are on pathways to collapse. The right solution is proper transition pathways, which thousands of climate-change scientists have recommended.

These need a minimum of eight to ten years commitment with milestone outcomes. While providing for farm diversity and farmer choices, these include transitioning to no-till, no fertilisers, no herbicides and no pesticides, while adding things such as a light cultivator, rich meadow leys, pasture-fed animals and compost teas. We have seen that this would transform farm economies, resilience and ecosystem outcomes while improving food. It must be partnered with a progressive but urgent change in food culture, and fair pricing for farmers.

The problem is political not technical, but crisis needs brave vision, not partial sight.

ANGUS JENKINSON
Councillor for regenerative agricultures and ecology
Cotswold District Council
Moreton-in-Marsh, Gloucestershire



Heart burnin', still yearnin'

[Ovid's influence extends beyond traditional artists](#) ("Man of myth", March 28th). The Roman poet's enduring relevance continues into contemporary music. In "Why Bob Dylan Matters", Richard Thomas, a professor of classics at Harvard who specialises in Greek and Roman literature, documents how the songwriter "long ago joined the company of these ancient poets. He is part of that classical stream whose spring starts out in Greece and Rome and flows on down through the years, remaining relevant today and incapable of being contained by time or place."

Mr Harris includes references to Mr Dylan's work that came directly from Ovid. For example, more than 30 lines of Ovid's exile poems were woven into the songs in "Modern Times". The book explains

how Ovid in exile compared himself to Odysseus, and how Mr Dylan expressed his connection to Odysseus by concluding his Nobel lecture in 2017 with, "Sing in me, oh Muse, and through me tell the story."

TOM GABLE

Del Mar, California

Dishing the White House dirt

[Lexington's column on Donald Trump's ballroom project was solid, sensible and infuriatingly accurate](#) (April 11th). The president's ultimate middle finger to the people of the United States in general and DC in particular is found in the dirt that has to be excavated. That dirt has to go somewhere and Mr Trump has chosen a golf course in East Potomac Park (or Hains Point) as a good place to dump it. The golf course belongs to the National Park Service, dates from 1921 and offers the lowest green fees in the region. It is not for the elite. It now includes a pile of dirt perhaps 30 feet high, 50 feet wide and 100 yards long. More collateral damage in Trump's insatiable quest for personal glory.

PAT FLEMING

Washington, DC

Cyber-citizens

[Bartleby's guide to email opening lines](#) (March 7th) took a dig at people who still refer to e-cards and e-commerce. I too am old enough to remember those terms. There was also "netizen". Whatever happened to it? Maybe, when the internet was young it was appealing to adopt netizenship. We need a new term for being a responsible netizen. Good e-maritan? Law-abiding netigrant?

NAREG SEFERIAN
New York

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By Invitation

- [**Welcome to the world of machine audiences**](#)

The big ask :: AI could dramatically change the level and nature of demand in the information economy, writes Shuwei Fang

The big ask

Welcome to the world of machine audiences

AI could dramatically change the level and nature of demand in the information economy, writes Shuwei Fang

4月 16, 2026 04:16 上午



OVER THE past 30 years, most recently in a former church in San Francisco, the Internet Archive has systematically preserved over a trillion snapshots of the web. Late last year it began archiving something different: how artificial-intelligence systems respond to questions about the world. The web's great librarian has recognised something new worth preserving, and it is a signal that the centre of gravity in the information economy may be moving, from what is published to what is being asked.

The conversation about AI and the information economy is mostly about supply. Content is being commoditised. Journalism is dying. Intellectual property is being scraped without consent or compensation. The internet is being flooded with misinformation and slop. This is understandable, and it is not wrong, but it is radically incomplete, for a specific reason: the story has been largely shaped by those who represent the supply side. What's missing here is that AI's impact on the information ecosystem is also a demand-side shock, and arguably a demand-side expansion.

Every major information revolution, from printing to mobile, expanded the market for knowledge, often dramatically. AI is likely to do the same, but is also categorically different: the world is entering the age of machine audiences.

Consider what happens when someone asks an AI a question about the world. The system draws on vast amounts of knowledge and other content, synthesises what it deems relevant and gives an answer shaped to serve that person's intentions. That answer is entirely new and may never be seen again. As the protocols for machine-to-machine communication—like Anthropic's Model Context Protocol or Google's Agent2Agent—begin to stabilise, it seems increasingly possible that information will soon pass through numerous AI systems before reaching a human at all. This is a new category of demand, operating at machine scale.

But AI does not only create machine demand. It simultaneously expands human demand too. The obscure corners of information demand—very specific needs that no article or broadcast could ever serve before—become addressable. Conversational AI brings latent demand to the surface too, helping people articulate needs they could not previously express. And AI lowers cognitive barriers: complex information, once comprehensible only to specialists, becomes digestible by anyone who can ask a question. ChatGPT has, by OpenAI's own count, 900m weekly users. A separate NBER working paper published by OpenAI suggests that roughly a third of

interactions are something closer to sense-making than information retrieval.

This is deeply uncomfortable for traditional knowledge producers, because the primary consumer in this new market is the machine, and the business models, ethos and culture those traditional producers have built over centuries were not designed for it.

To serve this new demand, it is crucial to understand the user: their accumulated context and their intent. Context is what a person already knows, the situation they are in, the history of what they have asked before. Intent is what they are asking and trying to achieve right now. Together, these form the demand signal, and this might be the defining asset of the AI-mediated information ecosystem. Not clicks. Not time spent. Those attention-economy currencies lose their worth in this paradigm.

By default, that asset accumulates with whoever holds the user relationship, and the more an AI system knows about a person, the better it can serve their needs, and the harder it becomes to switch to another. The AI systems that glean the most about users' context become the gateway. Knowledge producers lose sight of the humans on the other side of the machines, because the intermediary absorbs the demand signal that once connected what was produced to what was needed. And the value of this vastly expanded market gets captured by whoever owns the interface. Left unchecked, this is a problem for everyone, even the AI companies themselves. Without the producers who can serve demand with reliable information, the knowledge base degrades, and AI systems have less and less of value to draw on.

Changing this requires three things. Producers need access to the demand signal, so they can build new products that serve real needs. Users need the ability to carry their accumulated context—the history of what they have asked, learned and decided—from one AI system to another, as one might take a relationship with a doctor

to a new practice. And society needs common ground. When the answers are shaped to an individual's context and intent, the shared realities that hold communities together begin to dissolve. A front page or a broadcast may be a crude technology but it produces something intent-driven personalisation does not: the experience of knowing what other people know.

This market has barely begun to form. There are no stable mechanisms to match and price the demand signal against the supply that could serve it. The information supply chain that could run from how knowledge is sourced, through how agents exchange it, to how AI delivers comprehension to humans, has no common rails, and no incentive structure to reward rigour over fluency. The knowledge products and services that could serve this expanded market have barely been imagined, let alone created.

For existing knowledge producers, the fight for fair attribution and compensation is necessary. But a new market is forming alongside it and will be shaped by those who build now. The disciplines that journalism and the scientific method developed over centuries—of truth-seeking, accountability and self-correction—are the very operating principles that market will require. ■

Shuwei Fang is a fellow at Harvard Kennedy School's Shorenstein Centre on Media, Politics and Public Policy.

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Briefing

- **[Venezuela is not the triumph Donald Trump claims, but it's improving](#)**

Hype but also hope :: Economic growth may accelerate and the regime has become less repressive

Hype but also hope

Venezuela is not the triumph Donald Trump claims, but it's improving

Economic growth may accelerate and the regime has become less repressive

4月 16, 2026 11:14 上午 | CARACAS



"FREEDOM, FREEDOM, freedom," runs the chant in a packed hall in Ocumare del Tuy, a town outside Caracas, the capital of Venezuela. Hundreds of supporters of María Corina Machado, an opposition leader and winner of the Nobel peace prize, are in jubilant form. A few months ago such a gathering was unimaginable. The organisers, now singing lustily, were in prison or in hiding. Nicolás Maduro,

Venezuela's strongman of 12 years, had cracked down on dissent. No one would have dared come, let alone string up balloons. Then on January 3rd American special forces seized Mr Maduro in a dramatic raid. "We are no longer afraid," exults Juan Díaz, who is attending the event, "We are full of joy and eager to keep fighting." Far away in Washington, Ms Machado fervently agrees. "Venezuela will be free soon," she assures *The Economist*.

Donald Trump is also exultant. "Venezuela has worked out so incredibly," he recently gushed. His optimism is more about business than politics. Big oil companies, he confidently predicted in January, would soon be investing billions and reaping handsome profits as a result. Ms Machado foresees prosperity, too: "Huge opportunities for all will flourish."

Change few can believe in

Yet since Mr Maduro's abduction, his deputy, Delcy Rodríguez, has been running the country—with Mr Trump's blessing, as long as she follows his instructions. Marco Rubio, America's secretary of state, has repeatedly insisted that elections are coming, but has not said when. Despite Mr Trump's talk of big investments in the oil industry, there is little sign of them yet. Venezuela has endured 27 years of *chavismo*, originally a populist form of socialism that gradually evolved into a repressive kleptocracy. This regime, named after its founder, Hugo Chávez, has wrecked the economy and prompted around a quarter of the population, some 8m people, to seek a better life abroad. Although repression has eased since January and hopes for the economy abound, the way forward is far murkier than either the opposition or Mr Trump suggest.

The excitement about Venezuela can sound breathless. Rodrigo Naranjo of VIPCapital, a Venezuelan investment bank, says an American investor recently told him, "It's like we found out that Atlantis has come out of the ocean." At the plush Caracas Country Club the mood by the sparkling pool is bullish. Almost overnight the

value of private companies has jumped by about 20%, says Mr Naranjo. "Venezuela is going to surprise on the upside," says Charles Myers of Signum Global Advisors, an American advisory firm which recently took 55 investors to Caracas. Ms Rodríguez is making investor-friendly reforms at "light speed", he says.

The hype is getting ahead of the reality. The only firms that are actually making any investments are Venezuelan ones girding to face new competitors, a local businessman says. Most big multinationals, in contrast, worry still about *chavismo's* record of gouging foreign investors. In between are Latin American conglomerates, as well as some oil and gas firms. This group, which is lining up contracts but has not yet signed them, wants to be sure they will be able to operate unhindered and repatriate profits.

Oil, gas and mining generate the most interest. The regime, at Mr Trump's behest, has adopted laws liberalising investment in all three since January. Shell, a big oil company, has signed preliminary agreements to develop gas fields. Chevron, a rival, this week handed some offshore oil and gas fields to the state oil company, PDVSA, in exchange for a bigger share in projects tapping Venezuela's vast reserves of heavy (tarry) oil. All told, there are perhaps 20 instances, mostly in commodities, of foreign investors making offers to the government regarding specific assets, says a corporate lawyer. For now, however, no money has been committed.

Mr Trump cares above all about oil. Venezuela boasts the world's largest reserves (albeit mainly of less valuable tarry oil) and produced almost 4m barrels a day (b/d) in the late 1970s. Last year, however, output was only about 1m b/d. All crude must still be produced as a partner or contractor of PDVSA. Existing producers could raise production by the end of the year to perhaps 1.3m b/d. After that it gets tougher. The country's oil infrastructure is dilapidated and bedevilled by power cuts. To reach 3m b/d will require a whopping \$183bn in investment, reckons Rystad, an energy consultancy.

There are big obstacles in the way of such a flood of money. The first is simply getting paid. Five oil majors that together account for about a third of Venezuela's output have an exemption from American sanctions that allows them to sell the oil they pump and take their slice of the profits before passing the rest of the cash to the US Treasury. The revenue from most other firms' sales, including PDVSA's, goes straight to the US Treasury. It then supervises all disbursements, each of which involves a thicket of paperwork and compliance checks. Even when PDVSA gets hold of any money in this way, it still needs to pay its contractors, suppliers and joint-venture partners promptly, something it has often failed to do.

The resulting delays are so punishing that some firms have reportedly stopped pumping, although the United States lifted most sanctions on Venezuela's central bank on April 14th, which should eliminate some red tape. Meanwhile, the only companies that are increasing production, says an energy executive in Caracas, are those in possession of one of the magic exemptions. But applications for new ones appear to be moving as slowly as the money itself.

Another problem affects all oil companies. The recent reforms set a range of rates of royalties and taxes for energy projects. The lower end of the range would make investment in Venezuela competitive, but the higher end would not, warns Mike Wirth, Chevron's CEO. Worse, the government has not explained when lower rates would apply. Sorting out new terms for the 70-odd firms already operating in Venezuela will take much longer than the 180 days the new law prescribes. Few firms will make new investments until they know how much tax they will pay.

In addition to all this, many foreign investors are deeply sceptical about the government's commitment to the rule of law. Oil majors such as ExxonMobil have had assets in Venezuela confiscated multiple times over the years. Local courts provided no protection. International arbitration was unavailable or ignored. On April 16th Repsol, a Spanish oil firm, announced a deal with the government to

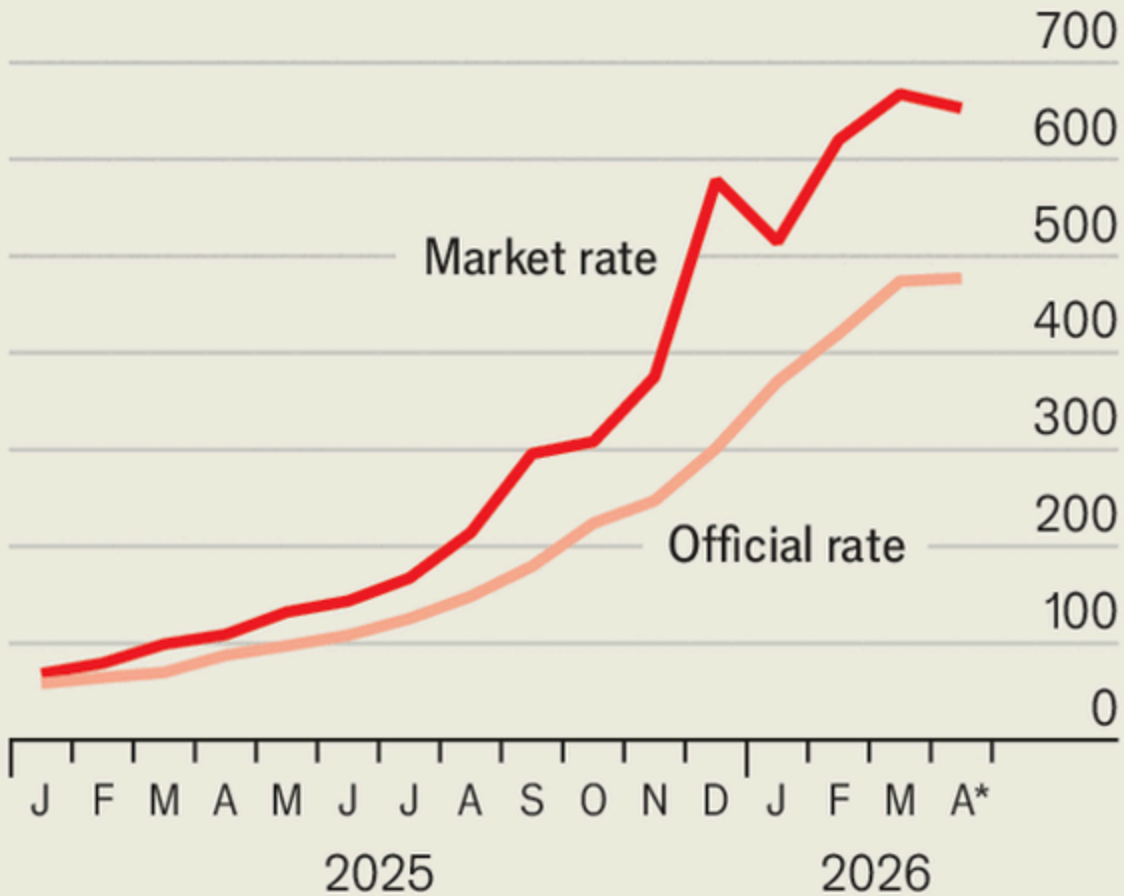
expand its operations in Venezuela that includes a guaranteed payment mechanism—a possible means to assuage such concerns.

Without more investment, most Venezuelans will see little improvement in the economy. “Inflation is eating us alive,” complains a teacher. In February it hit 618%, the highest rate in the world. The exchange rate is a daily headache. “The dollar hasn’t stopped rising,” complains Carlos, who runs a tiny shop in Petare, a slum in Caracas. “We don’t have any stability.”

The rising prices stem from the government’s habit of getting the central bank to print money to cover its costs. Last year a third of government spending was financed in this way, estimates Síntesis Financiera, an economic consultancy in Caracas. Rising government revenue from increased oil production and the higher oil price should reduce the problem a little, although by no means eliminate it.

Decelerating decay

Venezuelan bolívar per \$



Source: Síntesis Financiera

*To April 10th

Any influx of dollars should also reduce the pressure on the local currency, the bolívar, and shrink the gap between the official exchange rate and the market one. That appears to be happening: over the past six weeks the depreciation of the bolívar has slowed (see chart). Asdrúbal Oliveros, a Venezuelan economist, expects inflation to fall to about 150% later this year. It is testimony to *chavismo's* dire record that such an outcome would count as good news.

The economy, which has shrivelled by 70% since 2013, has so much spare capacity that a spurt of growth is possible. Oil dollars, growing confidence and an increase in credit could do a lot. Mr Oliveros thinks GDP may grow by 12% this year, up from perhaps 2.4% last year. "Rule of law is crucial in the medium term," argues a businessman, "but we could double the size of the economy with the rule of law we have."

The art of the impossible

The outlook for politics is equally ambiguous. Mr Trump cares about oil, not elections. He has praised Ms Rodríguez as a "terrific person" who is "doing a great job". American diplomats in Caracas "are not at all focused on democracy", sighs a Western diplomat.

Although Ms Rodríguez has sacked some ogres and brought a few technocrats into her cabinet, about half of its members are holdovers from Mr Maduro. The new minister of defence has a blood-soaked record as a former head of the intelligence services. Some 480 political prisoners remain in jail. At a candlelit vigil outside El Helicoide, a notorious prison, desperate families hold photos of their loved ones and chant, "Justicia, justicia y libertad."

The government has passed an amnesty law, but it requires people to seek relief from the same judicial system that convicted them in the first place. It also explicitly excludes those who have encouraged foreign countries to use force against Venezuela, a clause apparently targeted at Ms Machado and her allies. The regime has used amnesties in the past as window-dressing before at some point arresting the same people. "I have been given three amnesties," sighs Américo De Grazia, a former member of the National Assembly who has benefited from the new law.

Some prominent political figures have been denied amnesty. Perkins Rocha, Ms Machado's lawyer, was released in February after nearly 18 months in prison but remains under house arrest. Two policemen

camp outside his flat night and day, napping and watching YouTube. They pound on the door, demanding to take a photograph of Mr Rocha to send to their superiors—a ritual repeated every three hours.

The regime bats away talk of political liberalisation, saying the focus for now should be the economy. “The big error [of the past] has been to go to an electoral process without a political agreement,” says Ana María Sanjuán, the new minister of higher education. What is needed is a consensus that covers “the economic, social and political”, she insists. Only then should elections be held. It sounds like a formula for limitless procrastination.

Nonetheless, some 700 political prisoners have been released. That is unprecedented in 27 years for the sheer number, for not being part of an explicit deal and because there have not been many new arrests, notes Alfredo Romero of Foro Penal, a legal watchdog.

What is more, the regime is tolerating political demonstrations and marches. In January and February there were over 1,200 protests. “We’re determined not to leave the streets,” says Yriana Aular, a retired teacher on a march in Caracas.

Admittedly, the regime instigated a counter-march to thwart the one Ms Aular had joined. Garrulous MCs speaking through giant loudspeakers egged on thousands of state employees who had been bused in to attend. The participants sported uniforms of every conceivable government agency, from the telecoms regulator to the Venezuelan Paralympic Committee. “We were obliged to come. I don’t know what it is about,” explains Lilian, a teacher. But for all the heavy-handedness, it remains a far cry from the mass arrests or dispersal by vigilantes on motorbikes that ended most protests before January.



Still waiting for deliverance

The government, which appears to have both accommodating and hard-line factions, seems to be contemplating steps to defuse demands for a political opening. One idea is to allow the opposition to participate in government in some form. Enrique Márquez, a former presidential candidate and political prisoner who in February appeared in Washington at Mr Trump's state-of-the-union speech, says a government of national unity "would be very interesting", under certain conditions. Ms Sanjuán says the government would like some opposition figures to join the cabinet, but rules out full power-sharing.

Figures within the regime talk about elections as if they will happen eventually, presumably under American pressure. "The vision of the president has not at any point been to refuse an electoral process," says Ms Sanjuán. Stalin González, an opposition MP, thinks the government is trying to buy time for the economy to improve somewhat. It will then administer a populist spending splurge and hope to squeak home, he predicts.

Ms Rodríguez is already promising to raise the minimum wage, despite the government's dire fiscal position. It helps that even Ms Machado concedes that the necessary overhaul of voter rolls, the electoral authority and the election laws would take nine months. Other opposition politicians think even longer is needed.

Tellingly, Jorge Rodríguez, the president's brother and head of the National Assembly, has floated the idea of immunity from prosecution as a means to encourage the regime to allow elections to go ahead. The mistake in past negotiations with the opposition, he claimed to *El País*, a Spanish newspaper, has been not "specifying the guarantees we'll have following a specific event, whether social, political, economic or electoral". Ms Sanjuán cites Adam Przeworski, a political scientist, to argue, "You cannot go to elections if you have a huge amount to lose."

Ms Machado, who has been sceptical about an amnesty for Venezuela's oppressors, seems to be coming round. She still emphasises justice, but says, "We reject revenge...We need to move ahead into a process in which there are guarantees and some compromises will be made."

It would be hard to craft a deal that both sides would trust, however. Mr González argues the regime's leaders will relinquish power only to people it does not see as a threat to their freedom. He does not think that Ms Machado fits the bill. "She is a red line for the regime," agrees a Western diplomat. Many in the elite purr about Mr Márquez as a third way between Ms Machado and Ms Rodríguez, even though he won less than 1% of the vote in the presidential election of 2024. (The opposition has produced evidence that the election was won easily by an ally of Ms Machado after she was banned from standing, but that the regime simply doctored the results in favour of Mr Maduro.)

Power from the people

Ms Machado irritably rejects such talk. "Let's have the business people, or the diplomatic community, or the regime choose who should be the president of Venezuela," she says sarcastically. "So much for democracy." Those who call for her to make way for an opposition figure more palatable to the regime are ignoring past failures of this strategy and really just "fear the end of privilege", she argues. "In the end, they don't fear me, they fear the people."

Ms Machado wants to return to Venezuela and put the regime on the spot. Mr Trump, nervous that this might sow chaos or otherwise show up an intervention he has crowed about so often, has urged her to delay. But she seems reluctant to wait much longer. When she goes, she will go openly, she says. At an event in mid-March in Santiago, the capital of Chile, some 17,000 Venezuelans turned out to cheer for her. Her arrival in Caracas could generate enormous crowds, presenting the regime with an unenviable choice: repress her supporters, in the full glare of the media, or allow a dramatic, public demonstration of its own unpopularity and impotence.

We need to show the world that "postponing an election is actually very risky in terms of social calm", Ms Machado argues. When asked what she can do to hasten elections, she replies, "I believe the voice of the people should be heard peacefully, civically and strongly." The implication is that she is prepared to ratchet up the pressure on the regime from the streets.

At a meeting of Ms Machado's party in La Vega, a poor *barrio* of Caracas, participants are not interested in debating how the regime should be persuaded to make way or how long it will be before a credible election can be held. There is simply a deep conviction among the party's grass-root supporters that this must be—has to be—the moment that the regime at last falls. "Yes we can," shouts a woman in the audience out of the blue. The cry is greeted with cheers. "It's now or never!" ■

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What women want

A battle for female voters is changing India's elections

Politicians are doling out cash to get their support

4月 16, 2026 05:30 上午 | Kolkata



SHUNTED TO THE back, the men must wait their turn. At an election rally on the outskirts of Kolkata, in the state of West Bengal, an all-female marching group leads the way. Women are at the centre of campaigning in the state's election, which takes place in two stages on April 23rd and 29th. Winning over female voters is also crucial in the three other states and a union territory that are holding polls this month.

It was not always this way. For decades the female voter was a minor figure in Indian politics. Before independent India's first general election, in 1951-52, almost 3m women were struck off voter lists because they had registered not with their own names but simply as the "mothers" and "sisters" of male family members. Things have changed dramatically. Between 1962 and 2024, men's turnout in national elections inched up by just three percentage points. It rocketed by nearly 20 percentage points for women.

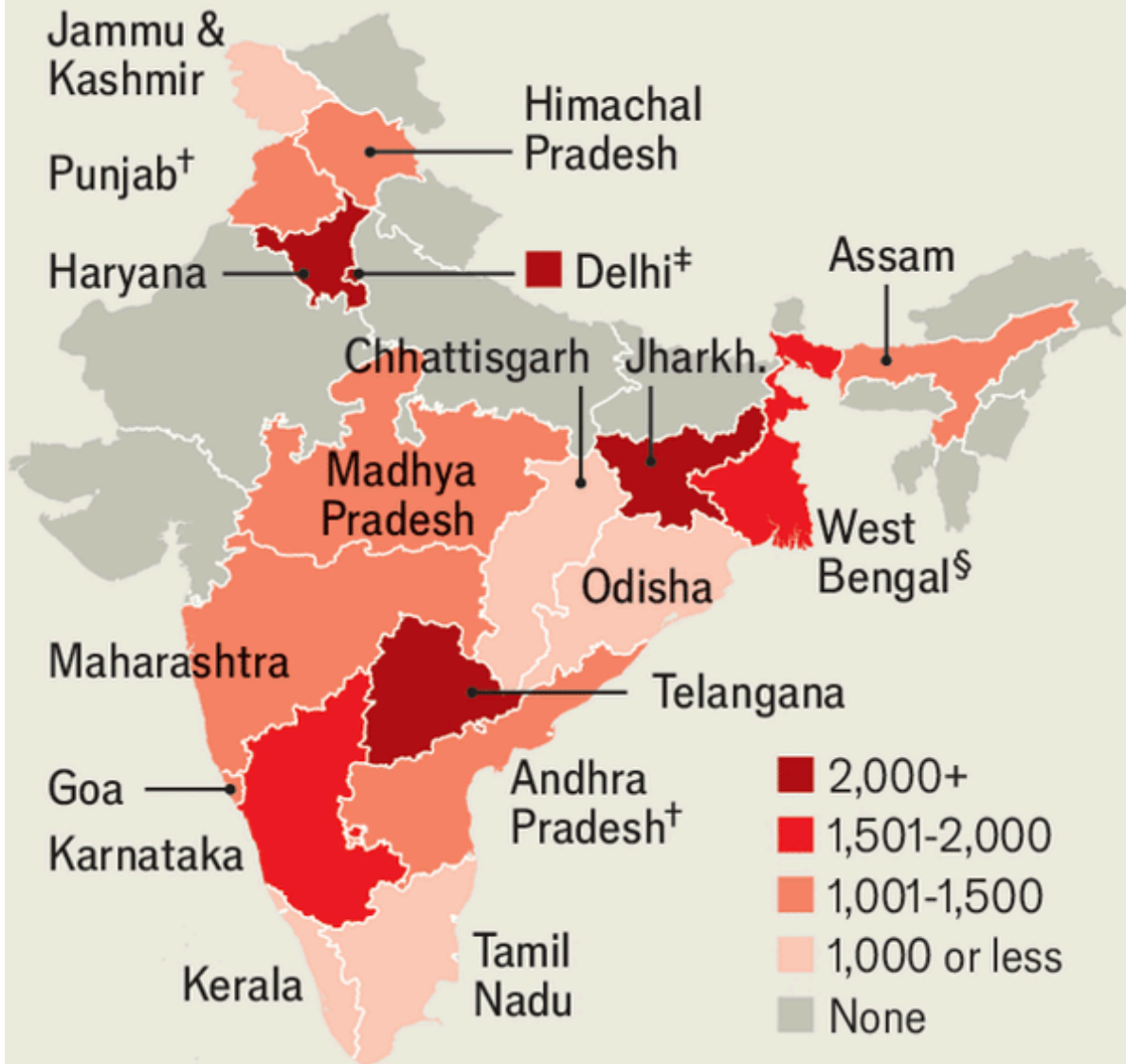
At India's latest parliamentary election, in 2024, a slightly higher proportion of women than men turned out to vote (65.8% of women to 65.6% of men). That had happened just once before. At one constituency in West Bengal nearly 88% of eligible women had their say—a rate that is scarcely imaginable in most Western countries. That reflects in part the gradual empowerment of women, who are more likely to vote when they have a job, an education and a measure of independence from fathers and husbands. The biggest reason for one recent jump in female voting was a rise in female literacy, argues a study by analysts at the State Bank of India.

All this is altering how elections are fought. Female voters may be guided by different considerations than male ones. Less than 10% of women in one national survey said they plumped for a candidate because of "ideology". Men seem more easily riled than women by culture-war issues, as when politicians allege threats to Hinduism or claim a problem of "illegal infiltrators" from Muslim-majority places.

Instead, researchers find that women are more likely to be won over by tangible promises of welfare. Daily struggles in a male-dominated society have given women a "more defined survival instinct" than men, says Ruhi Tewari in "What Women Want", a book on India's female voters. If the lot of women is improving, they remain about half as likely to hold paid jobs as men—and as a result are much less confident that they will always be able to secure enough money to scrape by.

Free lunches

India, cash-transfer schemes for women*, 2026, rupees per month



*Eligibility criteria vary by state †To Scheduled Castes, 1,000 rupees to others ‡Not yet implemented

§To Scheduled Castes/Scheduled Tribes, 1,500 rupees to others

Sources: National and local governments; press reports

The battle for female voters helps to explain a striking recent change in state-level politics: a swift proliferation in government cash-transfer schemes. At least 16 states operate programmes for which only women are eligible—up from only a few in 2022 (see map). The sums they supply range from about 800 to 2,500 rupees (\$9-27) per month. They use varying criteria, such as age, income and marital status, to choose beneficiaries. Increasingly, elections are fought over such programmes.

West Bengal is a good place to see this play out. The women who are leading the rally in Khardah, a suburb of Kolkata, support the incumbent chief minister, Mamata Banerjee of the Trinamool Congress (TMC). They wave placards advertising Lakshmir Bhandar, Ms Banerjee's flagship welfare programme. This hands cash of 1,500-1,700 rupees per month to women aged 25-60 who come from poor homes. They also talk up other local cash schemes, targeted at teenage girls, female farmers and widows. It proves hard to divert conversation to other election themes. What else would Shupriya Ghosh, 37, like to see from the state government? "More schemes!" she beams.

This shift in Indian politics is attracting much debate. Thoughtful cash-transfer schemes have real merits. They can increase consumption, reduce poverty, improve women's education and discourage early marriage, among other boons. Lakshmir Bhandar won praise in a 2023 report by the Pratichi Trust, an NGO based in Kolkata that researches ways to improve education, health and gender equality. Over 60% of the women it surveyed believed that the scheme strengthened their position within the family; 87% said it permitted them to invest in dreams beyond bare survival, such as training or entrepreneurship.

Yet sober observers of Indian democracy worry about the proliferation of cash programmes. Many are haphazard: they look like vote-buying dressed up as female emancipation. Mere weeks before Bihar's state election last November, India's ruling Bharatiya

Janata Party (BJP) and its allies deposited 10,000 rupees in the accounts of 7.5m women under a livelihood scheme. This was constitutionally dubious. Its impact on the election was unclear, but by one estimate it may have boosted by a fifth the number of seats that the coalition went on to win.

That amplifies worries about costs. In the most recent financial year, authorities across India spent around 1.7trn rupees on unconditional cash-transfer programmes, particularly for women. About half the states with cash-transfer schemes run revenue deficits. In profligate [West Bengal](#), state-government debt is 38% of GDP, approaching a record level. Lakshmir Bhandar alone consumes 10% of its revenue receipts. And the BJP is campaigning on a promise to double the money distributed through that scheme.

One big concern is that a craze for cash transfers is distracting from policies that might more durably improve lives. Dipsita Dhar, running in the West Bengal elections for India's largest communist party, says it would be better to raise living standards through higher wages and improved working conditions—not through gifts from politicians that risk disappearing the moment they are booted out of office.

India's finance ministry recently warned that cash programmes risk crowding out investment in the delivery of education and health care—two things that could dramatically improve women's lot. Zaad Mahmood, a political scientist in Kolkata, notes that one of West Bengal's many schemes gives girls cash for staying in education—but says that it does nothing to save them from run-down classrooms or bad teachers. India's female voters have finally earned the attention of the political class. It's a shame that they are too rarely offered the truly transformative policies they deserve. ■

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Strait talk

Singapore and Malaysia knock heads over the war in Iran

They have their own strait to worry about

4月 16, 2026 05:39 上午 | Singapore



Strait ahead

IT BEGAN WITH a question from an opposition backbencher in Singapore's parliament. Would Singapore talk to Iran in order to secure safe passage for its ships through the Strait of Hormuz? "Similar to what other countries, like Malaysia, have done," he added, in a debate on April 7th.

Vivian Balakrishnan, Singapore's foreign minister, had an answer. The right under international law for shipping to pass freely through

straits such as Hormuz is fundamental for the city-state. It derives enormous value from its own spot on the Strait of Malacca. If anyone closed that strait or charged a toll, much of Singapore's maritime sector would flow to other ports. "I cannot engage in negotiations for safe passage of ships or negotiate on toll rates," Dr Balakrishnan answered, "because to do so would be implicitly eroding this legal principle."



Yet because the question alluded to what Malaysia had done, the debate quickly leapt the causeway between the two neighbours. "Malaysia will not be lectured on the merits of engagement," blazed Nurul Izzah Anwar—daughter of Anwar Ibrahim, Malaysia's prime minister, and a leading official in his party. She said the statement was "revealing and regrettable" and that Singapore was echoing views of big powers from outside South-East Asia. She called Iran a victim of war crimes, and its closure of the strait a bid for peace.

The spat is in keeping with a history of bickering between Singapore and Malaysia, which were briefly one country before a divorce in 1965. And the latest fracas draws fuel from some enduring differences over geopolitics.

Singapore and Malaysia have long disagreed about how to keep the strait in their own region safe. In the mid-2000s Singapore favoured working with big powers to solve problems of piracy. Malaysia, with a long history of non-alignment, disagreed. Singapore eventually set up a centre to monitor security in the Strait of Malacca, which America joined. But Singapore had to accept Malaysia's position that only littoral countries could conduct joint air patrols. Recent events, such as America's decision to blockade Iranian ports, have Malaysians feeling vindicated.

Differences over Israel are salient, too. After Singapore became independent, it sought Israel's help to build its army. The arrival of Israeli trainers was so controversial in the region that Singapore tried to pass them off as Mexicans. Co-operation continues. But Malaysian governments loudly criticise Israel. Mr Anwar, once a young Islamist activist, does this with zeal.

Yet there is also an element of artifice in this altercation. Relations outside it are ticking up. The two countries have set up a special economic zone in Johor, a Malaysian state. The sultan of Johor, who favours close relations with Singapore, currently holds Malaysia's

unusual rotating kingship. He could play a big role in choosing the prime minister, if the next election brings a hung parliament.

Rumours suggest those polls could come this year. That, too, might help explain Ms Nurul Izzah's reaction. Her father's days as an Islamist rabble-rouser are past. He now leads a multi-ethnic coalition against Islamist opposition. Standing up to Singapore is good politics. ■

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Double whammy

Collapsing remittances will compound Asia's energy shock

Could workers kicked out of the Gulf find fortune in East Asia?

4月 16, 2026 04:16 上午 | DHAKA, KATHMANDU and SINGAPORE



LIKE MANY young Nepalis, Pushpa Kumar Chaudhary thought the path to prosperity ran through the Gulf. Three months ago, the 27-year-old was hired as a restaurant chef in the United Arab Emirates. That made him one of nearly 1.7m Nepalis working in the region. Then the American and Israeli war with Iran began. More than half of the two dozen or so people known to have been killed by counter-strikes that Iran has launched on Gulf countries have been migrants,

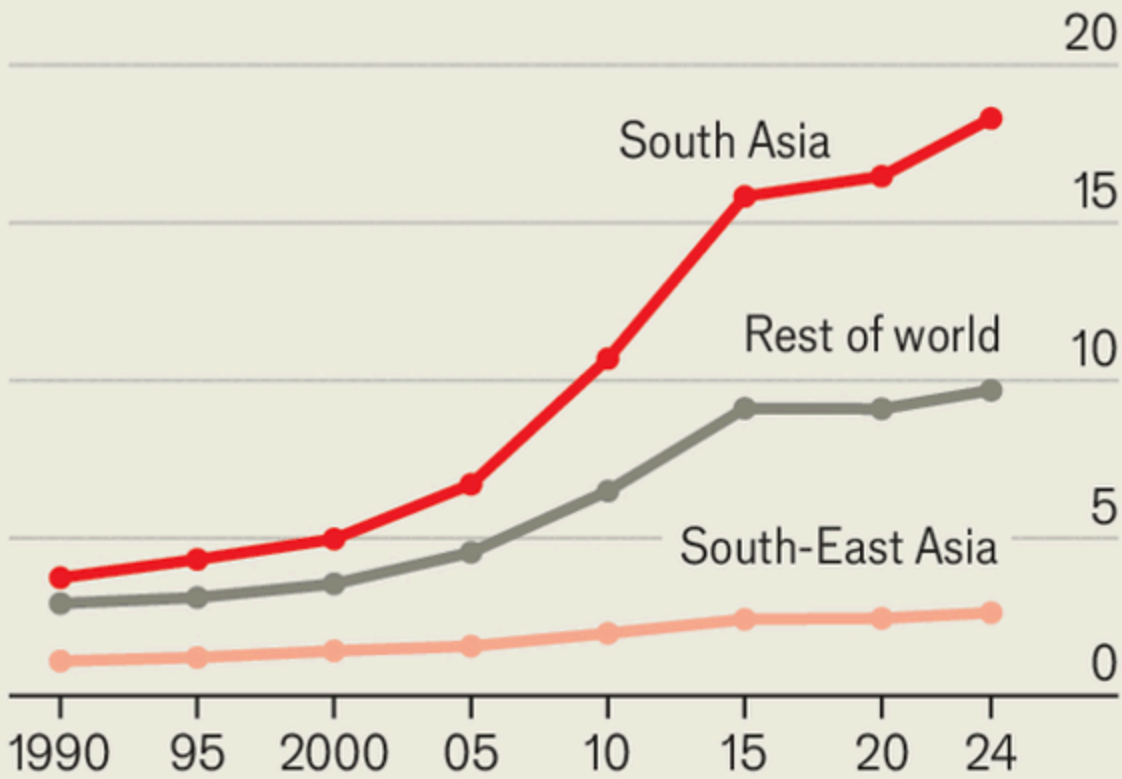
including Indians, Nepalis and Pakistanis. Mr Chaudhary avoided injury, but his restaurant has shut. Like tens of thousands of other migrants, he has since had to leave.

In 2024 more than 20m people from South and South-East Asia (see chart 1) were employed across the six countries that form the Gulf Co-operation Council (GCC). That was 65% more than in 2010. This labour force includes computer programmers and businesspeople. But the overwhelming majority are cooks, construction workers, nannies or perform other blue-collar work. The fact that many have headed home because of the conflict risks being a problem for the Asian countries that send them.

Mobile service

1

Gulf Co-operation Council countries*,
migrant population by place of birth, m



Source: UNDESA

*Bahrain, Kuwait, Oman, Qatar,
Saudi Arabia & United Arab Emirates

Unlike wealthy expatriates who make a choice to leave, migrant workers are mostly being compelled to go. Many firms in the Gulf have stopped hiring: the number of Bangladeshis granted emigration clearance to Gulf countries collapsed to 31,279 in March, from 92,460 in the same month last year. The flow from Nepal has also slowed after its government stopped issuing new labour permits because of concerns about workers' safety.

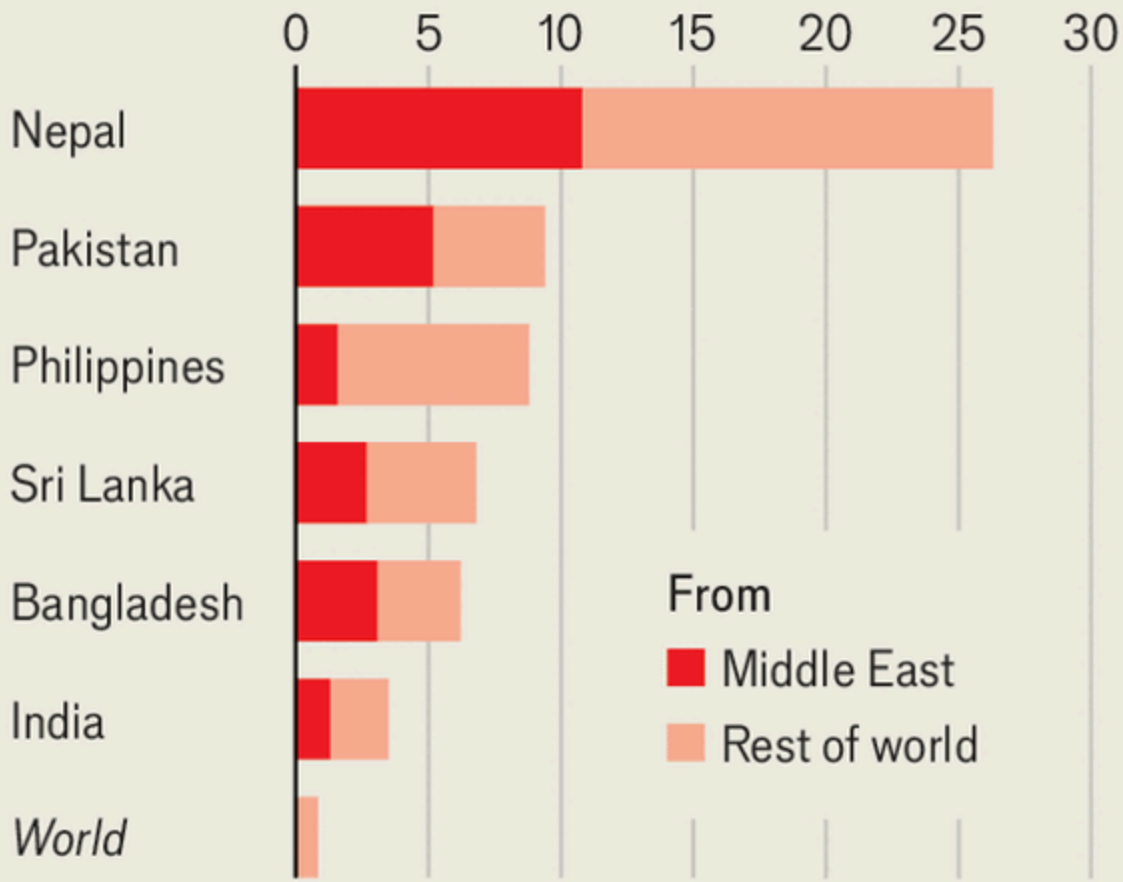
Having fewer people abroad will bring hardship at home. In 2025 Bangladesh received \$32bn in remittances, a sum roughly equivalent to 6.5% of GDP. That far exceeded the value of other inflows, such as aid and FDI. Remittances to Nepal account for a quarter of that country's GDP. Even in giant India, money sent back by migrants contributes 3.5% of GDP (see chart 2). According to Capital Economics, a consultancy, a 1-2% drop in GDP in Gulf countries is typically associated with a 5% decrease in money remitted by migrant workers in the region. Earlier this month the World Bank warned that countries in the GCC are at risk of experiencing just such a contraction this year.

This will heap more pain on countries, such as Bangladesh and the Philippines, that are among the worst affected by a war-induced energy shock. "I just got married and six people at home depend on my earnings, which have now ended," says Saimum Islam, a Bangladeshi who has left Saudi Arabia after losing a job with a fishing firm. A period of lower remittances could have consequences that last long after the crisis in the Middle East has abated. Remittances are often used to finance schooling, which in turn draws workers from low-productivity farm labour and into higher-paying jobs, according to a study of Filipino migrants by Gaurav Khanna of the University of California, San Diego, and colleagues.

Travel money

2

Remittance inflows, 2024, % of GDP



Sources: World Bank; UNDP; Our World in Data; UNDESA

The best hope for the likes of Mr Islam and Mr Chaudhary is that things go back to normal quickly, letting them get back to their jobs abroad. Optimists speculate that the need to rebuild war-damaged infrastructure could perhaps end up increasing the flow of migrant workers into the region—and potentially even to Iran. But if the war continues, Bangladesh and other countries are going to need to “open new doors” for their workers, says Ali Haider Chowdhury, the head of a Bangladeshi recruiting agency.

One set of opportunities lies to the east. Even before the war in Iran, Japan and South Korea had become intriguing destinations for wannabe migrants. Working conditions in Gulf countries are often dire, and basic human rights are routinely ignored, says Mahesh Kumar Basnet, the boss of a recruiting agency in Nepal. Scores of Nepalis are now learning Japanese and Korean. They are lured by the prospect of better pay and more tolerable conditions. Countries in South-East Asia are also possible destinations, especially Malaysia and Thailand.

But building new migration routes is not easy. A South Asian's path to the Gulf is well established; agents, recruiters and local networks already exist to help. Moreover, Japan and South Korea remain reluctant to admit lots of foreigners, despite ageing populations and worsening labour shortages. Migrants make up only around 3% of Japan's population and 5% of South Korea's, well below the OECD average of 15% and nowhere near the roughly 50% seen in the GCC.

Sending countries could do more. "Bangladesh needs to pursue labour diplomacy," says Mr Chowdhury, the recruiter. Something of that nature appeared to pay off on April 9th, when Malaysia said it would reopen its labour market to Bangladeshi workers two years after closing it. A bilateral agreement promises not just to increase the number of jobs available to Bangladeshis, but also to cut the risk that they will be exploited by unscrupulous employers and agents. The war in Iran has narrowed one well-trodden path for Asian migrants. Might it force countries to forge new ones? ■

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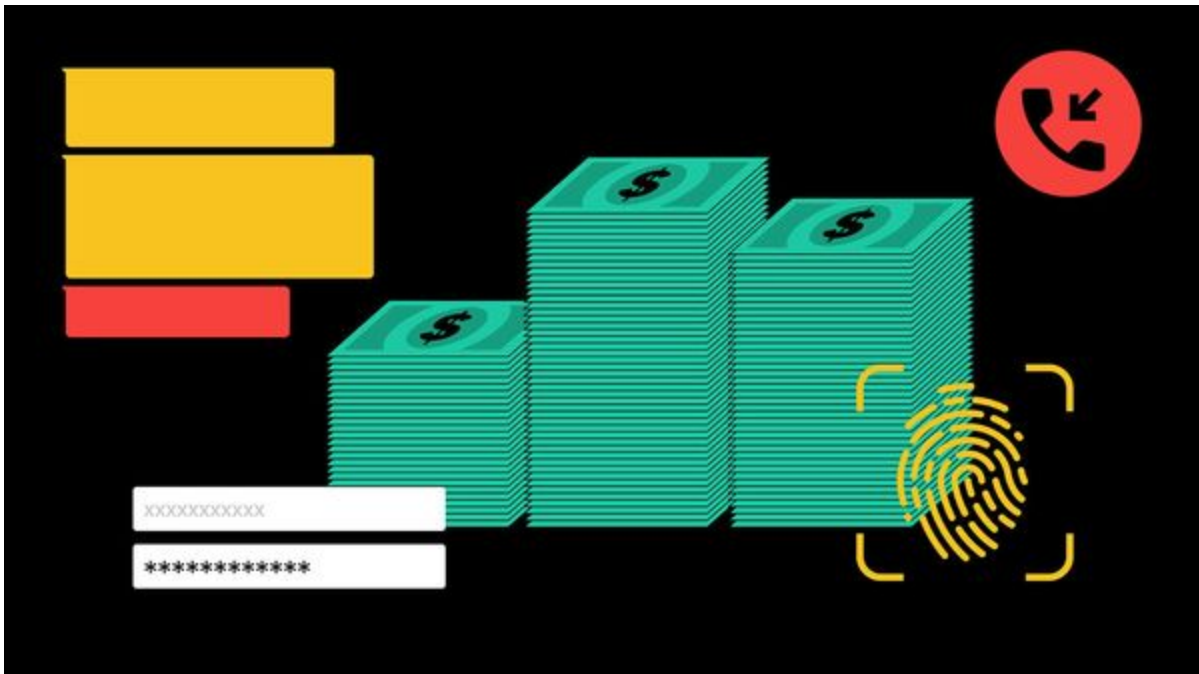
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Spying on spies

Scam Inc has a new weapon

For the first time, investigators have traced spyware to its physical origin—revealing new types of duplicity

4月 16, 2026 04:16 上午



AMBAR NIGRUM, 52, works as an accountant for charities in Yogyakarta, Indonesia. Last year she received a message from someone claiming to work for the country's tax office, asking her to update her details. She followed a link and downloaded an app that imitated a government one used for paying taxes. Ms Nigrum (not her real name) did not realise the software was capturing her thumbprint. It also gained access to her bank accounts, phone camera, photographs, microphone, contacts and notes. By the time a friend warned her it was a scam, more than 450m rupiah

(\$26,500) belonging to the charities had been stolen—enough to cover the salaries of ten staff for a year.

Online fraudsters have long caused misery from compounds in poorer parts of South-East Asia. They have relied mostly on low-tech, labour-intensive tricks: investment cons and romance scams that require victims to be groomed over weeks or months before they are robbed. Now investigators find that these gangs are turning to much more sophisticated types of cyber-crime. Criminals who manage to steal a victim's phone contacts using spyware can target everyone in their network. "It's a much faster-moving attack than a traditional scam," says Jeremy Douglas of the United Nations Office on Drugs and Crime. "There's potential for millions of devices to be infected."

The spyware used in the attack on Ms Nigrum was detected by Infoblox, a security firm, and appears to have been in operation since at least 2023. It seems to have been used on targets in more than 20 countries, including by people working from a notorious scammers' compound in Cambodia. The criminals are not building this kind of technology themselves. Instead they appear to be buying it from Chinese-speaking vendors who do business over messaging sites such as Telegram.

South-East Asia's scammers are part of an internet fraud industry that generates more than \$500bn a year, on a par with the illegal-drugs trade. Their compounds are commonly found in industrial districts in countries such as Cambodia and Myanmar. They are often protected by high walls, security cameras, barbed wire and armed guards. The United Nations estimates that the leaders of these gangs have forced hundreds of thousands of people to work for them. As well as impersonating Indonesian tax officials, criminals have posed as immigration officers in South Korea, police in South Africa and staff at India's Supreme Court.

That fraudsters are adopting increasingly sophisticated techniques suggests the scam business could become more disruptive yet. Infoblox has found evidence that scammers are experimenting with AI chatbots and deepfake voice tools, and are testing ways to evade facial-recognition systems. Coming generations of malware may prove harder to detect than the old sort—and even more convincing.



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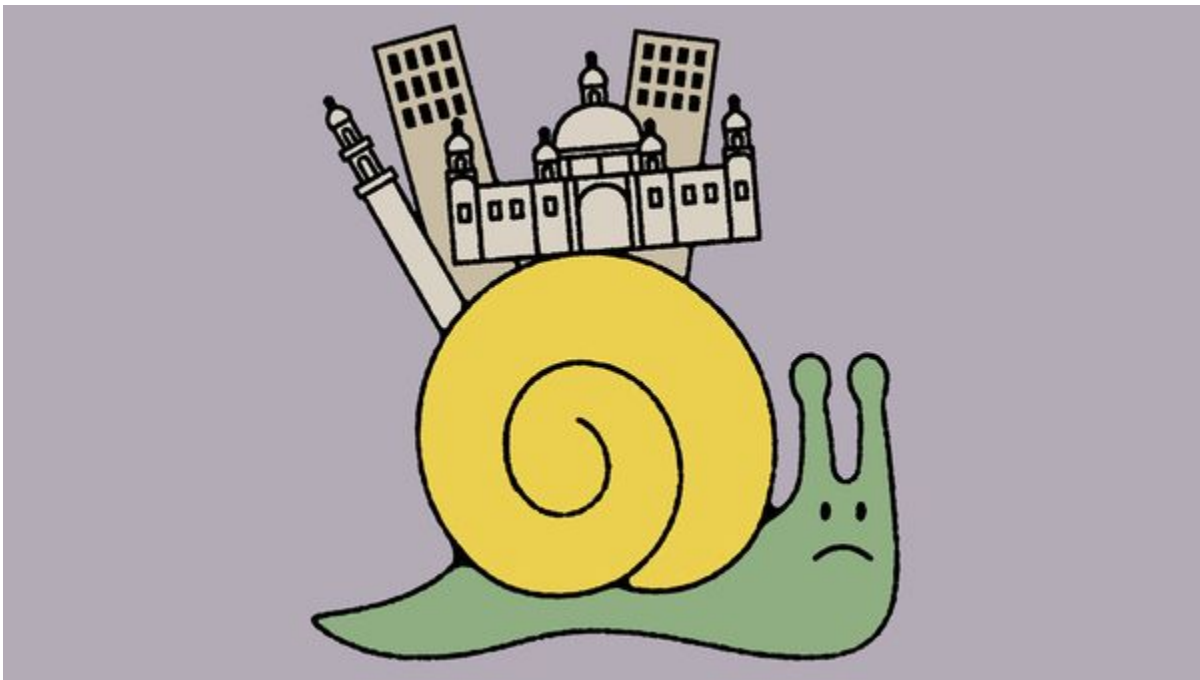
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Banyan

The secret of India's most liveable megacity

Kolkata's pleasantness is not something to celebrate

4月 16, 2026 10:34 上午



JAMES WILSON arrived in Calcutta, then the capital of British India, in 1859. The founder of *The Economist* had been “expressly sent from England to restore order in the finances of India at a period of disastrous confusion”. He delivered the country’s first budget, introduced a system of income tax and then promptly dropped dead from, as his epitaph puts it, “the combined effects of climate anxiety and labour”.

Since Wilson's time, the city has lost its capital status (to Delhi, in 1911), half its Bengali hinterland (to partition, in 1947) and its English name (to linguistic decolonisation, in 2001). What it has gained is a claim to be the most liveable megacity in India. Rents and home prices are the lowest among India's biggest cities. So are fees for good schools and health care. A rich tradition of art, music and literature supports its self-proclaimed status as the country's cultural capital, and it is liberal on matters of religion and gender relations. With nearly 23m people, it is India's second-largest metropolis, after Delhi.

Residents are served by public transport that is cheap, varied and expanding. A network of elevated roads has emerged, connecting far-flung bits of the city. The streets below are crowded with commerce and chaos, but things are still a long way from Bangalore's gold-standard gridlock. A rash of cafés is being joined by trendy cocktail bars and upmarket restaurants. Towering new hotels and fancy flats are adding a touch of Mumbai-style glamour to the skyline, while grand old mansions are being renovated to serve as Airbnbs.

Much of the city's improvement is attributable to Mamata Banerjee, who as chief minister has led West Bengal, the state of which Kolkata is the capital, since 2011. Run by communists for the previous 34 years, it had become notorious for labour unrest and hostility to business. Ms Banerjee modernised the city and rolled out welfare schemes for minorities, women and the poor. The mix of low prices and handouts has made Kolkata the best big Indian city in which to be poor or middle-class.

But it is less hospitable to those with greater ambitions. Under Ms Banerjee West Bengal's share of national output has continued to slide. There are few white-collar jobs. Talented young Bengalis leave in droves. Graduates from the rest of India rarely move there. Population growth is the slowest of India's five biggest cities. That

Kolkata no longer offers direct flights to London is particularly hurtful to its Anglophile elites.

Ms Banerjee has no vision for the economy, complains one grandee. Her government does not disincentivise business, but nor does it compete with states that lay out the red carpet for investors. In recent years more than half of all foreign direct investment flowed to Maharashtra and Karnataka, homes to Mumbai and Bangalore. West Bengal attracted less than 1%. "You cannot just give and not earn much," says a local economist.

If Kolkata still appears to be thriving, that is because of its default status as the commercial capital of India's vast and deprived eastern region. It is a historical trade hub, the gateway to the remote north-east and a magnet for migrants from neighbouring Bihar and Jharkhand, two of India's poorest states. The post-pandemic rise of working from home has attracted a trickle of white-collar returnees. Consultancies and IT-services firms are beefing up their subsidiary offices. But judged by its potential, Kolkata is a chronic underachiever. That is a tragedy not just for the city and its state, but also for the surrounding region.

This month Ms Banerjee will ask Bengalis to give her a fourth term. State elections in India are rarely predictable, and the outcome this time is all the more uncertain after voter-roll revisions struck 9m names, nearly 12%, off the electorate. Voters face a difficult choice. Narendra Modi's Bharatiya Janata Party promises to prioritise development, but will also fracture the state's religious tolerance with its divisive Hindu-nationalist agenda. Ms Banerjee offers more of the same: Bengali pride, handouts and a personality-driven politics that puts even Mr Modi's in the shade.

If Wilson returned to Kolkata today, he too would find it surprisingly liveable (literally, in his case). But he might look to Mumbai, Delhi and Bangalore, collapsing as they are under the weight of people, pollution and construction, and conclude that their problems are

symptoms of rapid growth. Kolkata's pleasantness, on the other hand, is a sign of its stagnation. ■

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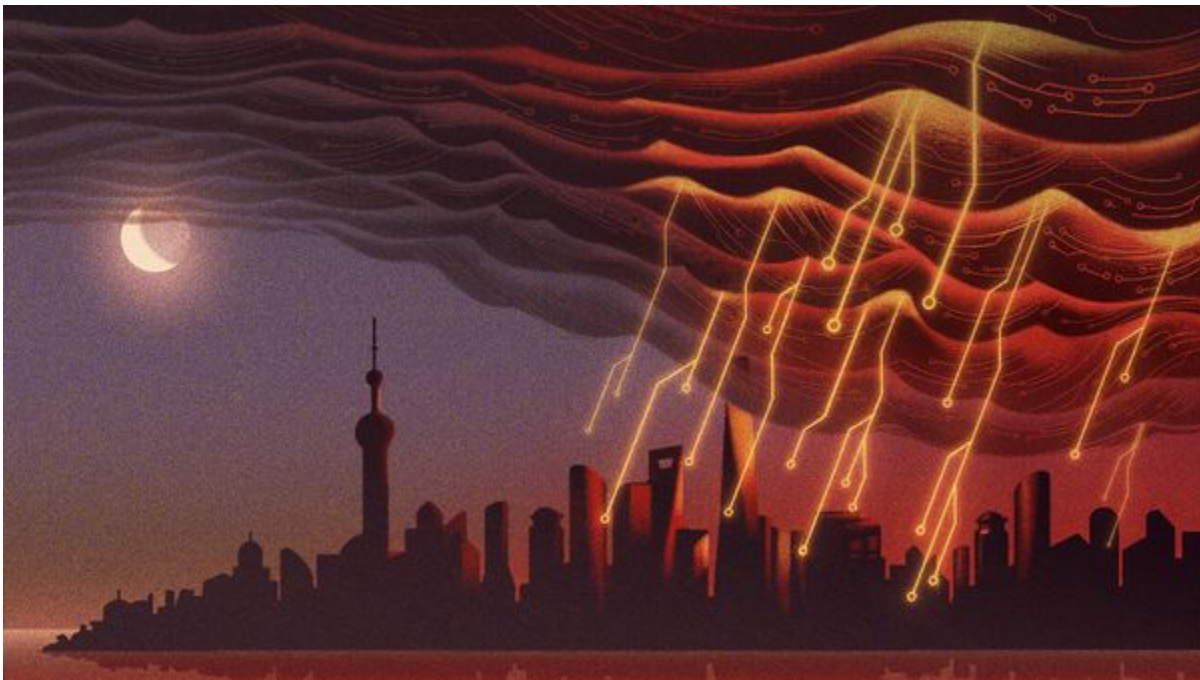
Chaguan :: Uneven hand-outs see the rural elderly till the soil while urbanites enjoy retirement

Technological trade-offs

Why China's government worries about AI

Its concerns include jobs, security and beating America

4月 16, 2026 04:16 上午



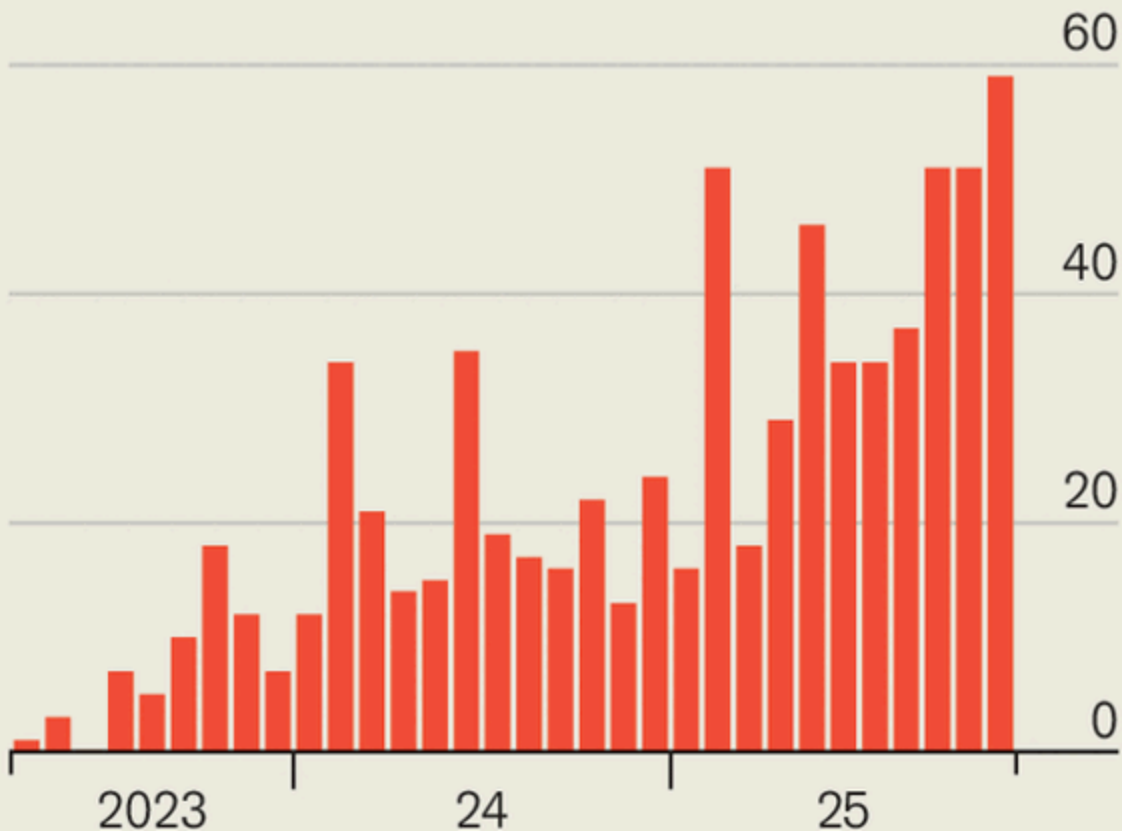
ON A MARCH morning in the southern city of Shenzhen, hundreds of people queued outside the headquarters of Tencent, a Chinese tech giant. They were waiting to install a new artificial-intelligence agent called OpenClaw. Most were pensioners, toying with a newly powerful technology, or students facing a grim jobs market. Scenes of such “lobster farming”, named after OpenClaw’s mascot, were replicated in cities across the country, with the number of Chinese users quickly outpacing that of America or anywhere else.

The excitement didn't last. Some users had sensitive data deleted. Local media reported on agents burning through computing power at the expense of oblivious users. Unusually, Chinese authorities appeared to want to slow the spread of an AI application. They worried that such agents made easy targets for hackers, could leak personal data and take over devices entirely. Regulators banned the software in banks and other sensitive sectors. Almost as soon as the OpenClaw craze came, it dissipated. A small industry emerged for paid "uninstallations".

Chinese policymakers, led by President Xi Jinping, have come to see AI as an "epoch-defining technology". It is central to China's competition with America, and Mr Xi's plan to make the ailing economy grow. OpenClaw promised much of what officials say they want from AI: a productivity boost enabled by free, open-source software and rapid adoption by its tech-savvy population. Yet the agent also brought risks, heightening worries that AI will destroy jobs and that it could expose vulnerabilities in the country's cyber defences. The episode marked a growing recognition inside the government that as AI models get more powerful, it may face difficult trade-offs.

Mounting concern

China, number of academic papers on frontier AI safety published*



Source: Concordia AI

*In journals and conferences

Until recently, China thought about the more mundane risks of AI, with only glancing attention paid to science-fiction-style worries of a robot takeover (see chart). In 2017 Mr Xi said that the technology must always be “controllable”—meaning produced domestically under the authority of the government. After the release of ChatGPT in 2022, officials focused on the risk that chatbots may say unflattering things about China’s leaders. Firms had to register their algorithms with the government and test them against long lists of banned words and phrases. A new edict now prohibits systems from

encouraging self-harm or emotional dependency after an apparent rise in “AI boyfriends”.

As in America, authorities are in the uncomfortable position of relying on private firms to develop the technology on which their national power may one day depend. OpenClaw mania was boosted by some of China’s biggest tech firms, including Tencent, Alibaba and Bytedance. The firms saw an opportunity at last to make money from consumers using AI models (which are usually given away in China), by selling computing power for hungry agents. Recognising that the interests of such firms may not align with its own, the Communist Party depends on a coterie of trusted academics at leading universities for advice on how to regulate them.

The movers and shakers of Chinese AI keep lower profiles than their Western counterparts, in part because of the expectations the government places on the sector. Liang Wenfeng, the founder of DeepSeek, is an exception. After his firm’s model shocked the world last year, state media broadcast a handshake between him and Mr Xi. Yan Junjie, the founder of Minimax and a newly minted billionaire, and Yang Zhilin, the founder of Moonshot AI, are not household names but have been invited in recent months to brief the prime minister, Li Qiang, on economic issues. Z.ai, a lab founded by Jie Tang of Tsinghua University in Beijing, also has deep connections with the government.

The state wants them to succeed, but their success may have costs for China’s ruling party. It is difficult to know whether elites fret about the technology itself or the public anxiety that appears to be steadily emerging, says Matt Sheehan of the Carnegie Endowment, an American think-tank. Although people in China are consistently more optimistic in surveys about AI than those in other countries, a report prepared by a state think-tank shows that the share of workers who worry that AI might replace their jobs has risen, from 49% in 2024 to 59% last year. And in a speech early this year Mr Xi

raised “security problems” such as data theft and, perhaps for the first time, a potential technical loss of control over frontier AI.

Already AI deployment is fuelling fears of lay-offs. In the central city of Wuhan, where autonomous taxis are operating, cab drivers blame robotaxis for taking jobs and have petitioned the government to slow the roll-out. Tools like OpenClaw are landing in a period of 16% youth unemployment (roughly double the level in America) and dire wage growth. Media chatter suggests becoming skilled with AI can boost job prospects, says Poe Zhao, a Beijing-based tech analyst. “What looks like grassroots tech enthusiasm is closer to grassroots career anxiety,” he says of the queues outside Tencent.

In December Beijing’s government published a ruling that firms could not fire employees replaced by AI. Doing so, according to a commentary published in state media, was akin to “offloading” risks from technological change onto workers, whom firms “enjoying the benefits of AI” had a duty to protect. State media project confidence that China can both deploy AI and protect jobs. A government white paper is said to be in the works on the impact of the technology on employment.

Concerns about rogue AI have also been heightened by recent incidents. In the weeks after the OpenClaw craze, the government told a group of experts to propose “safety standards” and rules governing agent behaviour. Public safety was more immediately put at risk late last month when more than a hundred robotaxis in Wuhan suddenly stopped, leaving customers stranded on highways for up to two hours, local media reported. Senior officials, including from the Ministry of Public Security, met to discuss such incidents soon afterwards.

News on April 7th that Anthropic, an American lab, has developed an unreleased model capable of finding vulnerabilities in cyber defences has so far caused muted reaction in China, but will surely be picked over by national-security authorities. As the capabilities of AI models

bound ahead, so do dreams of the riches and power they could bring China in its rivalry with America. Authorities insist that they take public concern seriously, while generally urging faster adoption. If forced to choose, the party will prioritise its technological goals over all else, says a government adviser in Beijing. For it, winning the AI race is “life or death”. ■

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No sweat

Training for Beijing's humanoid half-marathon is gruelling

China is racing towards a robotic future

4月 16, 2026 08:13 上午



THE STREETS of Yizhuang will be crowded on April 19th. Humanoid robots will run alongside thousands of living, breathing humans in a half-marathon through the industrial-technology park in Beijing. More than 300 robots are expected to start—that is far more than at the first such race last year, when just 21 bots competed (only six finished; the rest tripped, overheated or otherwise ran out of puff).

Last year's robot winner was the imposing Tiangong Ultra, a tall lightweight bot painted midnight black. It crossed the line in two hours and 40 minutes (seven minutes and 35 seconds per kilometre). This year teams are hoping their robo-athletes will run faster and without needing to be controlled remotely. About four in ten of the entrants are autonomous; the rest are in some way steered by humans. For weeks, robotics teams based in China's capital have been practising at night on Yizhuang's empty streets.

Such technological contests are not new. In 2004 America's defence agency offered a \$1m prize for the winner of an autonomous-vehicle race in the Mojave Desert. That competition is credited with fostering early innovations in the self-driving car industry. More recently, America's big tech firms have put up cash for academics and startups to compete at solving fiendish engineering problems in real-world environments.

The robots in Yizhuang will be judged on factors in addition to speed, such as their real-time decision-making, endurance and gait. China has more than 150 humanoid-robot makers, plus many more research teams in universities and government labs. All want attention, investment and state support, and the race can help to attract them. This year's champion will win guaranteed orders worth over a million yuan (\$147,000).

The state stands to gain, too. The race, hosted by Yizhuang's administrative committee, is meant to prod fledgling robotics firms to innovate and compete. Yizhuang claims it has already attracted over 300 firms in the robotics supply chain to its industrial areas. Officials will test local champions against rivals from across China, and see if state money is being well spent. In August the town offered firms 100m yuan in computing resources, prototyping of early designs and subsidies for each robot sold. Officials want their firms to set the pace in the larger race against humanoid-robot makers elsewhere, especially those in America. ■

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What women actually want

Soaring numbers of Chinese women demand divorce

They are defying state efforts to make it harder

4月 16, 2026 04:15 上午 | BEIJING



Definitely staying together

"IT'S OK" is a comedy-drama about a strongheaded schoolteacher (who does not want to have children) and her mother (who becomes more progressive over the course of the film). It topped China's box office in April, helped by its bold exploration of often-taboo topics such as marital rape and women's use of sex toys. But censors deemed that one subject was beyond the pale. At one point there is a tell-tale mismatch between the mother's facial movements and her voice when she tells her husband she wants to separate. Viewers lip-

read the missing words: "Sexually and emotionally, you've never made me feel good. I want a divorce."

With the population shrinking and birth rates plunging, the government is keen to keep people in wedlock. In 2003 it abolished a requirement for employers to write a letter as part of divorce proceedings. This caused divorces to surge, so in 2021 a 30-day cooling-off period was introduced before a divorce can be made official. The numbers dropped, but have since rebounded. In 2025 divorces by mutual agreement reached their highest level in five years. More than 2.7m were registered, up by 28% from 2021. Data for court cases have yet to be released, but women are clearly leading the charge: some 70% of plaintiffs are female.

The rise is remarkable given the obstacles. To qualify, there must be a "breakdown of mutual affection". If couples decide to contest this in court, such breakdown can be hard to prove. Photos showing abuse are often rejected as evidence unless backed by a police report and medical testimony, says a lawyer in Shanghai. In 2023 only 29% of first hearings resulted in divorce. He Xin of the University of Hong Kong thinks this is because of the government's eagerness to promote births and protect social stability. It appears to think that keeping people in tortured marriages helps with these goals. Even when courts agree to grant divorce it usually takes about 18 months.

For some women, a deterrent to divorce is the way that courts divide property. Since 2011, each partner gets back whatever assets they put into the marriage at the time of tying the knot. That means men, whose parents typically pay for the home or down-payment for one, are likely to keep the family home. Last year a revision to the marriage law also made it more difficult for women to claim compensation for their unpaid household labour, argues Emma Zang of Yale University in America.

Even so, women are becoming more confident about asking for divorce. China's erstwhile one-child policy led families to invest more resources in daughters. Today more women are enrolled in higher education in China than men. Though few call themselves "feminist"—the authorities abhor that word—they demand greater equality in relationships. In her sleek office overlooking Shanghai, Gui Fangfang, a family lawyer, recalls how women would routinely cite reasons for divorce that involved egregious behaviour by their husbands such as domestic violence, infidelity or reckless gambling. Now they more often relate to the "quality of the marriage" and differences in values, she says. Better-educated women can also afford to contemplate divorce because they can obtain higher-paid jobs.

No shame any more

Growing numbers are blogging about their experiences. One is Yolanda Yu, a 29-year-old in the eastern city of Hefei. She describes how, after her drunk husband beat her, their conservative parents advised against divorce. She stuck it out and switched from tutoring to e-commerce to double her salary and shoulder more of the couple's financial burden. But her husband didn't change. Ms Yu says this is typical of men: "They can't change their ingrained male chauvinism, believing women should serve them." She received her divorce certificate in August, then learned to drive and bought a car. "I wanted to take control of the steering wheel," Ms Yu says, enjoying the metaphor.

It is not only their own marriages that women are questioning. Growing numbers are shunning the institution itself. In 2024 marriages fell to the lowest number since 1980. Last year there was an 11% bump. But this may be because a leap month in the lunar calendar made it an auspicious "double spring" year for marriage, and because of a new policy allowing couples to marry anywhere rather than only in their hometowns. Ji Yingchun of Shanghai

University says the government’s “easy entry and strict exit” approach to marriages is unlikely to boost their numbers. “Until greater gender equality is achieved, some people may increasingly choose to reconsider marriage,” she says.

Women’s changing attitudes are being reflected in films and on television, on streaming platforms and even in stand-up comedy—a form of entertainment once dominated by men. And for all their inhibitions about the D-word, censors are allowing some leeway. In recent years, a hit TV show about celebrity couples on the cusp of divorce has prompted discussions across the country. Divorced middle-aged women such as a comedian known as “Director Fang” and Su Min, a road-tripping livestreamer whose life was made into a film, have been celebrated for leaving unhappy homes. To make marriage attractive and durable, policymakers must think not only about the beginning and the possible end, but also about how to encourage equality during it. ■

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Chaguan

China's pension failings expose its harshest inequality

Uneven hand-outs see the rural elderly till the soil while urbanites enjoy retirement

4月 16, 2026 04:15 上午



THE MORNING commute on line four of the Chongqing subway is, as anywhere, full of workers rushing onto the train and going downtown. But there is a crucial difference. The people are not destined for offices. They are farmers carrying large baskets laden with beans, tomatoes and more, as they head to markets. It is a scene that illustrates one of China's marvels: a sparkling subway that links the countryside to the city. Alas, it also illustrates one of China's

glaring gaps: [pitiful pensions](#) that leave many rural elderly with no choice but to toil.

On a recent weekday morning Chaguan rode the metro and talked to Chongqing's farmers about their lives. Many expressed gratitude for the relative convenience. The subway connection, just a few years old, allows them to go directly to customers, bypassing wholesalers and earning more. For people over 65 it is free. The markets charge a nominal fee, usually about five yuan (34 American cents), for the patch of ground from which they sell their produce. City inspectors, known for being strict, sometimes let farmers set up roadside stalls for a few hours without charging them. A merchant manning a cart of oranges says the city had become more permissive as the economy slows. "Farmers need to eat, too. You cannot crack down too much," he suggests.

These humane touches cannot mask how difficult life still is. "Compared with the past, it's the same hardship," reckons one seller from behind a stack of lettuce. A wizened man, Mr Wei, says he forages in the wild to supplement his harvest of green scallions. "Carrying these all the way here to sell them for just a bit of money is not easy." The metro is often just part of their journey. Chaguan accompanied one man back to his station in Shichuan village. From there he caught a bus deeper into the countryside, a two-hour journey in all. "If they couldn't sell their vegetables, what else could they depend on to live?" said the bus driver.

That these senior citizens are still working the soil and making long commutes to eke out a living cuts to the heart of one of China's most pressing economic questions. There is an obvious solution: the government should boost pensions for its farmers. The baseline payout for retirees who lacked formal employment—a category that includes almost all farmers—is 163 yuan per month. Compare that with the average monthly pension of 3,500 yuan for pensioners from urban enterprises or nearly 7,000 yuan for former state workers. These are, in truth, not the same concept. The pension for farmers

is a fiscal programme, which serves as a safety-net. Urban pensions derive from individual contributions, including payroll taxes, as, in part, do public-service pensions.

The inevitable result, however, is an extreme difference in living standards. This sits uneasily in a country that celebrated [a victory over absolute poverty](#) in 2020. Although old folk in cities can look forward to a retirement of dancing in parks or travel, their rural peers are still hunched over fields. At China's annual parliament last month, it was a hot issue. At least 34 representatives made separate proposals calling for an increase in rural pensions, a notable instance of how the gathering, often branded as a rubber-stamp legislature, can occasionally shine a light on real problems. The government has in fact raised the pension, but only marginally—by just 20 yuan per month for three years running.

Struggle to the end

Some proponents of higher pensions for farmers describe it as a matter of historical justice. Millions of rural residents spent their most productive years as migrant workers, building the apartment blocks, office towers, railways and roads that are the face of modern China. Moreover, many paid an agricultural tax that was later abolished. Should those payments not count as contributions to a national pension system? Others think that boosting rural pensions would be good for China's economy by helping to boost consumption in the countryside.

Yet the most compelling argument is simple: a country that pledges "common prosperity" and holds its elderly in high esteem should not leave so many old people struggling to make ends meet. According to Wang Mingyuan, a researcher, more than 80% of China's able-bodied rural residents between the ages of 60 and 80 are still working, primarily as farmers on tiny plots. That is not a dignified old age. China can and should do better.

Why does the government delay? Part of the answer is a resistance to creating a welfare state. Extra support for rural oldies could lead to demands for more hand-outs for the unemployed and the poor, which China's leaders want to avoid. They also have fiscal concerns. Doubling rural pensions to a slightly more comfortable level would swallow about 3% of the national budget, a level that would require trade-offs, including less spending on the infrastructure that officials consider to be more important for the country's future.

Recently, Lu Dewen, a scholar of rural affairs, wrote an essay against increasing pensions, arguing that the real crisis was ethical: children, not the state, should look after the elderly. In a sign of the emotions around this issue, Mr Lu's essay encountered fierce pushback, with critics accusing him of being an out-of-touch expert. But his opposition to making rural pensions much more generous appears, for now, to be firmly in line with government thinking at the highest levels.

In Chongqing's countryside, the politics of all this feel remote to a hunched woman in her 80s, preparing her hillside field for corn. Her son, who is there to help with planting, has a modest request: raise her pension to 500 yuan a month, roughly a sixth of what an urban pensioner receives, and she could finally put down her hoe. China, which built a subway all the way to her village, has yet to find the will to do that much. ■

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Happy filing day

A tax revolt is under way in America

Republicans and Democrats alike want to take an axe to taxes

4月 16, 2026 05:30 上午 | Washington, DC



AMERICANS ARE taught that their country was founded in revolt against unfair taxes. (Historians usually argue it was more complicated.) That idea hits harder around April 15th, the deadline for filing tax returns. This year it feels especially apt. If the mantra of the Boston Tea Party was "no taxation without representation", the current mood in American politics might be summed up by dropping the second half of that slogan.

Democrats and Republicans alike seem to be concluding that swathes of Americans should pay almost no income tax at all. To fund the state, many on the left would squeeze the richest few, while many on the right would hit foreigners with tariffs. Neither revenue pool is likely to cover America's expenses, so the result would be even larger budget deficits.

Republicans' dislike of taxes is longer-standing and better known. Last year's One Big Beautiful Bill extended expiring tax cuts from Donald Trump's first term and added more giveaways, including the enormously popular "no tax on tips" provision. That will cost several trillion dollars over the next decade. Meanwhile, Mr Trump has cut around 25,000 employees from the Internal Revenue Service, making it easier for the rich to dodge taxes.

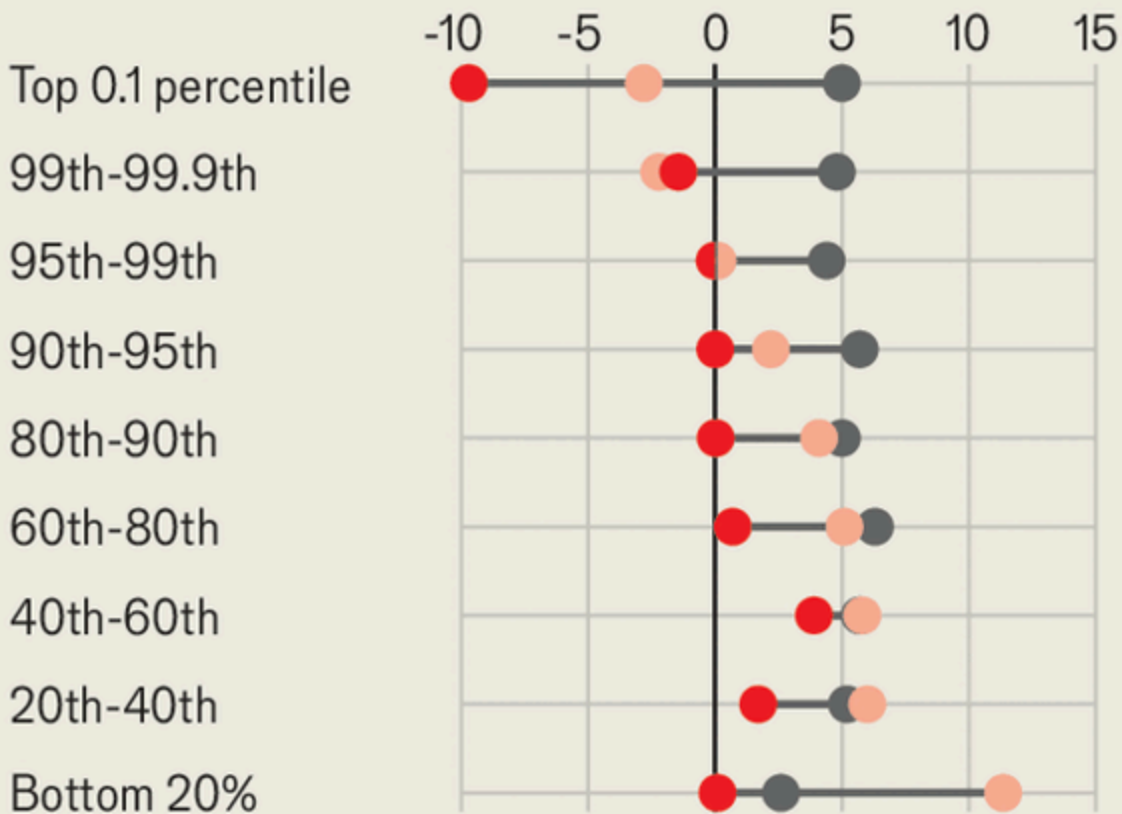
Lately Democrats have begun to respond in kind. Senators Cory Booker and Chris Van Hollen unveiled tax plans last month. Each would sharply increase the number of Americans paying no federal income tax.

More red ink

1

US, forecast % change to 2027 post-tax income relative to baseline, by income percentile

Scenario: ● Van Hollen plan ● Booker plan
● One Big Beautiful Bill Act*



Source: Tax Foundation

*Change to 2026 incomes

Mr Booker's plan more than doubles the tax-free standard deduction, to \$37,500 for single filers and \$75,000 for married couples—a benefit that extends up the income scale to the well-off. He also proposes a range of tax credits aimed at poorer Americans, alongside higher rates on top earners to help pay for them (see chart 1). Even after those offsets, independent scorekeepers put the

cost at \$5trn-7trn over the next decade, roughly double that of Mr Trump's effort. (Mr Booker insists he would find the rest of the money by closing loopholes and taxing corporations more.)

Mr Van Hollen's plan has a similar shape, but a less eye-popping price tag. He would eliminate income taxes for singles earning below \$46,000 and couples earning below \$92,000, before phasing those giveaways out for higher earners. His plan is roughly deficit-neutral, as those tax cuts are paired with hefty surtaxes on those earning more than \$1m a year.

Neither proposal has a realistic chance of becoming law any time soon: Democrats control no branch of the federal government. But they do indicate the party's direction of travel. Messrs Booker and Van Hollen are both not-so-subtle presidential aspirants. Mr Van Hollen's plan in particular, with its less fantastical numbers, has attracted a broad set of co-sponsors from both the left and centre of the party.

If Democrats did regain control of both Congress and the White House in 2028, even Mr Van Hollen's tax cuts would sit uneasily with the party's other priorities. His \$1.5trn in progressive tax rises might pay for those cuts, but would leave little for anything else—such as undoing cuts to health and food assistance in Mr Trump's tax bill (which would cost a similar amount) or paring back tariffs (which could cost even more). Democrats might have to ditch much of their spending agenda—or turn to more radical options, such as wealth taxes. Mr Van Hollen backs the latter. He is a co-sponsor of a bill from Elizabeth Warren, another Democratic senator, that would impose a 2% annual tax on fortunes over \$50m.

Don't tread on me

From one angle, these proposals do not differ much from classic Democratic offerings: they redistribute from the wealthy to the rest and add a dollop of deficit spending. But there is a difference. When

Joe Biden had the chance to spend big, he directed money towards social programmes and industrial policy. Cutting taxes instead is a departure. Grover Norquist, a Republican campaigner and America's arch-tax-cutter, evinces a certain smugness about the shift, calling Democrats' new enthusiasm for tax cuts "a sign of weakness" in their worldview. What has changed?

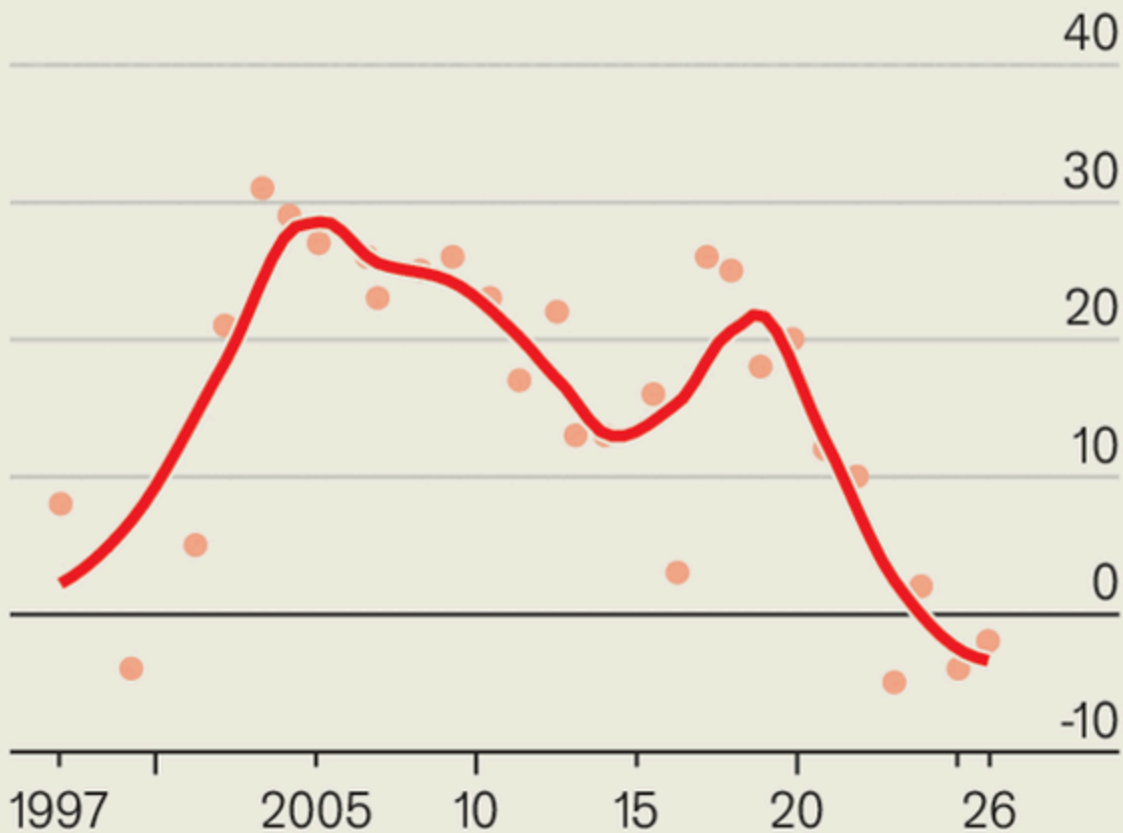
Democrats in Washington usually point to two things: the "affordability crisis" and the immense popularity of "no tax on tips". Voters, they argue, are desperate for help with the cost of living, even though wage growth has kept pace with prices. The simplicity of a "no tax" message helps reach even sceptics. With Mr Trump causing daily chaos in the White House, this is no time to sniff at big, bold, popular ideas. Still, "no tax on tips" is a relatively cheap policy—there is not that much income in tips. Extending that logic to every dollar earned has a whiff of "nerds copying the jocks", as one Democratic fiscal wonk puts it.

A more cynical explanation is that, as the Democrats' base has grown richer, it has become harder to reach with most forms of social spending. Mr Booker's plan offers an appreciable income boost to those in the top fifth of the income scale, and even the top tenth. The very richest, of course, are still squeezed.

Tea time

2

United States, net share saying their federal income tax is fair, percentage points



Source: Gallup

On a deeper level, Democrats' support for tax cuts reflects a recognition that distrust in government is widespread. Elon Musk's DOGE may have been a Republican project, but anxieties that tax dollars are being wasted, that the rich are getting off scot-free, and that the wrong people are in charge are common on the left, too.

It is no surprise that virtually any proposal to lower taxes polls well. A recent *Economist/YouGov* survey found that two-thirds of the public favour the core components of Mr Booker's plan. More notable

is the breakdown in social consent for taxation. The share of Americans who think the income taxes they pay are fair is near the lowest on record, according to Gallup, which has asked the question since 1997 (see chart 2). The only comparable period was at the end of Bill Clinton's presidency, when America was running a budget surplus and arguably did have room for tax cuts. Today's fiscal environment could hardly be more different.

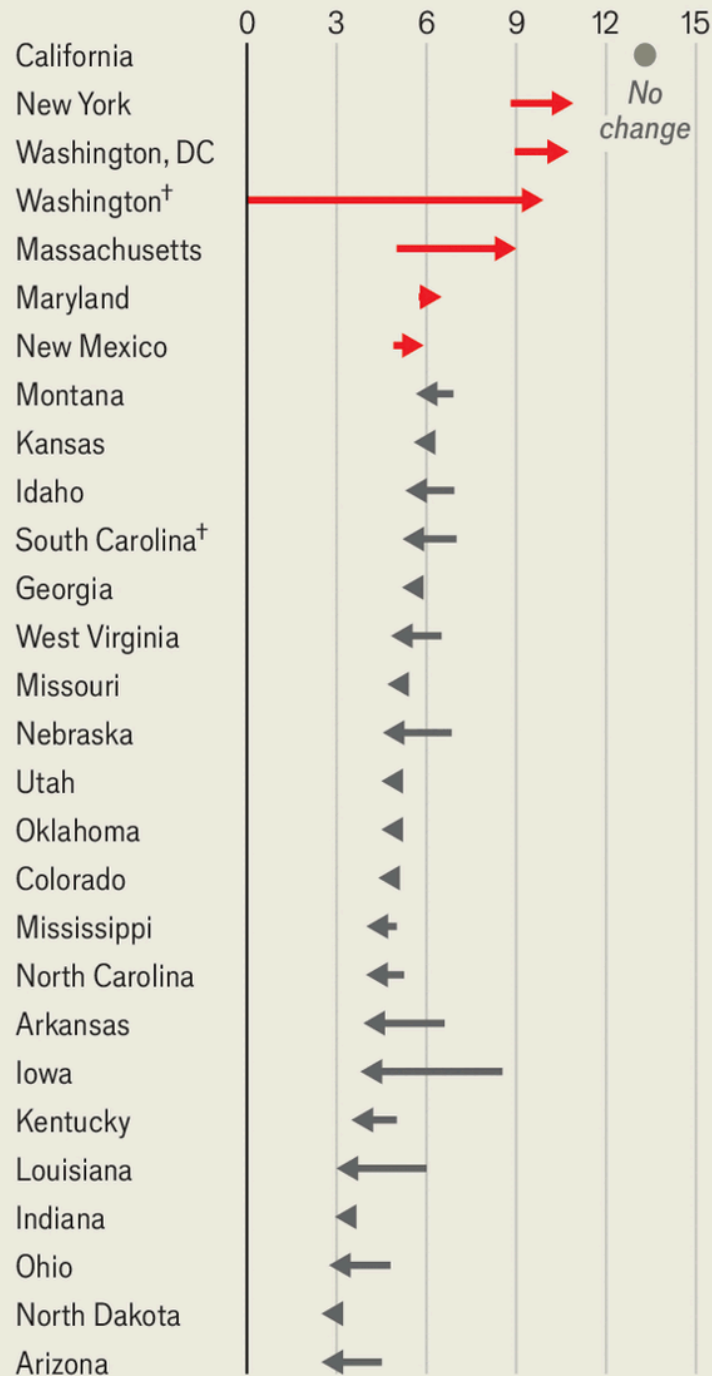
This discontent is remarkably broad-based. Democrats and Republicans alike think they are overtaxed, as do both rich and poor. YouGov's polling finds that around 60% of Americans at every income level think they are taxed too much—despite being taxed at very different rates.

Slashing states

3

US, top personal income tax rate by state*, %

2020 → 2026



*Excludes states with either no personal income tax or a flat-rate tax during the period [†]Pending legislation

Source: Tax Foundation

Statehouses are hearing this, too. Many, citing strong economic growth, have cut taxes in recent years (see chart 3). Enthusiasm is building to go further and faster, leaving some observers wary. “Most have done so responsibly thus far,” says Jared Walczak of the Tax Foundation, a think-tank. “But they now risk overreaching and making reductions they cannot afford.”

A wave of localities is pushing through property-tax exemptions for retirees. Florida is flirting with abolishing non-school property taxes altogether. Ohio has a possible ballot initiative to scrap them in all forms. Keisha Lance Bottoms, a Democratic candidate for governor in Georgia, has backed eliminating income taxes for teachers. California is mulling a “one-time” 5% wealth tax on billionaires.

Doubtless, the more politically successful of these ideas will enter the national debate. Politicians of both parties seem increasingly inclined to indulge a public that is souring on taxation. Yet with a gaping budget deficit and an ever heavier debt burden, America can ill afford a new tax revolt. ■

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The Department of Warring

Pete Hegseth's Pentagon is a lethality-maxxing wasps' nest

America's armed forces are supremely capable and roiled by infighting

4月 16, 2026 04:16 上午 | WASHINGTON, DC



THE PROWESS of America's armed forces has been on full display in the skies over Iran. During the 38-day air campaign, warplanes flew more than 13,000 combat sorties, smashing Iran's armed forces, industrial sites and nuclear facilities. The campaign demonstrated careful planning and tactical brilliance. And all this has been carried out while America's top brass have also been fighting on a second front—with their own secretary of war.

On April 2nd Pete Hegseth sacked General Randy George, America's most senior army officer, and cashiered two other senior leaders. That this was done amid America's biggest war in decades, with ground troops on their way to the Gulf, is virtually unheard of, say former military officials. Mr Hegseth did not offer a reason for the abrupt dismissals. But, in all likelihood, they are the latest victims of his rolling purge of America's military leadership.



The Economist has spoken to several former senior military officials, some of whom have felt the impact of the recent purges. They described a Pentagon beset by vindictiveness, politicisation and the secretary's obsession with instilling a virile, anti-woke "warrior ethos", which can stretch into disdain for international law. At the Pentagon's press conferences on Operation Epic Fury, the hair-gelled former Fox News host sometimes appears keener to wage culture wars than the one in Iran. "He's a 12-year-old boy with a set of army action figures who likes to play war," sighs one former military official.

Since taking office last year Mr Hegseth has ousted at least 21 generals. Many appear to have been dismissed for no reason beyond possibly their race, sex or suspected political leanings. "It's unprecedented, there's nothing like firing 21 senior leaders for no obvious reason," says Kori Schake of the American Enterprise Institute, a think-tank. "[He] has squandered centuries of talent." General George, for his part, is reported to have opposed Mr Hegseth's unusual decision to remove four officers—two black men and two women—from a promotion list last month. Some officers are choosing to retire early or withdraw their names from promotion boards, laments Nancy Lacore, an admiral forced into retirement last year who is now running for Congress in South Carolina.

Their replacements are for the most part well qualified and without any obvious partisan bias. But some selections have raised eyebrows. The elevation of General Christopher LaNeve as General George's replacement is one. Mr Hegseth's former military assistant, General LaNeve has thin experience for the role of army chief of staff, a job that involves recruiting, training and equipping soldiers. But the general did call the president hours after his inauguration to welcome him back to office. "Is this man central casting or what?" the president remarked.

A recently retired senior judge advocate-general (army lawyer) worried that the new crop of lawyers were trying to reverse-engineer

a legal justification for whatever the administration asked of them. “The Hegseth mindset is victory at all costs,” laments a senior military official. “You’re seeing a real conflict in everything that we thought we stood for as a military.”

Why is Mr Hegseth doing this? “The mistakes that he is trying to correct are likely the things that pissed him off when he was a National Guard lieutenant and captain,” says a former senior military official. Mr Hegseth once described the army as having “spit me out” after his fellow service members flagged him as an “insider threat” due to the Deus Vult tattoo on his arm, a symbol used by white nationalists. Pentagon insiders say the secretary can sometimes appear bemused during briefings. “He may feel like an impostor when discussing strategic matters,” says another former senior military leader.

It is a testament to America’s armed forces that they have performed so well despite all this. For the most part that is down to technological supremacy, decades of experience fighting wars and a nonpartisan culture that Mr Hegseth threatens to undermine. The damage he is doing could last longer than the conflict with Iran. ■

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Go fish

The Hudson is now so clean that everyone can eat from it

Battery sashimi, anyone?

4月 16, 2026 04:16 上午 | NEW YORK



DUSK AT The Battery, a park on Manhattan's southern shore, is bustling. Joggers push past tourists waiting for ferries to the Statue of Liberty and families picnic nearby. At a pier over the Hudson, Seth Fera-Schanes sets up his fishing rods. He reels off a list of the fish swimming below: striped bass, black sea bass, tautog. Mr Fera-Schanes is a licensed guide, offering lessons through his company Central Park Fishing. His students are mostly tourists or families, who throw their catches back into the Hudson. But now, there is another option: eating the fish.

For the first time in 50 years, some fish caught in the Lower Hudson river are safe for everyone to eat. According to advice issued by the New York Department of Health earlier this month, one portion of striped bass a month should do no harm, regardless of who is eating it (previous guidance warned off children and women who might become pregnant). The new recommendations mark a striking turnaround. Once lined with factories and with New York City at its mouth, the Hudson earned the grim distinction of being one of the country's largest Superfund sites.

"The Hudson was considered more or less an open cesspool," says Stuart Findlay, who studies the river at the Cary Institute, a local research organisation. Of all the sludge and sewage dumped in the river, polychlorinated biphenyls (PCBs), a kind of insulating fluid used in capacitors, were the most significant. Beginning in the 1940s, General Electric (GE) used PCBs in two factories along the Hudson. The chemicals probably cause cancer: the Environmental Protection Agency banned their manufacture in 1977 and in 1984 declared a 200-mile stretch of the Hudson, starting from The Battery, a Superfund site.

GE has been tasked with cleaning up the waste. Starting in 2009, dredgers removed 2.75m cubic yards (2.1m metres cubed) of gunk: enough of the stuff to fill 100 New York City blocks 1m deep. The project took six years and cost \$1.7bn, but did eventually get most of the PCB-flavoured mush.

You can swim in the river "almost always, almost everywhere, almost all the time", says Mr Findlay. "The Hudson is this great recovery story," echoes Tracy Brown of Riverkeeper, an advocacy organisation. The river is not quite a buffet: eating a fish caught farther north is still off the menu, as are some species. Ms Brown guesses she would eat one (she has "a pretty high risk tolerance"). Mr Findlay concludes that he is "old enough" to try. The fish, of course, may have other ideas. Mr Fera-Schanes and your correspondent left The

Battery with nothing but leftover bait: shrimp from a local Whole Foods.■

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How many divisions

POTUS v the Pope

Running short of new people to poke, the president has a go at God's vicar

4月 16, 2026 04:16 上午 | ROME



STANDING BAREFOOT in the snow, wearing only a woollen penitent's shirt and fasting from morning to evening, Henry IV had time in 1077 to reflect that insulting the pope was a mug's game. The ruler of an empire that stretched from the Baltic to the Mediterranean, Henry was kept waiting for three days by Pope Gregory VII, who was furious at having been called a "false monk". For almost a thousand years, other world leaders mostly drew the same conclusion: however bothersome a Roman pontiff might be, it was better not to upset him. Until April 12th, that is, when President Donald Trump told the leader of the world's 1.4bn baptised Catholics

that he needed to “get his act together”. Pope Leo XIV, he wrote, was “WEAK” on crime and “terrible” at diplomacy.

The reaction in the Vatican was one of baffled astonishment. The same was true for many American Catholics. Ashley McGuire of The Catholic Association, which reflects a moderately conservative line, said she was “deeply disappointed” by the president’s diatribe. What was the president up to? One explanation is that he was provoked. Popes speak in generalities. They demand an end to wars without blaming anyone for starting them. They call on governments to welcome migrants without saying which are turning them away. On April 7th Pope Leo himself broke with precedent. He directly criticised his compatriot, describing the president’s threat to obliterate Iranian civilisation as “truly unacceptable”.

That hit a sore point among MAGA-aligned Catholics. Kelsey Reinhardt, president of Catholic Vote, said the pope needed to understand that “many Americans view his interventions as overtly political and aligned with one side of the political spectrum”. She nevertheless joined Catholics who are politically and theologically at the opposite pole in calling for the president to apologise. Even Bishop Robert Barron of Winona-Rochester, Minnesota, the American prelate most closely identified with the administration, joined in.



After posting his diatribe against Leo, the president also released a creepy AI-generated picture, which he later deleted, depicting himself as Jesus. But, if Mr Trump has performed something comparable, it is to have united most of America's usually disputatious Catholics in heartfelt disapproval of his words.

That would seem to pose a problem for those Catholics, including [Vice-President J.D. Vance](#), who hold office in the Trump administration. But on April 14th Mr Vance, a recent convert to the Catholic faith, joined in the pope-bashing, though without naming Leo. "It would be best for the Vatican to stick to matters of morality," said Mr Vance.

That is what the pope claims he has been doing all along. "I do not look at my role as being political, a politician," he said. If the cost to Mr Trump seems obvious, there is risk for Pope Leo in this continuing stand-off too. Many inside and outside the church will henceforth see him less as a spiritual leader than as the global anti-Trump they have been yearning for. ■

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Bunker mentality

The big business of survival bunkers

Another sign that prepping has gone mainstream

4月 16, 2026 04:16 上午 | CHICAGO



THE TERM “prepper” once carried a hint of derision, describing paranoid types who stockpiled supplies—and perhaps guns—in anticipation of society’s collapse. But in recent years—with climate change, covid-19 and political strife fuelling doomsday thinking—prepping has gone mainstream. Some 20m Americans, up from 10m in 2017, now fall into that category, reckons Chris Ellis, who researches disaster resilience. Videos on survival skills attract millions of views online. Americans are thought to spend billions of

dollars a year preparing for emergencies. At the extreme end of the market sits the bunker business.

Interest in bomb and fallout shelters is rising, according to industry estimates. The sector could top \$175m by 2030, by some projections. Shelters are becoming “about as commonplace as a pool”, says Ron Hubbard of Atlas Survival Shelters, between musings about Armageddon. The builder’s website lists a number of threats his bunkers claim to guard against, including “pandemic outbreak”, “malicious mobs” and “nuclear fallout”.

Mr Hubbard caters to a range of customers, offering bunkers costing from \$25,000 to \$10m. He says he currently has orders from more than 700 households. To attract the DIY crowd, he recently began selling the parts needed to build shelters—a division he describes as “Home Depot for survivalists”. The war with Iran, he says, has been good for business. Atlas began taking clients in Dubai days before the conflict broke out and is expanding elsewhere, too. Mr Hubbard expects his sales volume to quadruple this year.

Another firm, Vivos, sells bunkers repurposed from wartime shelters. It says it is creating “the largest survival community on Earth” at a former army base in South Dakota, where customers can buy or rent old munitions bunkers. Renting one involves signing a 99-year lease, with \$55,000 due upfront and annual “ground rent” of around \$1,100. Almost 300 shelters have been claimed, though construction backlogs have slowed progress, says Dante Vicino, the firm’s executive director. On its website the company alludes to disaster prophecies, but Mr Vicino insists he does not sell fear. The messaging, he says, is “meant to be a little edgy and catchy”.

Preparing for the end of the world is not without present-day hurdles. Mr Hubbard says that tariffs and the cost of steel and oil have forced him to raise prices. A dispute over the terms of Vivos’s lease has reached South Dakota’s Supreme Court (the firm says the case stems from a legitimate eviction). Other customers have sued,

alleging that promised common-area amenities were not provided. When society breaks down, a little community may go a long way.■

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Spin doctors

Why the Trump administration is waging war on fraud

Medicare and Medicaid have problems. But that is not the whole story

4月 16, 2026 04:15 上午 | NEW YORK



MIRACLES DO happen. Although hospice care is meant for people with a terminal diagnosis, some keep living. But when nearly three-quarters of patients make it through six months of palliative care, either something preternatural is happening, or something fishy. In Glendale, southern California, prosecutors allege it was the latter. Amelou and Gladwin Gill, who run a hospice company, are accused

of charging the government \$5.2m for care that was unnecessary or never given. Their pre-dawn arrest this month was carried out by an FBI SWAT team (accompanied by media and Mehmet Oz, pictured, a television doctor turned government official). Mr Gill's lawyer, Mark Sedlander, says he had requested a voluntary surrender with prosecutors. The arrest, he says, put "politics before justice", part of a fraud blitz aimed at hospices and named by someone with a sense of humour: "Operation Never Say Die".

Benefit scams, particularly those involving health care, have become a priority for the White House. At the State of the Union address, the president declared a "[war on fraud](#)". J.D. Vance chairs an anti-scam task force. Arrests like that of the Gills are well-publicised; congressional committees are holding hearings. Fraud has become central to the administration's messaging ahead of the midterm elections. The focus, Mr Trump has said, will be on "Blue states where CROOKED DEMOCRAT POLITICIANS... have had a 'free for all'". Republicans see fraud not only as a tool to punish Democrat-led states, but also an opportunity to counter a political weaknesses of their own.

Everyone, from the fiercest critics of health programmes to their strongest defenders, agrees that some level of fraud is inevitable. But the amount stolen is significant, if well short of being able to balance the budget, as Mr Trump promises. The Government Accountability Office (GAO), a nonpartisan congressional watchdog, estimates that the federal government loses somewhere between \$233bn and \$521bn a year to fraud, about 3 to 7% of all spending obligations (given the murky nature of illicit activity, more precise estimates are foolhardy). The scale of health care makes it particularly vulnerable. Medicare and Medicaid, the programmes for the elderly and the poor, respectively, made up a fifth of federal spending in 2024. They are also fragmented, says Robin Rudowitz of KFF, a health-research outfit. Medicare alone has more than 1.4m providers and 20 different payment systems. That makes oversight hard.

Most cons are not carried out by patients, who can only lower their own costs. The big scams come from health-care providers, who can bill the government for non-existent treatments. Services that are given outside of hospitals, with their eagle-eyed administrators, are obvious places to look. In someone's home, often no one other than the provider and the patient knows how long a visit was, what treatment was provided or whether it even happened. Spending that goes directly on a patient, such as a new wheelchair or care provided through telemedicine, can be billed fraudulently. As can care billed by the hour, like many [treatments for autism](#).

Minnesota has been the centre of the administration's work against fraud, and not just in health care. There have been real problems in the state: since 2022, nearly 100 people have been charged and at least 60 convicted of various scams. Many were committed by Somali-Americans and brought to prominence by social-media activists. This created a pretext for [immigration enforcement in the state](#) and a focus on the race of fraudsters (Mr Trump called out "Somali pirates" in the State of the Union). The total lost is in the hundreds of millions, if not considerably more. One assessment by federal prosecutors suggests that since 2018, over half of the \$18bn in public money spent on about a dozen specific services was likely stolen. In response, the Trump administration has attempted to withhold over \$2bn a year in Medicaid funds for these services in the state. The move is currently paused, awaiting a hearing. Meanwhile, federal administrators have approved the state's plan to crack down on fraud.

The Trump administration's other remedies for scams vary from the straightforward to the mean-spirited. Mr Vance's task force is charged with finding ways to withhold state funding, as well as flagging high-risk transactions and setting up anti-fraud requirements across federal agencies. It will "use every tool available to bring wrongdoers to justice", says one administration official, "and ensure the scale of fraud this nation saw cannot ever happen again." California, Florida, Maine and New York have received letters about

fraud prevention, which administrators worry could be the first step to cutting funding.

Yet other moves by the administration run counter to an interest in minimising scams. In 2025 Mr Trump pardoned one prominent health-care fraudster, Robert Harshbarger junior, and commuted the sentence of another, Lawrence Duran. Such treatment is why the crackdown is “all bullshit”, says Paul Pelletier, a former chief of the Department of Justice’s fraud section. “You have a president who is pardoning the biggest health-care fraudsters out there...they are speaking from both sides of their mouth—there is no credibility.” Prosecutors have also been pulled from fraud cases to focus on other priorities, according to reporting from ProPublica, leading to over 100 health-care fraud cases closing. On entering office, Mr Trump fired more than a dozen [inspectors general](#), who typically play a key role in such investigations. In the health department, a two-decade veteran was replaced by T. March Bell, previously best known for running a congressional investigation into whether Planned Parenthood was selling fetal tissue (spoiler: it was not).

The context for all this is the midterms. Democrats have an enduring lead on health-care programmes, which are popular, while Republicans are associated with spending cuts. The administration’s political strategy is now akin to a word-association game: when voters think of health care, Republicans hope they think of fraud, rather than the cuts. Beyond November, the focus on scams sets up a longer-term discussion about the health of such schemes. At a meeting of Mr Vance’s task force, Stephen Miller, a White House adviser, asked what fraud “does to public trust, social trust, people’s faith in the system”. In the case of some fraud investigations, that may be the point. ■

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Lexington

J.D. Vance's theory of Trumpism is no match for the practice

This White House is a graveyard for grand strategies

4月 16, 2026 06:46 上午



VICE-PRESIDENT J.D. VANCE loves big ideas, or at least the idea of big ideas. Unlike President Donald Trump, he reads books and even writes his own, and he talks, authentically, like a diploma-carrying member of the elite they both ostentatiously disdain. He aligns himself with the “post-liberal right”, a term so highfalutin one struggles to imagine Mr Trump using it. Mr Vance serves as the chief emissary between the Trump White House and the intellectual “New

Right”, the agglomeration of pointy-heads, Silicon Valley potentates and podcasters with big ideas of their own for saving Western civilisation, as Mr Vance, apocalyptically, likes to describe his mission.

It is heady stuff. It must also, on some days, prove vexatious, for it has led Mr Vance to cast himself as the chief ideologist of a movement, MAGA, whose essence is that it has no ideology. MAGA is committed instead to the instincts, impulses and glory of one man. As a result, Mr Vance’s theories of governance keep taking a beating from Mr Trump’s practice.

For example, contrary to the big ideas of Mr Vance, Mr Trump has recently been threatening to destroy a civilisation. Mr Vance, a veteran of the Iraq war, has been an advocate of isolationism. As he put it during the last presidential campaign, “America doesn’t have to constantly police every region of the world.” A war with Iran seemed to him a particularly bad idea. It was not in America’s interest and would mean “a huge distraction of resources”; war between Israel and Iran was “the most likely and the most dangerous scenario” for starting a third world war.

But it turns out that in putting “America first” Mr Trump did not mean to stop policing the world. He meant to use force wherever he thought right, without regard for resources, allies or global stability, let alone grand strategy. Mr Vance has been left to argue that war in the Middle East makes sense this time because America has “a smart president, whereas in the past we’ve had dumb presidents”. This formula, though childish, has the advantages of both flattering Mr Trump and leaving him holding the bag. Meanwhile, some anonymous source made sure to inform the *New York Times* that among all Mr Trump’s advisers Mr Vance was “the stark exception” to oppose the war. And Mr Vance has stepped in to act as chief negotiator, the best of his bad options. If he fails, he can blame Iran. And he avoids the possibility that the secretary of state, Marco

Rubio, whom Mr Trump has recently talked up as his possible successor, might do it and succeed.

Mr Vance's recent foray to Hungary, to support the doomed prime minister, Viktor Orbán, was more ill-advised. It ended in rejection of his biggest idea of how the world should work. For Mr Trump, all politics is personal: he likes Mr Orbán because Mr Orbán flatters him. For Mr Vance, things are more abstract: while standing beside Mr Orbán in Budapest on April 7th, Mr Vance declared that, under Mr Orbán and Mr Trump, Hungary and America represented nothing less than "the defence of Western civilisation". They stood for the idea "that we are founded on a certain Christian civilisation and Christian values that animate everything from freedom of speech to rule of law, to respect for minority rights and protection of the vulnerable."

Does it seem odd that a "post-liberal" would wreathe himself in liberalism's achievements? This is a key move of the New Right, and it is sleight-of-hand: Mr Vance is correct that Western civilisation is rooted in Christianity, but he skips past the decades Christians spent killing each other over doctrinal differences before Enlightenment thinkers ushered religion into the realm of private life, freeing political speech and scientific inquiry from religious dogma. This sleight-of-hand usefully licenses those in power to redefine liberalism's protections on their own terms, deporting protesters for the wrong kind of speech or declaring that certain minorities, such as Muslims, "don't belong in American society", as one Republican congressman recently put it.

Mr Vance's theory, convenient as it is for the populist right, has a flaw: it does not correspond to the reality of governance by the populist right. Mr Orbán's idea of "rule of law" was to steer public money to favoured oligarchs, pack the courts with accommodating judges and rewrite electoral laws to benefit himself; his idea of freeing speech was to put allies in charge of the news media. This may sound familiar to Americans; the stagnation of Hungary should be a warning to them. As Mr Vance returned home on April 12th,

after his detour to Islamabad to negotiate fruitlessly with Iran, Mr Trump revealed that his own “Christian values” were not so Christian as to prevent him from posting an image of himself as Christ, or from attacking the pope. The same day, Hungarians demonstrated how much credence they gave Mr Vance’s gasbaggery about civilisation by overwhelmingly voting Mr Orban out.

Losing his religion

Mr Vance is so obviously smart, yet can spout such nonsense that one wonders sometimes whether he respects his listeners’ own intelligence. In Budapest, while extolling Mr Orban as a “profound leader” and a “model to the continent”, Mr Vance said he was not telling “the people of Hungary how to vote” and attacked “bureaucrats in Brussels” for having the gall to interfere in the election. Unless Mr Trump gets religion soon about civilisational uplift, Mr Vance’s gift for righteous hypocrisy will face an even more severe test over the remainder of this president’s term.

On the other hand, Mr Vance, a reformed blogger, has asserted so many provocative theories, such as that “childless cat ladies” were immiserating America, that it can be hard to tell how attached he really is to any of them. He has reversed himself once already on some of the biggest, including whether it is a good idea for Mr Trump to be president. ■

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Essay

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America at 250 ::

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America at 250 :: But America's past economic success is no guarantee of its future, writes Joseph Stiglitz

America at 250

War and the making of a superpower

4月 16, 2026 04:16 上午



1917-1920

A world in conflict, a nation uncertain

“The world must be made safe for democracy.” With these words to Congress on April 2nd 1917, President Woodrow Wilson called for the country to enter the first world war. He was also articulating a moral and political justification for the projection of American power abroad that would endure into the 21st century. In foreign policy American liberalism would come to be characterised by a struggle between Wilsonian thinking—interventionist, idealistic—and a more isolationist impulse that countries should mind their own affairs.

In the first world war, Wilson's intervention proved decisive, as American troops and industrial output tipped a long, bloody stalemate in the Allies' favour. His idealism had less immediate purchase. The president's vision for a new world order, embodied in a League of Nations that would provide for collective security and lower trade barriers—collapsed amid political squabbling at home. The League came into being but was a dead letter without America as a member. It would take another, more deadly world war for some of his ideas to be put into practice.

1920

The suffragettes' war

Wilson's idealistic rhetoric for entering the war provoked a backlash at home from suffragettes, who argued that his commitment to democracy abroad did not extend to half the population at home. In protests outside the White House women called the president "Kaiser Wilson" and burned copies of his speeches. When the protesters were jailed, they went on hunger strike, drawing more national attention.

Wilson finally buckled when it became clear that women were powering the industrial war effort at home while men fought overseas. By 1920 enough states had ratified the 19th amendment to add it to the constitution. (Britain, we hasten to note, had moved earlier, extending the vote to millions of women in 1918.)

Hooray for Hollywood

In 1915 Carl Laemmle, a German Jewish immigrant, started making moving pictures at Universal City near Los Angeles, where a film business had begun to sprout far from the patent-enforcing thugs of Thomas Edison, a pioneer of motion-picture technology. In the years that followed, Louis B. Mayer and four brothers of the Warner family,

likewise Jewish immigrants, set up their own studios. A distinctly American creation was born: Hollywood.

It became the wellspring of arguably America's greatest liberal strength, its soft power. During the 1920s, 30s and 40s Hollywood projected a glamorous vision of American life in films such as "Our Dancing Daughters", "It Happened One Night", "Gone with the Wind" and "The Philadelphia Story". That many Jews and other immigrants produced and starred in these films only made Hollywood more American still.

1920s Roaring into modernity

In the 1920s Americans reaped the fruits of decades of liberal progress in social mores, technology and institutions. Henry Ford's introduction of assembly-line production in 1913 had by the 1920s cut the cost of cars and other goods enough to create a broad consumer market. Mass production also expanded office work, much of it taken up by women, who became more independent. Radio, though a European (we would argue British) invention, exploded in America. Advertising flooded the airwaves, marketing an aspirational, affluent way of life. And easy money, thanks to a loose credit policy under the still-new Federal Reserve, made the American dream attainable to millions.

Modern consumer culture was born. Fashion-forward women became flappers. Black musicians in cities ushered in the jazz age. Young couples drove their cheap Model Ts, paid for on instalment loans, for picnics in the countryside. Black-market liquor at speakeasies lubricated all the fun. Surely the good times would roll on for ever, right?

1929

The end of the ride

Nothing better captured the Roaring Twenties than the investment craze on Wall Street, which had become the epicentre of American and global prosperity. Regular punters and big firms alike borrowed ever more heavily to speculate and boost returns. But in October 1929 the market crashed, helping tip the world into the Great Depression.

America's response made matters worse. In 1930 Congress passed the Smoot-Hawley tariff to protect manufacturers, starting a damaging trade war. The Federal Reserve, worried about inflation, tightened the money supply as debts soured, deepening the downturn (and causing deflation instead). President Herbert Hoover, meanwhile, resisted offering federal relief to the needy. The extent of the suffering soon made clear how serious these missteps were. By 1933 one in four American adults was jobless, nearly half of America's banks had failed and GDP had shrunk by 30%.

1933-1935

Let's try throwing money at the problem

Franklin Delano Roosevelt, the Democratic governor of New York (and Teddy's distant cousin), defeated Hoover in a landslide in November 1932. The new president's remedy for the Depression was the New Deal in 1933 (followed by the Second New Deal in 1935). The government insured bank deposits, provided relief to the jobless, introduced social security for seniors, strengthened labour protections and put millions of Americans to work building roads, dams and bridges. In his second term Roosevelt added a minimum wage, a 44-hour work week and overtime pay.

The New Deal had plenty of doubters. In 1939 America's unemployment rate was still 17%. But for most it was a welcome

riposte to the excesses of laissez-faire capitalism. It also entrenched a new liberal idea: that in hard times the state should intervene more directly in the economy. The economist who gave this intellectual shape was, of course, British. John Maynard Keynes argued that when private demand collapses, governments should spend more to sustain employment and growth. The lasting legacy of the New Deal is Keynesianism—well, that and the tiresome use of “New Deal” branding in modern politics.

The limits of presidential power, 1930s edition

Roosevelt left another legacy: a radical expansion of presidential power. He entrenched the idea of leading the government by force of personality. He gave his first message to Congress in person—something Woodrow Wilson had revived, but which now became standard practice. He brought his New Deal legislation to Capitol Hill, cajoling and charming members rather than leaving Congress to set the agenda. And, crucially, he sold his ideas directly to the public through his radio “fireside chats”, enlarging the presidency in the American imagination. In one such broadcast, in July 1933, he highlighted the passage of his New Deal in his first 100 days—a benchmark against which future presidents would be judged.

Inevitably, Roosevelt overreached. When the Supreme Court kept blocking New Deal policies, he threatened to expand it with six new justices. His “court-packing” scheme provoked a backlash. His decisions to run for a third and then a fourth term, breaking a longstanding two-term custom, cemented the perception of an imperial presidency. The 22nd Amendment, ratified six years after his death, limits presidents to two elected terms—or appears to, at least.

1940-41

Another world war, so soon?

“We must be the great arsenal of democracy.” With these Wilsonian words in a fireside chat in December 1940, Roosevelt explained why Americans must do more to help the British in our gallant resistance to Nazi conquest. “We must have more ships, more guns, more planes—more of everything,” he said. Roosevelt was arguing against the isolationist mood embodied by the America First Committee, whose most famous advocate was the aviation hero Charles Lindbergh.

Roosevelt insisted that aiding Britain offered the best hope of keeping America out of the war. More plausibly, he was buying Winston Churchill time until America could join it. The two leaders laid the foundations for a new “special relationship” between the former colonies and the old mother country. After Japan attacked Pearl Harbour on December 7th 1941—a date Roosevelt said would “live in infamy”—America entered another world war in the name of democracy and liberty.

1941-45

Now let's go save humanity

At the time of Pearl Harbour, many Americans were still mired in the Depression. War gave the country a new purpose. More than 16m Americans—roughly half of young men—served. The war touched almost every family, workplace and town. Factories and shipyards turned out tanks, planes and ships at unprecedented scale; women joined the assembly lines; unemployment vanished as federal spending surged.

On the battlefield, Americans fought across two fronts. In Europe they joined allied forces in large-scale, industrial warfare, from North Africa to Normandy and beyond. In the Pacific they faced brutal, island-by-island combat at places such as Guadalcanal and Iwo Jima. American fighting relied on overwhelming firepower, complex

logistics and impressive co-ordination—hallmarks of the most advanced army the world had yet seen.

America emerged from the war a more confident nation, now the world's unquestioned superpower. Having endured scarcity, Americans met a global crisis with discipline and collective effort. Those who fought are often remembered as America's "greatest generation".

In the name of security

It is one of the ironies of the American experiment that, in wartime, presidents have repeatedly trampled on the liberties they profess to defend. During the first world war Wilson jailed anti-war activists and labour organisers. In 1919 and 1920 his attorney-general, A. Mitchell Palmer, conducted raids to round up thousands of suspected socialists in America's first "red scare".

During the second world war, the Roosevelt administration interned around 120,000 people of Japanese descent, two-thirds of them American citizens, on the grounds that they might otherwise engage in espionage or sabotage. Fred Korematsu, a Japanese-American, challenged his arrest for refusing to report to the camps. The Supreme Court ruled that the War Department, not judges, should decide whether "military necessity" justified denying due process. Korematsu's conviction was overturned in 1983 after it emerged that officials had suppressed assessments that Japanese-Americans posed no threat. The government would apologise five years later.

The bomb

In 1939 Roosevelt received a letter written by Leo Szilard and signed by Albert Einstein warning of the destructive potential of a bomb that harnessed the energy of a nuclear chain reaction. The physicists, who had come to America as refugees, feared that

Germany might build such a weapon. Their message spurred Roosevelt to act, ultimately leading to the creation of the Manhattan Project.

From 1943 a team of American, British and émigré scientists laboured at Los Alamos, New Mexico, to develop what their leader, Robert Oppenheimer, called “the gadget”. In July 1945, two months after Germany’s surrender, they detonated the first atomic bomb in the New Mexico desert.

Horrified by the result, several scientists (including Szilard) petitioned Harry Truman, who had become president upon Roosevelt’s death, not to use the bomb. But America dropped one on Hiroshima on August 6th 1945 and another on Nagasaki three days later. The two bombs killed around 200,000 people by the end of 1945, many from burns and radiation. Japan surrendered on August 15th. We wrote at the time that it was “one more terror which it is better to have on our side, but best not to have at all”.

1944-45

Hey, let’s not have a third world war

The 1930s had demonstrated the perils of protectionism and nationalism. What was needed, thought Roosevelt and Churchill, was a new global economic system to ensure prosperity and trade after the war. Unsurprisingly, they intended to be in charge.

In July 1944, at a hotel in Bretton Woods, a mountain village in New Hampshire, negotiators designed a system with America at the heart. Currencies were pegged to the dollar, and the dollar to gold. An International Monetary Fund and World Bank were created. America would be the unquestioned leader of this system. The sun was setting on the British empire.

The champions of multilateralism weren’t done yet. The following April delegates gathered in San Francisco to ratify a charter for the

United Nations, with both America and its chief ideological adversary, the Soviet Union, agreeing to participate. A new world order was born.■

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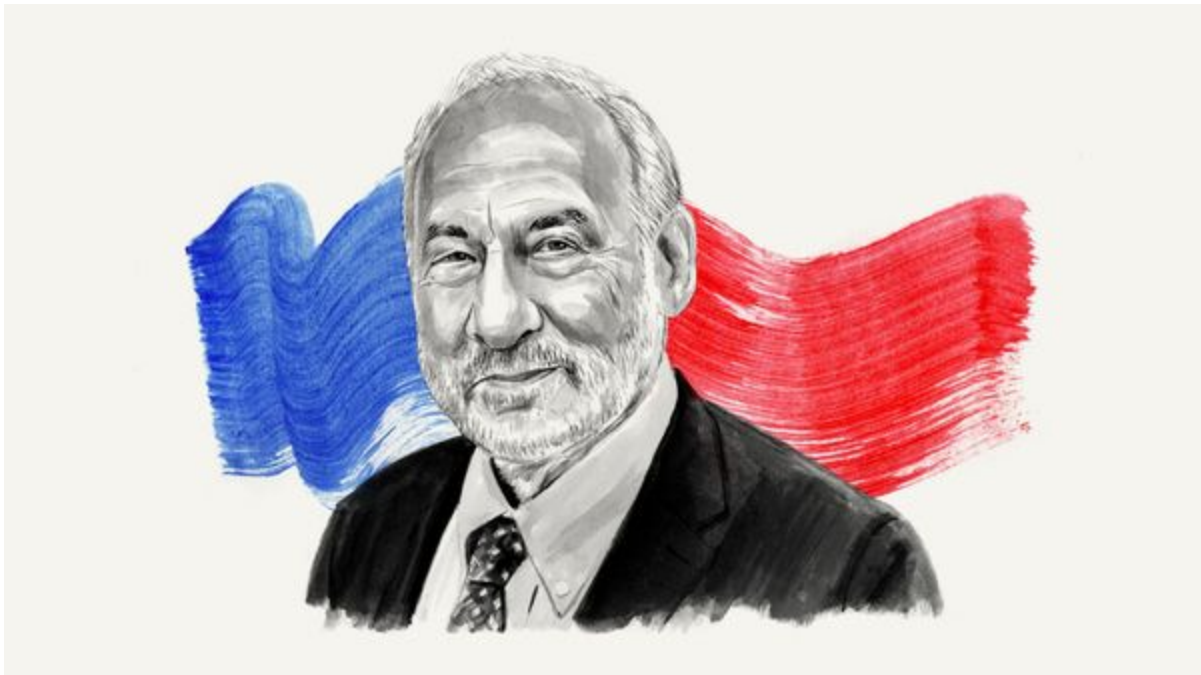
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America at 250

John Maynard Keynes saved capitalism from itself

But America's past economic success is no guarantee of its future, writes Joseph Stiglitz

4月 16, 2026 04:16 上午



TWO HUNDRED AND FIFTY years ago, the United States was largely an agrarian economy—affected, of course, by weather but without real business cycles. Those came with the development of capitalism in the 19th century. And so began the deep fluctuations of the modern era, the two worst being the Great Depression of the 1930s and the Great Recession that began in 2008. Fortunately, John Maynard Keynes, the great economist of the 20th century, showed

us that we did not have to suffer these dysfunctions of capitalism. The government could do something about them.

As the expression goes, necessity is the mother of invention. By the time Franklin Roosevelt took office in 1933, the United States had already lost four valuable years sinking deeper into depression. Roosevelt couldn't wait for Keynes to spell out what to do. He intervened decisively—one might say intuitively. Some elements of his agenda are still controversial; despite the unemployment rate peaking at close to 25% during the Great Depression, most economists and businesspeople said: "Leave it to the market. It will correct itself eventually." But as Keynes quipped, in the long run we're all dead.

Keynes's 1936 book "The General Theory of Employment, Interest, and Money" constituted an intellectual revolution. Contrary to the prevailing doctrines of the day, he argued that markets left alone could remain mired in extended periods of deep unemployment. Even if there were self-correcting "forces" bringing the economy back to full employment, they worked too slowly on their own to prevent significant economic hardship. He explained why monetary policy—favoured by many conservative economists when intervention was deemed necessary—would be ineffective in a deep downturn. Most importantly, he provided a solution: government spending could stimulate demand and lift the economy out of the mire.

The good news was that the constitution had sufficient flexibility to allow these new ideas to be tested and show their worth, even though the Founding Fathers could not have anticipated this vital role for government. In those days, the government was far smaller. During the first half of the 19th century, the federal government collected just 2% of GDP and there was no central bank until the Federal Reserve was created in 1913. The central government had neither the resources nor the tools to stabilise an inherently unstable capitalist system.

Keynes was no left-wing radical; he was not overly concerned with inequality, he believed in the market economy and he believed that his proposed intervention—not a revolution, but a minor “fix”—would save the day.

Nevertheless, many people were suspicious of Keynes because he provided a rationale for a larger government. Some ideologues on the right would have preferred that the country remain in a depression than have the government come to the rescue. As they saw it, if the government could do that, who knows what else it might do? It might guarantee everybody a minimum pension, health care and an education. And those things might require taxes beyond the miserly amounts Americans were paying. This was especially dangerous—to the forebears of today’s billionaire oligarchs—because some 20 years earlier the United States had adopted the 16th Amendment to the constitution, allowing the levying of a (progressive) income tax.

In retrospect, Roosevelt’s pragmatism and Keynes’s ideas saved capitalism from the capitalists. Had the latter had their way, the failures of unfettered capitalism, an economy stifled in a seemingly never-ending depression, would likely have meant that it would not have survived democratic pressures. Instead, President John F. Kennedy, under the influence of strong Keynesian economists (including John Kenneth Galbraith, Robert Solow and Paul Samuelson) adopted Keynesian policies as the cornerstone of his economic framework.

Throughout the 1970s, with the country facing inflation (then, as today, largely caused by unprecedented increases in oil prices), the right claimed Keynes was passé. While Keynes had emphasised the role of government in sustaining total (or aggregate) demand so the economy remained at full employment, Ronald Reagan flipped the language around to emphasise supply. Conservatives argued that if taxes were low and regulations light, the dynamics of the market would ensure growth with full employment. So optimistic were they

that they even claimed cuts in tax rates would spur so much growth that tax revenues would increase. Of course, that didn't happen.

In subsequent decades, America repeatedly went into downturns, some quite deep, demonstrating forcefully that unfettered markets were not good at self-regulating. During the Great Recession and in the covid-19 pandemic especially, Keynesian interventions—government spending—proved enormously effective.

And yet, in spite of all the evidence, the political battle continues. In the early 1990s, there was an attempt to pass a balanced-budget amendment, a provision which would have all but prevented effective Keynesian policies. Fortunately, it was narrowly defeated. During President Donald Trump's first term, there was a revival of "supply-side policies", with a major cut in taxes to corporations and the super-rich. The policies failed, as the earlier Reagan policies had: deficits increased and the boost to growth was minimal, if anything.

If the constitution were created in the 21st century, knowing that the government has the capability to ensure that the economy operates at full employment, it would likely have mandated that it do so. The closest we came was the Employment Act of 1946, which created the Council of Economic Advisers in the White House, which I chaired under President Bill Clinton. It committed the United States "to foster...conditions under which there will be afforded useful employment for those able, willing, and seeking work". In spite of having the tools to accomplish this mission, too often, for too many, we have failed. ■

Joseph Stiglitz is a Nobel-prizewinning economist and a professor at Columbia University.

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The Americas

- **[Rio de Janeiro is a beautiful warning to the rest of Brazil](#)**

Holiday paradise or urban hellscape? :: Local politicians are too often corrupt and criminal

Holiday paradise or urban hellscape?

Rio de Janeiro is a beautiful warning to the rest of Brazil

Local politicians are too often corrupt and criminal

4月 16, 2026 05:30 上午 | Rio de Janeiro



RIO DE JANEIRO, Brazil's sun-soaked metropolis, is bursting with foreign visitors. Their numbers rose to 2.1m in 2025, up by 45% compared with the previous year. To them, Rio is an exotic fantasy, all twinkling waters and hills covered in emerald jungle. They sip sweet caipirinhas or draught beer ordered from keg-carrying vendors hawking their wares up and down the sand. Women in bikinis glide by, hunky men peacock on the boardwalk and selfies are taken against the backdrop of peach-tinged sunsets. Tourists love to visit Rio. But how well do they really know it?

Consider the latest political news from Brazil's second-largest city (after São Paulo). The Supreme Court will soon rule on whether the governor of the state of Rio will be elected by popular vote or chosen by local legislators. That is because the previous governor, Claudio Castro, was barred from office for eight years last month for illegally using public money to boost his electoral campaign in 2022. The head of the local assembly, Rodrigo Bacellar, is also in jail awaiting trial for suspected links to drug-traffickers (he denies any).

All of Rio's elected governors in the 21st century have been jailed or impeached on charges related to corruption. True, violence is less of a problem now than it was in the 1990s. But it still costs the state of Rio around \$2bn a year, or 1% of local GDP, according to the National Trade Confederation, a large union. One anti-establishment politician hoping to run in this year's presidential election has even pledged to separate the city from the rest of Brazil. Welcome to the other Rio de Janeiro: an urban jungle thick with the tendrils of crime and corruption.

The city boasts the famous beaches of Ipanema and Copacabana, as well as Leblon, Brazil's most expensive postcode. Known as the south zone, this area is home to just 650,000 people. But situated beyond the hills are the areas where most of the metropolitan area's 12m inhabitants reside. They are home to cramped favelas, working-class suburbs and the proud *cariocas*, as the city's inhabitants are called, that politicians have failed. A tour through these neighbourhoods offers views of Rio's other side.

Marching orders

Start with Maré in the north zone, which lies a few kilometres behind the coastline. It is a complex of 16 favelas filled with ramshackle houses built on top of each other like Jenga blocks. Over 140,000 people live in an area that is less than four square kilometres. On a Saturday morning the area is quiet—most residents sleep in after a *baile funk*, a throbbing local party, the night before. Stolen cars are

strewn across the complex with their number-plates and windows ripped out. From the top of a hill the view is to Complexo de Alemão, another favela, where police killed over 130 people in a raid in October that targeted the Red Command (known as CV), Rio's biggest gang. The bodies of the dead were left to rot in an adjacent forest, where their families had to pick them up. Such raids are popular, and often deployed by governors in need of a ratings boost. When asked whether residents of Maré fear the police or gangs more, Raimundo (not his real name), a local, responds, "Let's just say we don't prefer the police."

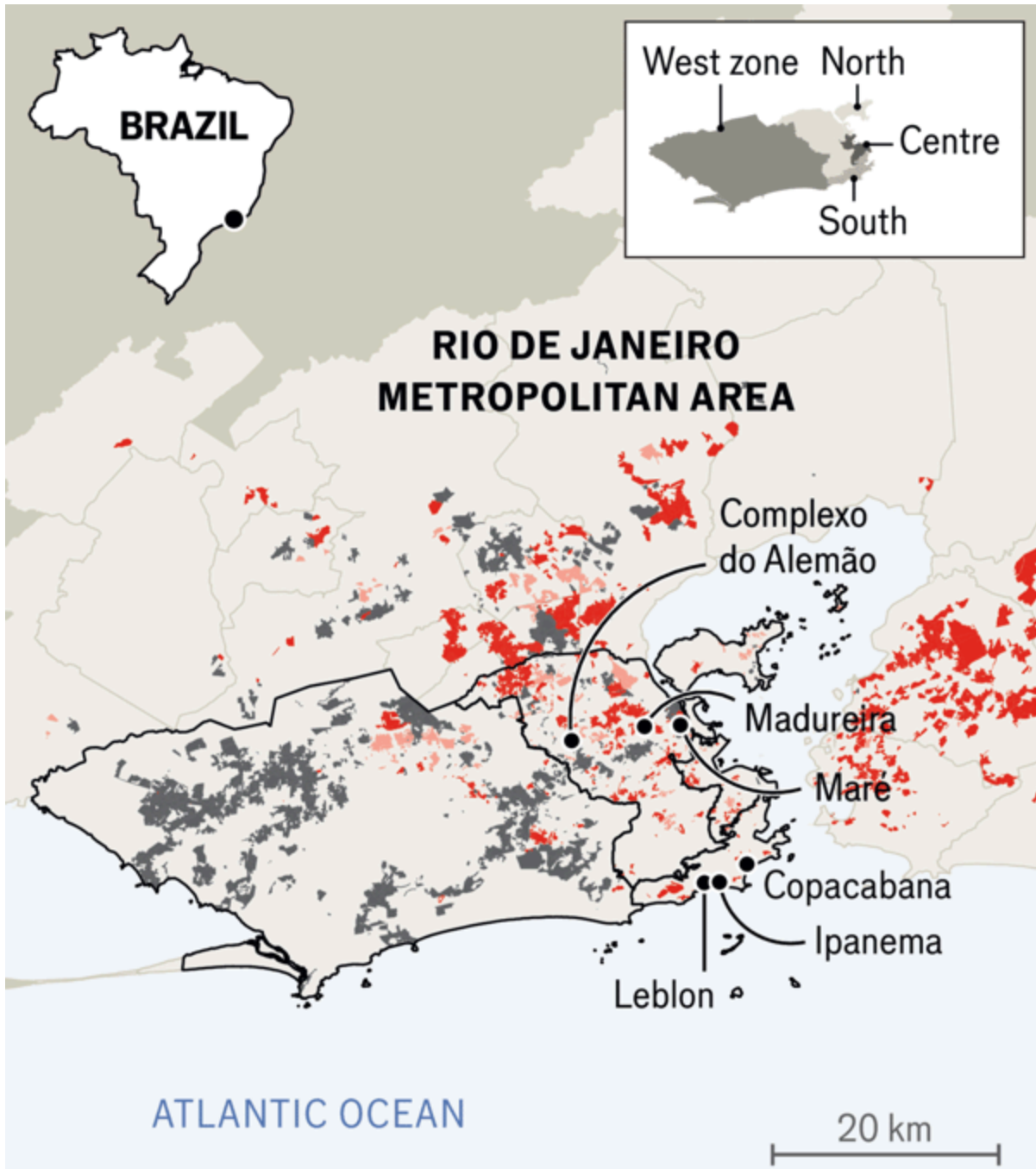
To keep residents onside, the gangs provide swift justice and dole out gifts. Rapists and rogue criminals are punished with death. Lorries are robbed regularly and their contents distributed locally. Often that means alcohol, cooking gas or eggs, but "recently they were handing out electric scooters", says Raimundo. Dona Maria José, a longtime resident, shrugs when asked about the gangs. "Every day there's a scandal with our politicians," she says. The traffickers "get their example from the top".



And the top is as dirty as the sewage-filled stream that snakes around Maré. Mr Bacellar, for instance, was detained on March 27th on suspicion of obstructing an investigation into Thiego Raimundo dos Santos Silva, known as T.H. Jóias, a blinged-up local official who police say was an informant and a gun-runner for the cv. (Mr Bacellar denies wrongdoing.) Prosecutors claim that Mr Silva, who fled a police raid on his house, was tipped off by Mr Bacellar, who in turn learned of the raid from the judge in charge of the case. That judge is now himself imprisoned, by order of Brazil's powerful Supreme Court.

Mr Silva is accused of laundering money in shops in Madureira, a bustling working-class neighbourhood in the heart of Rio's north zone. (He calls the accusations "absurd" and denies them.) Most inhabitants are black, many descended from poor dwellers who were expelled from downtown Rio during an "urban cleansing" push in the 1920s. Rio's most decorated samba school is here, the pride of the neighbourhood, freshly painted and guarded by a surly porter.

Less noticeable are pairs of chairs dotted on the corners of some streets, with a small table between them. They signal the presence of *jogo do bicho*, a popular illegal lottery. The *bicheiros*, or bookies, often finance samba schools and exercise political clout. In February police arrested Adilson Oliveira Coutinho Filho, a leading *bicheiro* and patron of one of Rio's largest samba schools. He was being investigated on suspicion of ordering a rival's murder and running a contraband cigarette business that employed workers in slave-like conditions in Paraguay—all of which he denies.



Areas controlled or influenced by gangs, 2024

■ Militia ■ Red Command (CV) ■ Other gangs

Sources: Instituto Fogo Cruzado; IBGE

Over in the city's west zone, the criminal underworld also rules. It was here in the 1990s that former policemen formed militias to murder traffickers and carry out contract killings for other criminals. The biggest *bicheiros*, for example, hire former policemen as bodyguards and hitmen. One particularly successful hitman was Adriano da Nóbrega, a former captain in the police's elite force who went on to run a death squad. Militias now engage in trafficking and extortion, too, and their money is often laundered into local property. According to researchers at nearby Fluminense Federal University and a group of security-focused charities in Rio, around 1.7m people live under the control of militias, a similar number as those under the control of the CV (see map).

Local politicians long tolerated them. But then Nóbrega's associates shot dead a local councilwoman, Marielle Franco, and her driver in August 2018 after she criticised illegal militia-linked property projects. The assassination shocked the nation and led to federal investigations. In February Brazil's Supreme Court sentenced Chiquinho Brazão, a former federal congressman, and his brother Domingos, who was a member of Rio's audit court, to over 76 years in prison for ordering the killing. The state's former police chief was also jailed, for accepting money to derail probes into the brothers.

Out from the undergrowth

Ms Franco's killer, Ronnie Lessa, was a sniper and arms dealer. But he had powerful friends. His daughter dated a son of Jair Bolsonaro, Brazil's former far-right president, for a time. Another of Mr Bolsonaro's sons, Flávio, employed Nóbrega's wife and mother to work for him when he was a local legislator. Nóbrega was killed in a shoot-out in 2020. But dealings with him and his family remain under scrutiny, especially now that Flávio has become a leading contender in the presidential race in October. (He says he was unaware that Nóbrega's relatives were on his payroll.)

Exasperated *cariocas* crave drastic measures to halt Rio's decline. "We need federal intervention here," says Wellerson Milani, a local. "How are you going to have a clean election when half the city is controlled by criminal groups?" On April 14th Brazil's Senate heard his concerns. A Senate committee probing organised crime in the country is mulling recommendations, including one that would call for federal action in Rio to clean up "the systemic infiltration" of crime in public institutions. Brazilians are hoping that Rio's mess does not become theirs, too. ■

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Blockades and bargains

The Gulf war has settled into an uneasy limbo

Fighting is paused, Hormuz is shut and prospects for a deal are uncertain

4月 16, 2026 05:30 上午 | RIYADH



AMERICA HAS long turned to economic pressure as a means to coerce Iran. Barack Obama used sanctions to push the regime into signing a nuclear pact in 2015, known as the Joint Comprehensive Plan of Action (JCPOA). Donald Trump withdrew from it in his first term and launched his “maximum pressure” campaign, which fuelled an economic crisis in Iran but failed to produce a new deal.

Mr Trump has now turned to that tool again. This time, however, he is imposing economic pain at gunpoint—and Iran is doing the same to the rest of the world. Each side hopes to force the other to make concessions that will end the third Gulf war. The question is which will yield first.

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The war has been paused since April 8th, when America and Iran announced a two-week ceasefire, although Iranian threats mean the Strait of Hormuz is still largely closed to commercial traffic. Delegations from both countries met on April 11th in Islamabad, the capital of Pakistan, which helped broker the truce. A second round of talks may occur in the next few days; the truce may be extended.

Meanwhile Mr Trump has imposed his own blockade, which bars Iranian shipping through the strait. It took effect on April 13th. The Pentagon says it has since ordered ten ships to turn back for Iranian ports, and that all of them complied. The Treasury Department has also said it will not renew a 30-day waiver, issued on March 20th, that permitted the sale of some Iranian oil, an ill-advised effort to bring down oil prices.

The Iranians insist they can endure the pain, as they have in the past. Yet their economy was already in dire shape, with a debased currency, annual inflation above 50%, and billions of dollars in war damage to repair. And a [maritime blockade](#) could be more onerous than the sanctions of decades past, which the Iranians often found ways to circumvent.

Oil sales will be the most obvious casualty. At current production levels, if exports are blocked, storage tanks will fill up within two weeks. That will force Iran to trim output, and eventually halt it, which could risk long-term damage to oil wells. The consequences will be felt in other sectors. The soyabeans used to produce nearly all of Iran's vegetable oil and animal feed are imported by sea.

Disruption would mean a surge in food prices, already 110% higher in March than a year earlier.

Officials in some Gulf states support the blockade and see it as long overdue. They have fumed for weeks that America allowed Iran to continue exporting oil while theirs remained stuck. Yet the embargo on Iran will not help their own economies, which are losing billions of dollars a day in lost exports, nor solve the energy crisis sweeping the world.

Though futures markets are still surprisingly optimistic about an imminent end to the war, shortages are already hitting the physical market. America may be relatively insulated by its vast oil-and-gas industry, but motorists are paying 29% more at the pump than they did a year ago. Annual inflation jumped to 3.3% in March, up from 2.4% in February. Mr Trump's advisers have warned him that the war must end soon if he is to have any chance of reversing the damage before the midterms in November.

It is hard to know exactly what was said in the first round of talks, which lasted almost 21 hours. A few diplomats, for example, believe that America was willing to allow Iran to charge tolls on vessels transiting Hormuz (which would infuriate America's allies in the Gulf). Others believe it insisted on free passage for all. In some cases, even officials from the same country have heard different readouts.

What seems clear is that Iran's nuclear programme was America's priority—and that the Americans showed some flexibility in their demands. In two previous rounds of talks, the Trump administration insisted that Iran must swear off uranium enrichment altogether. Iran refused. America now seems willing to accept a time-bound moratorium rather than an open-ended ban. Iran would probably accept that, although its negotiators will need to haggle over the duration: America's demand for 20 years seems too long, while Iran's offer of five years is too short.

Yet that is only one of many issues. The most pressing is Iran's stockpile of more than 400kg of uranium enriched to near-weapons-grade. America wants Iran to ship it outside the country. Iran prefers to dilute it in situ. The latter is not inherently problematic, but the details will be crucial: where and when will the down-blending occur, and who will monitor it?

Dust yourself off and try again

That points to a broader concern about a possible deal. If the ban covers only the act of enrichment itself, Iran could continue to develop advanced centrifuges (the machines that enrich uranium), install them in new facilities and research how to turn fissile material into a nuclear weapon—all of which it has done before. When the moratorium ends, it could be well positioned to dash for a bomb. Such issues can be resolved, but they will take time: the JCPOA was the work of two years.

Iran, for its part, came to Pakistan with one clear demand. "All they cared about was money," says one Arab official briefed on the talks. Iran wants America to lift not only "secondary" sanctions, which bar third countries from buying Iranian oil (among other things), but also the primary ones that block American firms from doing business in Iran. That will take time as well, because some are mandated by acts of Congress rather than executive fiat.

To reach a deal quickly, both sides may need to settle for a rough framework. They would stop the war and lift their mutual blockades. Iran would agree to a moratorium on enrichment, and in exchange it could tap billions of dollars of oil revenues frozen in foreign banks.

That would fall short of the permanent peace sought by Iran's leaders and the lasting change in Iranian behaviour desired by Mr Trump. But the alternative is another round of fighting—probably a more destructive one. A third American aircraft-carrier will reach the Middle East soon. So will amphibious-warfare units dispatched from

California last month. America could carry out Mr Trump's threats to attack vital infrastructure in Iran, which would do the same in Gulf states. In a battle of economic will, both sides might lose. ■

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Double trouble

Donald Trump's blockade of Hormuz is a dangerous gamble

It further undermines international law and could lead to new fighting

4月 16, 2026 04:33 上午



WHEN AMERICA and Israel began their war on February 28th, many expected Iran to choke off shipping in the Strait of Hormuz. Few would have predicted that less than two months later, Donald Trump would impose his own blockade, targeting traffic to and from Iranian ports and coastal areas. It went into effect on April 13th. Mr Trump hopes economic strangulation might force Iran to open the strait

where bombs have failed. It is a gamble that could compound the global energy crisis and lead to fresh escalation.

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America's rationale is simple. Iranian threats have drastically reduced tanker traffic through Hormuz. But Iran has continued to export its own oil, albeit in smaller quantities. It has also allowed some ships to pass if they pay a fee. Mr Trump's message is that if neutral cargo cannot pass unhindered, Iran's can't either. The military aspect of the plan is "absolutely feasible", says Mark Montgomery, a retired rear admiral. America can board and seize ships relatively easily. "You don't have to catch every ship," he adds. "Just enough ships to send the message."

Oil pressure warning

The economic and political aspects are trickier. The aim, presumably, is to sever Iran's economic lifeline and force the regime to make concessions in peace talks, particularly over its nuclear programme. In theory, Iran is vulnerable. Given its current crude-oil storage levels, it may be forced to curb production within 10-20 days of a full, effective blockade, reckons Ernest Censier of Vortexa, a data firm. "As Iran's oil exports collapse, there'll be no cash for imports, so activity implodes, the currency goes into a devaluation spiral and hyperinflation ensues," argues Robin Brooks of the Brookings Institution, an American think-tank. "There's no doubt in my mind this will bring the mullahs to the negotiating table in good faith."

Others are less sure. Iran had assumed its oil exports would be disrupted, says Esfandyar Batmanghelidj, the chief executive of the Bourse & Bazaar Foundation, a think-tank. It can endure maybe six months of pressure by printing money, selling 100m or so barrels of oil in floating storage off Malaysia and China, and securing informal credit from import-suppliers.



That leaves two big questions. One is the impact on energy markets, including in America. The loss of Iranian output alone is not catastrophic. But it compounds the far greater volume of Gulf supply trapped by the largely closed strait. With the ceasefire looking shaky, Iran has little incentive to reopen the passage and could well restart attacks on neutral ships.

Importers would be forced to draw down already limited stocks, potentially pushing Brent crude futures towards \$150 a barrel by the

end of April. Factor in the risk of Iranian strikes on Gulf production facilities, pipelines and ports as well as the possibility of attacks on Red Sea shipping by Iran's Houthi allies in Yemen, and the measure looks unlikely to survive a few weeks without prompting another price surge.

The second issue is which countries might be caught in a blockade. India, for instance, has denied paying a fee to get its ships through, which Mr Trump said on April 12th would be the trigger for interdiction. But on the same day America's Central Command said that the blockade would be enforced impartially—a requirement in international law—against ships from all countries that had passed through Iranian ports or coastal waters.

That would cover the Indian vessels. Oil bound for China, Pakistan and Thailand also moved out of Hormuz in the days after the ceasefire. Prior to that, France and Turkey, both American allies, had sent their ships through, apparently with Iranian consent. America might only need to board a handful of ships to deter others from attempting to break out. But even that could anger some friendly countries in the process. Some American officials think China will not challenge the blockade, but accepting it would set a dangerous precedent. China has long worried about a blockade around the Strait of Malacca in the event of a war in the Pacific.

Mr Trump's decision to impose a blockade, which came after he toyed with the idea that he might "jointly" control Hormuz with Iran's regime, a practice that would upend international law governing such waterways, suggests that the principle of freedom of navigation is coming under enormous stress. Kevin Rowlands, who ran the Royal Navy's think-tank until last year and now edits the *RUSI Journal*, a military journal, concludes that it is "another nail in the coffin for any pretence that there is such a thing as a rules-based order or international law". ■

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The other front

Israel and Lebanon both want to dislodge Hizbullah

Will Iran let them?

4月 16, 2026 04:16 上午 | BEIRUT AND KIRYAT SHMONA



IN WASHINGTON ON April 14th Lebanon's ambassador and her Israeli counterpart met for the first official direct talks between the two countries in decades. Such a meeting would have been unthinkable only weeks ago. Until recently in Lebanon, negotiating with Israel was tantamount to treason. But even as the two sides talked, Israel continued to pummel southern Lebanon. In the past six weeks Israeli air strikes have killed over 2,000 people and forced over a million to leave their homes. The talks may have been momentous but they are only a start.

Only days before, on April 8th, shortly after Donald Trump announced a ceasefire with Iran, Israel launched air strikes on Beirut and other parts of Lebanon that killed at least 357 people, many of them civilians. In Lebanon people are calling it Black Wednesday. The Israel Defence Forces (IDF) claims the targets were Hizbullah members. Many Lebanese look at the bulldozing of border villages and the deaths of civilians and fear a fate similar to that of Gaza. The attacks drew wide international condemnation and a rare rebuke from Mr Trump, who in a call told Binyamin Netanyahu, Israel's prime minister, to "low-key" the attacks. Israel has since refrained from strikes on Beirut but America has backed its refusal to accept a truce.

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Israel's military leaders are clear that there is only so much they can do against Hizbullah. On April 3rd an Israeli general got into hot water with the politicians and residents of the north when he told journalists that fully disarming the group would be impossible without "[occupying all of Lebanon](#)" and that Israel's war aims there should be more "humble". Humility is an unfamiliar concept to Israel's hard-right government.



Before the talks, Mr Netanyahu had demanded that the Lebanese government present a comprehensive plan for disarming Hizbullah and for establishing diplomatic relations between the two countries. Lebanon had little hope of offering that. It wants a truce without such preconditions. It called for Israel's withdrawal from the south, the return of Lebanese prisoners and no de facto security zones.

Afterwards, Israeli officials were cautiously optimistic. "The important thing is that we now have a shared interest with the Lebanese: to decouple what happens between us from our conflict with Iran." But neither side expects quick results. "Negotiations might be arduous and may take lots of time," said one Lebanese minister.

Decommissioning Hizbullah's arsenal and forcing the group to accept the disbanding of its military wing would take years. It would require a political consensus for such a shift within Lebanon's deeply fractured society and the building up of the capacity of the Lebanese army. Even if such a shift were possible, Mr Netanyahu is unlikely to give them the necessary time. Meanwhile, Hizbullah's leaders and their Iranian backers have in recent days made thinly veiled threats of a coup against the government in Beirut, should Lebanon's rulers try to disband it.

Like Iran, Hizbullah has suffered far more militarily than its foe, but it is still able to menace Israel. As one Israeli official put it, "their main advantage is that they are prepared to pay much higher prices than us" because their survival is at stake. Israeli commanders in the field say they have been surprised at the willingness of its fighters to join the battle.

One worry is that Hizbullah's leadership has been so hollowed out by Israeli attacks that those left are, in the words of Mark Daou, a Lebanese MP, "just the retirees from the security apparatus". The fear is that real authority rests in Tehran. Mustafa Fahs, a Shia analyst, says bluntly: "You can only take Hizbullah's weapons with one thing: a fatwa from Iran."

And yet the prize for Lebanon of taking on Hizbullah would be grand. A political deal might attract regional support, end the fiction of the militia as the core of Lebanon's defence strategy and force Lebanon's leaders to deal with the group's arms. "The game-changer," says Mr Daou, "is if you no longer allow Hizbullah to function, not just disarm

it." Degraded and politically isolated, the group may have no better moment to accept terms. The question is whether its sponsors in Iran permit it. ■

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Laws of war

Is bombing power plants and oil facilities a war crime?

The answer is more complicated than it seems

4月 16, 2026 04:16 上午



EVEN AS AMERICA and Iran talk about more peace talks, Donald Trump is still raising the prospect of bombing Iranian infrastructure. "I would hate to do it, but it's their water, their desalinisation plants, their electric-generating plants, which are very easy to hit," said the American president on April 12th.

America's armed forces are sworn to defend the constitution, which names the president as their commander-in-chief whose orders they should ordinarily obey. Yet international laws of war also direct them

to disobey “manifestly unlawful” orders. The instruction from Pete Hegseth, the secretary of war, to show “no quarter, no mercy” to incapacitated enemies, is expressly forbidden in international law. But what of attacks on bridges, power stations and oil facilities?

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

The laws of war state that civilian facilities are not lawful targets unless they pass three tests. The first is that they are being used for military purposes and that attacking them will provide a “definite” military advantage. The term “definite” is not precise, but suggests that the advantage cannot be speculative. That means that bridges used to move troops or ammunition, or power stations that provide electricity to radar stations, could be targets.

The next test is whether everything feasible has been done to minimise harm to civilians. Before striking a power station used by civilians and, for instance, an air-defence site, an attacker would have to examine whether it could instead cut power to the air defences by attacking, say, a substation or power line leading to it.

Last, the attacker has to pass a proportionality test, meaning that any expected civilian harm is not excessive in relation to the anticipated military advantage. By that test some bridges or power plants might be considered lawful targets. “When I was a targeting officer back in the last century, we always went after bridges,” says Michael Schmitt, formerly an American air-force officer and now a law professor at the University of Reading. “But it was not every bridge. You would have to say that the enemy is using my bridge, or I know that the enemy will be using my bridge.”

But implementing Mr Trump’s threat to destroy desalination plants, which are essential for sustaining civilian lives, or all bridges and power plants, would be clear breaches of international law. So is Israel’s indiscriminate destruction of buildings and homes in Gaza and Lebanon on the basis that they might be used by Hamas or

Hizbullah. America's blockade of Iran's ports, though an act of war, is legal.

It is, however, less clear whether blowing up oil facilities would be a war crime, at least under American law. Most countries consider attacks on purely economic infrastructure unlawful, but America claims the right to attack "war-sustaining" targets that generate finance for the enemy. It was on this basis that America bombed drug labs in Afghanistan and, along with allies including Britain and France, struck oil wells controlled by ISIS in Syria.

Mr Hegseth breezily dismisses the laws of war as "stupid rules", but his subordinates and allies are more troubled. American troops could be charged with war crimes, in America or abroad. Allies such as Britain could put themselves in legal jeopardy if they knowingly aid American breaches of international law by, say, letting bombers use British airfields.

Ironically, Mr Trump may turn out to be most shielded by the law, since his threats are so outlandish that he could claim he did not mean them literally. "My president has taken puffery to a high art form," says Professor Schmitt. "That actually works to his benefit, because it's difficult to give credibility to much of what he says." ■

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A strange golden age

Zimbabwe's bizarre economic boom

A gold rush is combined with a power grab

4月 16, 2026 04:15 上午 | Mazowe



Thanking God for President Trump

IN THE MAZOWE RIVER VALLEY, 50km north of Harare, Zimbabwe's capital, the gold rush is hard to miss. Hillsides have been hewed by excavators that scoop out ore as if it were gelato from a tub. Pipes divert the river to washing stations used by small-scale miners. So much water has been redirected that the dam fed by the river looks like a silty pond.

The effects of the gold rush can be seen far beyond Mazowe. Zimbabwe, often considered an economic basket-case because of its history of farm seizures and hyperinflation, is enjoying an idiosyncratic boom. High prices for the metal and other commodities have led to a surge of cash through its highly informal economy. They have made it easier for authorities to stop printing money and meddling in currency markets; inflation is at its lowest in about 30 years. The IMF has repeatedly revised upwards estimates for economic growth, most recently to at least 7.5% for 2025, almost double the African average.

Yet while Zimbabwe's economy is doing better than many outsiders assume, its politics are as nasty as ever. Emmerson Mnangagwa, the 83-year-old president, is following his predecessor, Robert Mugabe, in trying to amend the constitution to stay in power, perhaps for life.

Gold is a seam that runs through the country's history. Cecil Rhodes colonised the area he would name after himself (Rhodesia) in pursuit of what some imperialists thought was the original land of Ophir, the source of King Solomon's gold. Rhodesians never found much. But in Zimbabwe, as the country became in 1980, gold has grown ever more vital.

In 2025 the country officially produced 47 tonnes of gold, the most on record, more than double a decade ago. (Smuggling means the actual total will be higher.) That generated \$4.6bn, about half of all exports by value, as volatility in global financial markets drove demand, pushing up the price. It has almost tripled in five years. "We never imagined these sorts of prices. Thank God for President Trump," says Victor Gapere, a mining investor.

The effects have been widespread. At artisanal sites miners use mercury and cyanide that are recirculated into the water used for drinking and irrigation. Higher prices also mean more potential rewards for smugglers, which various investigations have linked to

political bigwigs. American sanctions on Mr Mnangagwa cite his alleged involvement.

Yet some proceeds from mining end up in the pockets of the hundreds of thousands of Zimbabweans who work in artisanal mining. They can make many hundreds of US dollars a month. "These youngsters are loaded," says a retailer, describing how sales of motorcycles, electronics and medicines have risen.

Gold is not the only source of growth. The current tobacco crop will be the largest on record. Lithium, chrome and platinum miners, many of them Chinese, have raised production. Zimbabwe's diaspora, mainly in South Africa, sent back \$2.5bn last year. So overall demand is higher than ever, says a banker.

Much of this spending is in the black market, bypassing customs and tax officials. This is "the Congo-fication of Zimbabwe", says a financier. Houses in Harare are selling, in cash, for record prices: investors prefer property over bank savings because of the spectre of inflation. A private-vault industry is enjoying heady times. Perhaps \$2bn-4bn in gold and cash are stored in these safes, says an informed official.

Policymakers have less need to print money when the country is actually digging it out of the ground. The Zimbabwe gold (ZiG), launched in 2024, has so far avoided the same descent into devalued irrelevance as the handful of previous currencies. John Mushayavanhu, central-bank governor since 2024, has largely refrained from forcing adoption of the ZiG in a country that in reality has dollarised. More than a year of relative macroeconomic stability led the IMF in February to agree to its first staff-monitored programme since 2019.

Yet if the economy is less bad than under Mugabe, the politics are not. In February the ruling Zanu-PF proposed a bill to lengthen politicians' terms from five years to seven, delaying the end of Mr

Mnangagwa's rule from 2028 to at least 2030. If he argues that an amended constitution means he can serve two more terms, he could in theory still be in power aged 100. The bill would end direct presidential elections; MPs would elect him, allowing him to secure his stay through patronage.



Critical MPs and NGOs have either been co-opted or suppressed. Businesspeople fret about the bill, but would not dare criticise it in public. Some say the vice-president, Constantino Chiwenga, a former military chief who helped Mr Mnangagwa topple Mugabe in 2017, is plotting another coup, as he was expecting to take over in 2028. The president has tried heading this off, sacking officers close to his deputy.

Despite earlier hopes that Mr Mnangagwa might normalise relations with the West, his power grab makes it less likely. Zimbabwe has been unable to get official development finance for almost 30 years, having racked up unpaid debts of \$7.4bn with the World Bank and several Western governments. Since restructuring that debt depends partly on political reform, the bill will make it harder for European governments to strike a fresh bargain.

The return of Donald Trump, who covets African minerals and cares little about African democracy, has not led to a rapprochement. Some analysts felt his transactional zest would suit Zanu-PF, but the party has barely bothered to make eyes at the Trumpists. In February it rejected an aid offer that would have kept American funding for, among other things, anti-HIV drugs for the country's 1.3m sufferers.

The logical conclusion is that Zimbabwe's elite enjoy the status quo. With high commodity prices there is money to be made, licit and illicit. As long as Zimbabwean nannies and gardeners in South Africa send home their pay, a welfare state sustained by the diaspora will endure for the millions not involved in the gold boom. And who needs the West, when you have your Chinese friends? Ultimately opening the economy would mean losing control—and Zanu-PF does not want that.

A respected businessman in Harare notes how visiting investors marvel at the lack of crime. Then he pauses, smiles and cracks a local joke. "The reason we have no criminal gangs in Zimbabwe is that the biggest gang is the ruling party." ■

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Bogus in Benin

A victory in Benin's presidential election was hardly democratic

One of west Africa's bastions of democracy has fallen

4月 16, 2026 07:22 上午



Voting's not what it used to be

BACK IN 1991, as the cold war ended, Benin won the distinction of becoming the first post-colonial country on the continent of Africa to eject its incumbent ruler peacefully at the ballot box under universal suffrage. Zambia followed suit months after. A post-cold-war trend towards multiparty democracy and more open politics caught on

across Africa. All the sadder, therefore, that once bouncy Benin has become yet another recent backslider.

Romuald Wadagni's presidential campaign trail felt like a victory lap. Even his sole competitor dared not criticise him. Soon after 4.6m voters had headed to the polls on April 12th, provisional results gave the 49-year-old Mr Wadagni 94% of the vote. This was Benin's least democratic election in almost three decades.

The winner was handpicked by Patrice Talon, Benin's outgoing president, whose ten-year tenure married economic gains with a stark authoritarian drift. The ruling alliance of the Progressive Union Renewal and the Republican Bloc won all 109 parliamentary seats in a general election in January. The largest opposition party, Les Démocrates, was barred from competing for the presidency. The results were all but decided before the polls opened.

Successive transfers of power through elections had made the coastal west African country of less than 15m a pioneer of democracy in the region but also spurred a political fragmentation: over 200 political parties and dozens of presidential candidates popped up. Exploiting this chaos, Mr Talon enacted an array of electoral and constitutional reforms to entrench his ruling alliance. Aspirants must be sponsored by a fifth of sitting MPs. A new legislative chamber, where Mr Talon will sit, has been vested with extensive powers. He not only cleared the way for his chosen successor, but has managed to secure his own influence for years to come.

Mr Wadagni was an efficient, long-serving finance minister under Mr Talon. A former executive at Deloitte, a consulting firm, he set Mr Talon's economic agenda. He steered Benin to its highest GDP growth in over three decades, reaching 7.5% in 2024. Income per person has jumped by 50% since 2015. Private business is more robust, the cotton industry vibrant; Mr Talon, who made much of his

wealth in it before he took office, is known as Benin's "cotton king". Entrepreneurs say it has become easier to do business.

But Mr Wadagni shows no signs of breaking rank with his godfather in politics. Many of the old political elite have been co-opted. Several who had dared to take on Mr Talon in previous elections were barred from running again or had been exiled after being found guilty on dubious charges. Human-rights campaigners have been jailed, the courts muted.

Yet observers across the region have made little fuss, perhaps rating security as more pressing than democracy. An attempted coup last year was foiled with help from Nigerian forces. Benin has already been affected by deadly jihadist conflicts in Burkina Faso and Niger, its neighbours to the north, and in adjacent north-western Nigeria. Attacks last year on Benin's border villages were much more numerous than the year before.

"In 20, 30, 50 years, when people have seen the positive effects of our reforms and the improvement in people's living conditions, everyone will forget the criticisms that made people think our democracy was in decline," says a government spokesman. Can one be so sure? ■

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Europe

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A crushing defeat

“Complete change of regime” in Hungary

Peter Magyar vows to root out corruption

4月 16, 2026 04:15 上午 | Budapest and Szentendre

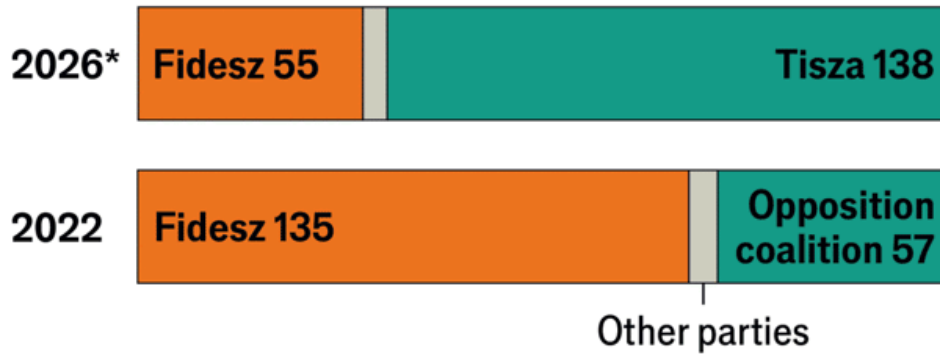


AS SOON AS it was clear that Viktor Orbán had lost Hungary’s election on April 12th, crowds swarmed into Budapest’s streets, slowing cars and high-fiving the passengers. Gergo stood outside a bar, waving a bottle of champagne and cheering. Drivers honked back in a four-beat pattern, mimicking the chants of *mocskos Fidesz* (filthy Fidesz, Mr Orbán’s party) and *Ruszkik haza* (Russians go home). “It feels like we have been under a heavy blanket for 16 years [since Fidesz came to power], and it just got lifted,” said Gergo.

There was never any doubt that Budapest, a liberal metropolis, would vote for Peter Magyar and his opposition Tisza party. But his victory was broad. Rural regions in the east and south went for Mr Magyar, too, fed up with corroding social services and an economy that has barely grown since the EU blocked aid over corruption concerns in 2022. Tisza ended up beating Fidesz by some 52% to 40% (see map). Our Homeland, an ultra-nationalist party, sneaked into parliament with 6%.

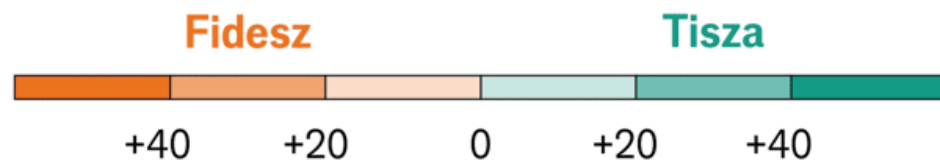
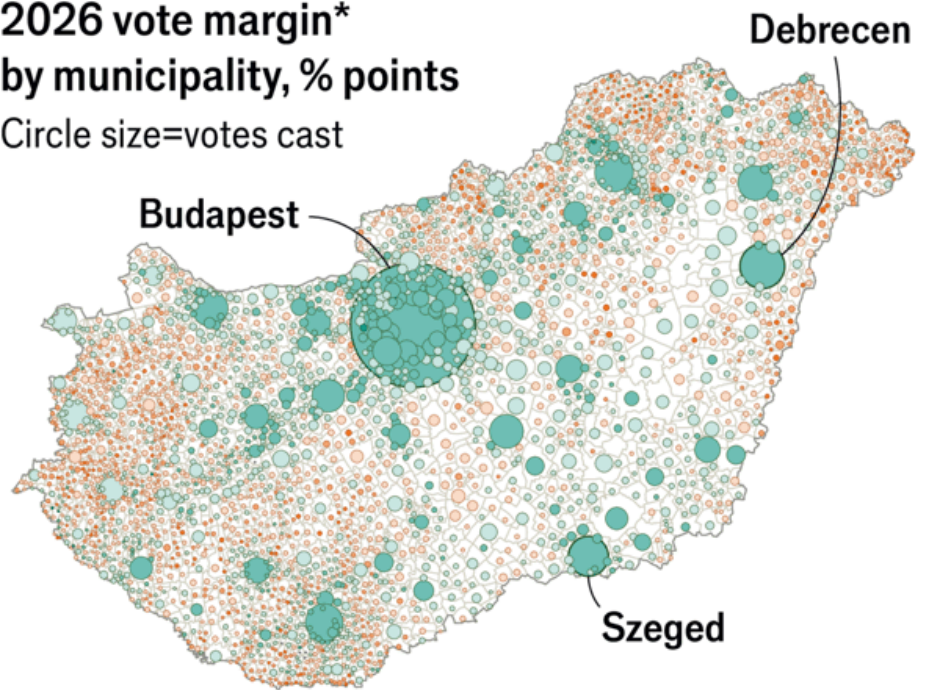
Hungarian elections

Parliamentary seats won



2026 vote margin*
by municipality, % points

Circle size=votes cast



*At April 13th 00:09 BST with 99% of votes counted,
seat winner attributed to leader at the time

Sources: National Elections Office; *The Economist*

The day after the celebrations, in a three-hour press conference, Mr Magyar vowed to reverse Mr Orban's takeover of the state and to root out and punish the systematic graft that has made Hungary the most corrupt country in the EU according to watchdogs. "The Hungarian people voted not for a simple change of government, but for a complete change of regime," Mr Magyar said. "This country was held hostage. It was a captured state."

That capture was long in the making. Mr Orban used Fidesz's two-thirds majority in parliament to alter Hungary's constitution in his favour, and to stuff the civil service and independent institutions with apparatchiks. Mr Magyar wants to cleanse the system quickly to avoid the fate of Poland's Donald Tusk, who has struggled to restore the rule of law since defeating his country's populists in 2023. He has demanded the resignations of Fidesz officials including the president, the heads of the supreme and constitutional courts and the chief prosecutor. If they do not leave, he will try to use his two-thirds majority to oust them; preliminary counts give Tisza 137 of the 199 seats. But the president must sign legislation, making that difficult.

The prime minister-elect plans to reform the constitution Fidesz distorted, after some form of popular consultation. He wants a two-term limit for prime ministers, which would block Mr Orban from running again. He will also need to unwind what Mr Orban called the System of National Co-operation, which put cronies in charge of universities and state-owned firms (such as MOL, the state energy company), and created Fidesz-friendly media foundations and think-tanks. Mr Magyar says he will end subsidies for outfits such as the Mathias Corvinus Collegium Foundation, which put Budapest at the centre of the global populist movement.

Undoing media distortion may be easier than it seems. Vast government advertising spending on Fidesz-friendly outfits will now end. Independent outlets that uncovered corruption, such as Telex and 444.hu, will gain a level playing field.

Indeed, Mr Orbán's governing machine is already cracking. Hungarians were amused to see the state broadcaster transmit Mr Magyar's entire press conference, after refusing to cover him during the campaign except in hostile clips. "The system is very quickly falling apart," says Botond Feledy of Red Snow, a risk-analysis firm. Before the election there were anecdotal reports of people taking Fidesz-linked wealth out of the country, and a number of businessmen and civil servants defected to Tisza. Should loyalists lose confidence that Mr Orbán can return, they may reveal details of corruption under his rule.

The new government's priority is to unlock the blocked EU funds, currently worth around €18bn (\$21bn), or nearly 10% of GDP. Officials in Brussels are well disposed towards Mr Magyar (not least since he promised to lift Mr Orbán's veto on a €90bn loan for Ukraine), but want a clear plan to restore the rule of law, to ensure money is not spent corruptly. Much of the aid comes from the EU's post-covid recovery plan, and will expire at the end of August. It would reduce debt and help lower interest rates, which are now four percentage points higher than in the euro zone. Economists think this could raise the growth rate by a percentage point or more.

For the EU, Mr Orbán's departure is an enormous relief. Hungary had become Vladimir Putin's ally inside the bloc, vetoing sanctions and aid to Ukraine in exchange for cheap Russian energy. (Russia sent social-media operatives to aid Fidesz, but that may have hurt more than it helped.) Mr Magyar is less likely to reverse Hungary's friendly stance towards China, which has huge battery and electric-vehicle investments in the country.

Fidesz's defeat is also a blow to its MAGA allies. Donald Trump promised to back Hungary with America's "full economic might" if Mr Orbán won. Other European populists may conclude that Mr Trump is now a hindrance rather than a help.

Mr Orban can stay in office until May 12th. For many the test of the next administration will be whether it prosecutes those who illicitly enriched themselves under Fidesz. Hungary had one of the Soviet bloc's softest transitions after communism, and its failure to punish the guilty tarnished later governments. Many voted for Tisza to end the pattern of corruption. Mr Magyar promises never to allow "government without accountability"—a pledge that resonates far beyond Hungary. ■

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The folly of crowds

A scramble ahead of France's presidential election

A populist-right victory is possible, but not inevitable

4月 16, 2026 04:15 上午 | PARIS



IN 12 MONTHS' time, French voters will elect a successor to Emmanuel Macron. The president is barred by the constitution from serving more than two consecutive terms—although he could try for a third, after a gap, in 2032. Polls for next year's two-round presidential vote consistently suggest that the only candidate almost certain to reach the run-off is whoever represents the populist-right National Rally (RN), whether Marine Le Pen or Jordan Bardella. But the rest of the race is open, and crowded. "We're at the stage of

worst rivalry,” says a centrist close to Mr Macron. “Everyone is saying: ‘Why not me?’”

The curse of plenty afflicts all mainstream parties. On the left, there are lots of aspirants but no agreement on how to select one. Olivier Faure, the Socialist leader, wants to hold a primary. Raphaël Glucksmann, who polls better than others in first-round voting (with 10-14%), is against the idea and will not take part in one. Some on the left want to join forces with Jean-Luc Mélenchon, a hard-left firebrand with his own party, to pick a single candidate. Others judge Mr Mélenchon toxic. In the background lurks François Hollande, a former president, who, says a friend, wants to make a comeback “if he can”.

Matters are no clearer for the Republicans on the right. Members vote this week on whether to hold a primary. Bruno Retailleau, the party leader, looks best placed to win one. But in first-round presidential polls he scores mostly in single digits. He also faces rivals including some who have set up their own parties, among them David Lisnard, the mayor of Cannes, and Dominique de Villepin, an ex-prime minister. None is likely to do any better than Mr Retailleau in presidential polls.

The centre, opened up by Mr Macron in 2017, is also split. Two of his former prime ministers hope to be its champion. Neither is as compelling a candidate as Mr Macron was in his time. Edouard Philippe, boosted in the polls by his recent re-election as mayor of Le Havre, has said that he is standing. Gabriel Attal, who runs Renaissance, the president’s party, is also expected to. On April 23rd Mr Attal publishes a book entitled “As a Free Man”, which looks like both an effort to distance himself from Mr Macron and a prelude to a presidential bid. Polls suggest that Mr Philippe is better placed to qualify for the run-off. He could win 25.5% of first-round voting, second to Mr Bardella on 38%—and is currently the only candidate with a chance of beating the RN leader in a run-off.

The risk of this crowded field is that too many mainstream candidates split the vote—and hand voters a choice of two extremes. This is why some centrists and Republicans are urging an alliance behind a single candidate. A group of 90 of them published an open letter last month to this end. It is hard, though, to see how such rivals could now settle on one.

Poll vault

France, presidential elections

Election year	Poll front-runner* <i>First round</i>	Winner <i>Second round</i>
1995	É. Balladur	J. Chirac
2002	J. Chirac or L. Jospin [†]	J. Chirac
2007	N. Sarkozy or S. Royal [†]	N. Sarkozy
2012	D. Strauss-Kahn	F. Hollande
2017	A. Juppé	E. Macron
2022	E. Macron or M. Le Pen [†]	E. Macron
2027	National Rally candidate [‡]	?

*One year before †Depending on poll ‡J. Bardella or M. Le Pen
Sources: French Interior Ministry; national polls

In the end, suggests a centrist figure, “the sorting tool will be the polls”. That may take time. Presidential polls a year from a vote are

often wrong (see table). Mr Macron, who was barely tested as a candidate 12 months from the day he won the presidency, knows this better than most. Decisive polling trends often take place just a couple of months, if not weeks, before the vote. It may not be until early 2027 that conclusions are drawn, deals between rivals are done, poorly placed candidates stand down and the field narrows.

As for the RN, it too does not yet know which candidate it will field. The court of appeal rules in July whether to uphold a ban on Ms Le Pen running for public office over her party's misuse of European Union funds. If it does, the RN has agreed that the candidacy will pass to the 30-year-old Mr Bardella, whose liaison with an Italian princess was recently splashed across the pages of *Paris Match*, a glossy magazine.

With motorists angry about rising fuel bills, and Mr Macron soon entering his tenth year in office, the RN is surfing potent anti-incumbency sentiment. But it has also lost a big ally in Europe, now that Hungary's Viktor Orban has been ousted.

An RN victory next year is—for the first time—a real possibility, but it is not a foregone conclusion. “The consistency of polls along with recent election results point to a very strong probability that the RN qualifies for the second round,” says Mathieu Gallard of Ipsos, a polling group. “But the polls don't allow us to say that Bardella or Le Pen are favourites to win.” ■

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A friend in need

In the Gulf, Ukraine flaunts its skill at intercepting drones

Deals with Saudi Arabia, Qatar and the United Arab Emirates show it is now a defence-industry power

4月 16, 2026 04:31 上午



SOON AFTER launching his assault on Iran, Donald Trump snubbed Ukraine. “We don’t need their help in drone defence,” Mr Trump told Fox News. “We have the best drones in the world, actually.”

The Gulf states, under attack by Iranian missiles and Shahed drones, took a different view. At their request, [Ukraine rapidly sent them](#) 228 advisers with battle-tested experience in drone defence. In late March Ukraine’s president, Volodymyr Zelensky, toured the region

and signed ten-year security partnerships with Qatar, Saudi Arabia and the United Arab Emirates. Ukraine is also working with Jordan and Kuwait.

The agreements are a recognition that Ukrainian expertise, after four years of a war that has involved attacks by up to 1,000 Russian drones in one night, far exceeds anything that America and the rest of Europe can offer. Ukraine's defence firms have honed the mass production of interceptors that cost \$2,000-5,000 each. These are now taking out up to 90% of the \$50,000 Russian Geran-2 drones (an improved version of the Iranian Shaheds) that are launched at Ukrainian cities.

The cost differential is critical. The Gulf states have extensive air defences, but it is absurd to shoot down slow-moving Shaheds with Patriot interceptors costing \$4m each or \$500,000 air-launched AIM-9X Sidewinders. These should be reserved, respectively, for taking out ballistic and cruise missiles, which move too fast for drones to hit. The Ukrainians, says Tom Waldwyn of the International Institute for Strategic Studies, a British think-tank, have become proficient at matching the shooter to the target. They are helped by the AI-enabled battlefield-management system they have developed, known as Delta.

It will take time for Gulf states to build the arrays of sensors needed to thwart large-scale attacks. But the Ukrainians have taught them vital lessons in making sense of the data from detection systems, says Nico Lange, a former chief of staff at the German defence ministry. "What Ukraine brought to the table immediately worked," he says. For Ukraine, stopping the few drones that Iran has been reduced to launching each day would be something "they can do with their eyes shut".

Some secrecy still surrounds the deals. Co-production of air-defence systems and partnerships between government-approved Ukrainian

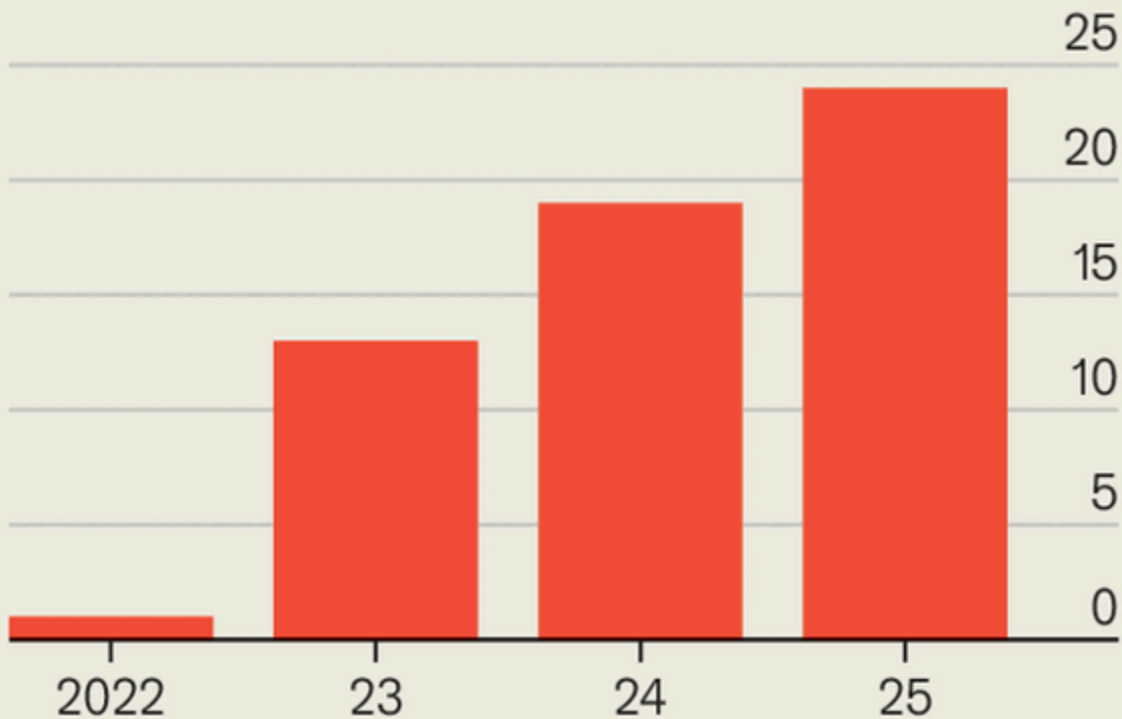
defence firms and Gulf counterparts are expected. Ukrainian companies will get a welcome injection of cash and new orders.

Offers of financing have begun to pour in, say industry insiders. The war has sparked "huge interest" in Ukrainian drone interceptors among the Gulf states, says Oleksiy Honcharuk, of Uforce, which recently became Ukraine's first defence-technology unicorn. Such partnerships provide "new cards" for a country told by Mr Trump that it had none, says Ihor Semyvolos, a Ukrainian analyst.

The Ukrainian government sees the deals in long-term geopolitical terms. Mr Zelensky is eager to export "our system of protection, the skills of our warriors, the knowledge that our state possesses". There will be immediate gains too, Mr Lange reckons, such as Qatar's transfer of 12 Mirage fighter jets and diesel. What matters most, says Andryi Zagorodnyuk, a former Ukrainian defence minister who chairs the Centre for Defence Studies, a think-tank, is that countries see Ukraine not as a supplicant but as a valuable security partner.

Drone on

Selected European defence-company agreements* with Ukrainian companies



*Includes memoranda of understanding, letters of intent, agreements to co-operate, joint ventures, production

Source: IISS

under licence and establishment of subsidiaries

Ukrainian arms firms will increasingly branch out into exports, says Mr Waldwyn, especially if the war with Russia winds down. They will need to find new customers to maintain scale. But even now, co-production outside Ukraine has benefits. Much of what Ukraine produces relies on dual-use parts, many of them from China. China withholds some technologies from Ukraine that it happily sells to Russia. But China relies on Gulf Arab countries for half its oil imports. It is likely to sell them anything they want for systems they co-produce with Ukraine.

Europe is waking up to the benefits, too. In 2025 European and Ukrainian companies signed more than 20 agreements, nearly twice the number signed in 2023 (see chart). In February four Ukrainian defence manufacturers launched joint ventures with firms from Denmark, Finland and Latvia. And the European Commission has approved a \$1.7bn programme to integrate Ukraine's defence industry with Europe's.

Hell's kitchen

But Europe's sclerotic defence ministries and traditional arms companies may not be culturally ready for what Ukraine offers. Mr Waldwyn says they still think in terms of 30-year programmes with burdensome regulatory processes. In contrast to Ukraine, where products that do not work in combat are quickly binned, there is little connection between those buying the kit and those who will use it.

That gap was highlighted by Armin Papperger, the boss of Rheinmetall, Germany's biggest arms-maker, in a condescending interview on March 27th with the *Atlantic*, an American magazine. Mr Papperger likened Ukrainian drone technology to "playing with Lego", saying it was produced by "housewives" who "have 3-D printers in their kitchens". The backlash came fast. Rheinmetall apologised, calling Ukraine's "innovative strength and fighting spirit" a "source of inspiration". Mr Papperger's remarks may have been a misguided marketing ploy to demean competitors. His own company's pricey Skyranger anti-drone system, which has been ordered by the German army, is running many months behind schedule. ■

Correction (April 14th 2026): An earlier version of this article incorrectly referred to the number of agreements signed in 2024. It should have stated 2023.

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Panic vroom

European policymakers fiddle with energy prices, again

By subsidising fuel, they are delaying adjustments in demand

4月 16, 2026 06:00 上午



Sleepy protest

“THERE ARE genuine people there with genuine concerns,” said Helen McEntee, Ireland’s defence minister, after the army had been called in to help deal with protesters who had clogged roads with slow-moving convoys and blockaded fuel depots, ports and the country’s only refinery. Their frustration, as in much of Europe, is with fuel prices, which have jumped because of the war in the Gulf.

And the protests are succeeding, with policymakers starting to give in. The Irish government is planning a €500m (\$589m) package to cut taxes on fuel, along the lines of similar fuel-tax cuts introduced by Spain and Poland and planned by Germany. Motorists and lorry drivers are not the only beneficiaries. Many of these programmes also include fuel subsidies for farmers and fishermen. The European Commission, meanwhile, is considering loosening its strict state-aid rules to allow a wide range of subsidies.

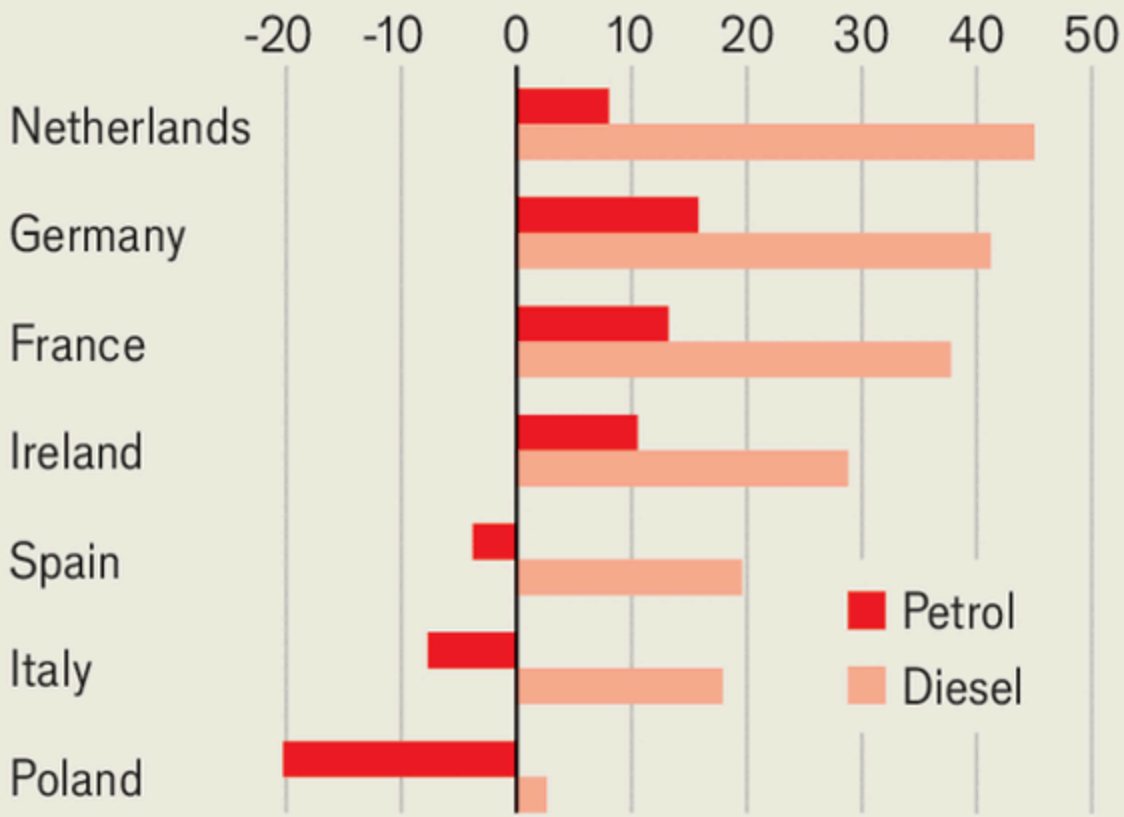
As the stand-off between America and Iran over the Strait of Hormuz continues, European policymakers are once more under pressure to contain inflation, ease the stress felt by households and businesses, and limit the economic fallout. Christine Lagarde, the president of the European Central Bank, said on April 14th that economic growth in the euro zone is already below the bank's baseline projection. On the same day, the IMF published lower forecasts projecting growth of just above 1% in the euro zone for this year and next.

Yet the efforts of Europe's politicians to protect consumers from higher energy prices show they have learned little from the past. For a start, petrol is not particularly expensive. Comparing its price with that of years ago without accounting for overall inflation is a common fallacy. In real terms, which makes prices comparable across time, petrol is about as expensive today as it was on average during the ten years before 2015. In Poland petrol is about 25% cheaper than it was back then. Moreover, the fuel accounts for only about 2% of the overall consumption basket that measures inflation, so there is little economic reason to cap or lower its price.

Panic at the pump

Fuel prices*, April 8th 2026

Real % change from 2005-25 average



Sources: European Commission; Eurostat

*Includes taxes

Diesel, another 2% of the price basket in some countries, is more expensive than the longer-term average (see chart). It also indirectly raises prices of other goods, like food, by increasing logistics or farming costs. That points to a deeper problem for Europe, which makes price caps even worse. Although the continent is a net exporter of petrol (made from mostly-imported crude), it is a net importer of diesel and kerosene. "Europe consumes about 6.6m barrels a day of diesel, and imports about 1.2m of that," says Michael Connolly of ICIS, a research firm. Half of those imports came

from the Middle East. “We are running down inventories, and we haven’t cut the demand yet.” With jet fuel, the situation is similar.

In 2022 Europe was able to redirect liquefied-natural-gas tankers heading from the Gulf to Asia. But with the Gulf closed, there are few tankers at sea to redirect. Moreover, Asia itself cannot come to the rescue because it lacks the crude to fill its own refineries in the first place. As a result, the European “crack spreads” (the price premium over crude oil) on these fuels has ballooned from \$10-20 per barrel before the Russian invasion of Ukraine to \$60 for diesel and even \$100 for jet fuel, according to ICIS. If Gulf supplies are not going to come back soon, European prices will have to climb higher still to force demand down in order to balance it with supply. Yet price caps exacerbate the problems, because they subsidise demand.

Policymakers have other options. Income support for vulnerable households is one. Yet the German government’s plans to allow firms to give employees a tax-free bonus will probably serve the well-off most. Another is the approach of France, which will double state support to €10bn a year to help households and firms to electrify. Such a focus on investment is promising, because capital spending is usually a big casualty of geopolitical and energy shocks.

A study by Dario Caldara of the Federal Reserve and co-authors looking at Russia’s invasion of Ukraine shows that firms with exposure to the conflict reduced investment substantially. The ECB has found that oil shocks depress capital expenditure and R&D investment. Rather than self-defeating price caps, governments should boost investment where they can. ■

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A Spanish-Basque row over a painting

Where should Pablo Picasso's "Guernica" be allowed to hang?

Arguments over the painting's rightful place hark back to ugly regional politics

4月 16, 2026 08:15 上午 | MADRID



AT THE HEART of the Reina Sofía national museum in Madrid is the huge canvas of Pablo Picasso's "Guernica", with its anguished faces and contorted bodies: an icon of 20th-century art. If Basque nationalism has its way, from October it will spend nine months at Bilbao's Guggenheim museum, to mark the 90th anniversaries of the regional government and the aerial bombing of Guernica itself by

Nazi Germany during the Spanish civil war, killing 200 to 300 civilians. The Reina Sofía's response, backed by Pedro Sánchez's Socialist government, is that the oil painting is too fragile to travel.

That hasn't persuaded the Basques, who want an inquiry. "We want to know the optimal conditions for this painting to come home," said the deputy head of the regional government. Since Mr Sánchez depends on Basque nationalist parliamentary votes, they have some leverage.

In fact, Guernica's "home" is Madrid. It was commissioned in January 1937 for an international exhibition in Paris by the Spanish Republic's beleaguered government battling General Francisco Franco's nationalist forces. The painting is a universal denunciation of fascism and war. It came back to Spain in 1981, only after democracy had returned, as Picasso had stipulated. In 1992, it was installed in the Reina Sofía and has never moved since.

The Basque demand has been backed by Catalonia's Socialist regional government. That smacks of hypocrisy. The National Museum of Catalan Art in Barcelona has been slow to comply with an order from the Supreme Court to return 12th-century frescoes to a monastery at Sijena, a village just across the border in Aragón. The judge in charge of the case recently gave the museum 13 months to return the frescoes.

Some see the Sijena dispute as coloured by the Catalan separatists' failed bid for independence in 2017. But the bigger question behind these rows is whether a country of radical decentralisation can hang on to national art collections. Perhaps in Spain art, like politics, is doomed to be local. ■

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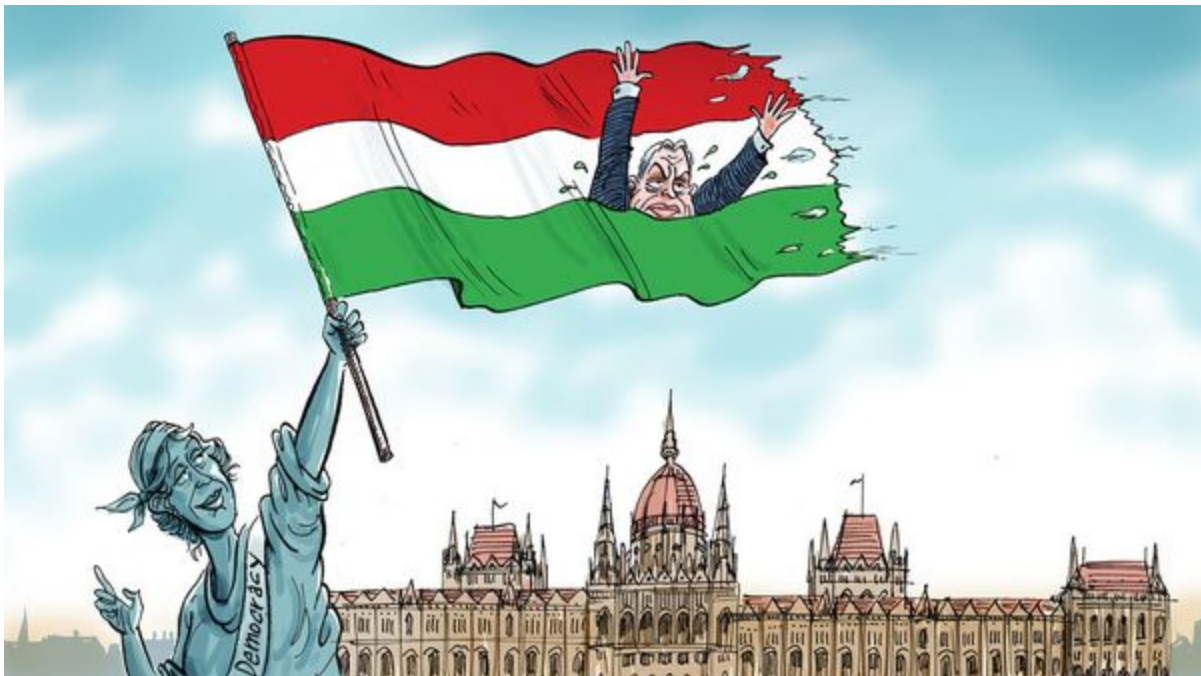
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Charlemagne

Orban-proofing the EU

How the leader of a small, poor country held such sway over the bloc

4月 16, 2026 08:47 上午



WHEN WAS the last time an election in a small European country had the world holding its breath? Early 2015, perhaps, when Greek voters handed Syriza, a far-left outfit, a mandate to reverse the onerous terms of their country's bail-out, a task at which it failed spectacularly. Some 15 years earlier Austria had brought an extreme-right party to power for the first time in the European Union. These events injected disruption into Europe's bloodstream. Hungary's election on April 12th, by contrast, was a [victory](#) to the forces of moderation more resounding than mainstream European leaders dared hope.

During his 16 years in power Viktor Orban metamorphosed from a headache for the EU into a spoiler and then a nightmare. Peter Magyar's thumping success in winning over voters united in little other than a desire to rid themselves of a prime minister who bankrupted and isolated their country, has restored some confidence to a European mainstream assailed by chaos from without and upheaval within. Mr Magyar promised to reverse some of Mr Orban's domestic outrages, to restore a constructive approach in Brussels and to unblock aid for Ukraine. "People want Europe! This really is a turning-point," exulted one diplomat.

It remains to be seen whether Mr Magyar, a political novice who spent most of his career in Mr Orban's Fidesz party, can live up to the hopes placed in him. Yet lost amid the euphoria are awkward questions for the rest of Europe. How did Mr Orban, the leader of a small, poor country, become the EU's disrupter-in-chief and an international icon for nationalist conservatives? How was his illiberal rule able to flourish for so long inside the EU? And how can the club hope to contain the next Orban?

The first answer is that, for all his faults, Mr Orban was a talented diviner of political moods, at home and abroad. When migrants from Syria, Afghanistan and elsewhere began streaming into the EU in 2015, for example, he saw earlier than most that voters would demand security on the EU's external border before countenancing schemes cooked up in Brussels to redistribute asylum-seekers from one country to another. Mr Orban's rhetoric was racist and divisive. But, as many European politicians will acknowledge, the security-first policy embedded in the border fence he built a decade ago is close to mainstream thinking today.

This in turn nurtured Mr Orban's sense that some democracies were developing an appetite for the nativistic form of conservatism he had pioneered, sceptical of wokery and indulgent of strongmen. His success at consolidating his power not only politically but also via the media, universities and favoured firms inspired populist-right

outfits across Europe and beyond. This is why J.D. Vance was dispatched to Budapest to bolster his campaign. “Trump before Trump”, Steve Bannon called Mr Orbán.

Yet the comparison extends only so far, because Mr Orbán could not have succeeded outside the EU or without support from the “Brusselians” he railed against. As soon as he took office in 2010 he began undermining the integrity of Hungary’s institutions and its electoral system, while using annual EU subsidies worth over 3% of GDP to foster an elite business class dependent on Fidesz. His veto on foreign policy and other decisions also made Hungary a valuable partner to Russia and China. After flailing around with unworkable legal attempts to bring Mr Orbán to heel, the EU only belatedly learned to condition its financial aid—a decision that may have contributed to his loss.

A third reason is that Mr Orbán was puffed up by outsiders—most glaringly by fellow travellers in Donald Trump’s MAGA movement and their outriders, wowed on their visits to Budapest by glitzy conferences, state-funded right-wing think-tanks and cafés named after Roger Scruton, a conservative British philosopher. Few had the curiosity to look into the corruption that oiled Mr Orbán’s machine, his kowtowing to Kremlin interests or his courting of Chinese investment. Many hailed Fidesz’s promotion of fertility as an alternative to immigration; fewer seemed interested in the dismal results of this expensive policy. Nor did many venture beyond the capital’s centre to see the rundown hospitals and crumbling infrastructure that fuelled Mr Magyar’s ascent.

Allies were not the only foreigners to build Mr Orbán into rather more than he was. By taking him at his word that he was building an “illiberal democracy”, some of his foes elevated the leader of an authoritarian kleptocracy to a formidable ideological adversary, speaking of him in the same breath as Vladimir Putin, Xi Jinping or Mr Trump. Such flattery proved helpful to the prime minister of a

country with a strong nationalist streak. No wonder Mr Orban welcomed their hatred.

Time to shore up the defences

Had Mr Orban won, or engaged in post-election chicanery, contingency plans to work around or punish him would have kicked into gear. Yet, as one Hungarian official close to Mr Orban notes: "In a week's time they will sit down and realise Orban's loss does not solve all their problems." Mr Orban may have been sceptical about the EU's sanctions on Russia, but the next package, targeting its shadow fleet, is meeting fierce resistance from maritime states like Greece and Malta. Plenty of EU leaders, as well as Mr Magyar himself, share Mr Orban's scepticism about accelerating Ukraine's EU-membership bid. And on 95% of EU business, notes an official in Brussels, Mr Orban was just like any other leader.

The problem of managing democratic backsliding in a country that has joined the EU, rather than one aspiring to do so, remains unsolved. Any hope that the EU might use Mr Orban's departure to assess its vulnerabilities seems doomed as leaders manage more pressing problems. "We're all flying by the seat of our pants," says one European official. Back to business as usual, then. ■

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Britain

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The mayor's heir

Reform UK is reassembling Boris Johnson's electoral coalition

Nigel Farage's supporters are fed up, not radical

4月 16, 2026 06:13 上午 | Norwich



"I LIKED BORIS," says Linda, a small-business owner in Wymondham, Norfolk. She refers to the former prime minister, Boris Johnson, by his mononym. "I think he was working for England."

If Mr Johnson's style of conservatism has a heartland, it might be Norfolk. In 2019, under his leadership, the Conservative Party won its highest-ever share of the vote (58%) in the county, on England's

eastern hump. The clownish former journalist was backed by traditional Tories, in rural towns like Wymondham, working-class voters in declining industrial areas like Great Yarmouth, and suburbanites in Norwich—the county's only city.

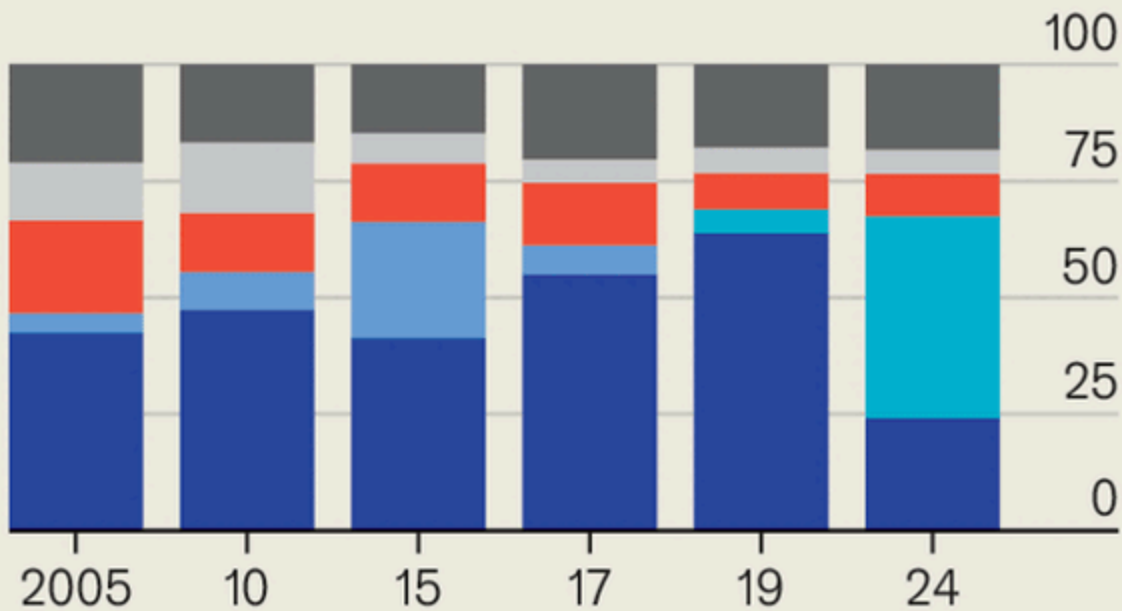
Seven years on, Linda is considering voting for Reform UK. Five years of flailing government resulted in the Conservatives' landslide defeat in 2024. From the ashes, Nigel Farage is assembling a remarkably similar voter base to Mr Johnson's. According to *The Economist's* tracker of national opinion polls, Reform's support stands at around 25%. It could win more than 2,000 of the 5,000 council seats up for election on May 7th, when around half of the English electorate have the chance to vote.

Ex-cons

1

Current Reform UK voters by previous general-election vote, %

■ Conservative ■ Reform UK* ■ UKIP
■ Labour ■ Other ■ Did not vote



*Brexit Party before 2021

Sources: British Election Study; *The Economist*

According to the British Election Study, conducted in May 2025, almost two-thirds of Reform supporters voted Conservative in 2019 (see chart 1). Even among voters who supported Labour in 2024 and now say they would vote Reform (a group that looms large in the minds of Labour MPs), just as many voted for Mr Johnson's Tories as for Labour in 2019.

So, who are these voters? *The Economist* analysed over 37,000 survey responses collected by More in Common, a pollster, between

January and April 2026 to find out. Just like Mr Johnson's voters in 2019, Reform's supporters tend to be less educated, middle-aged or older and white. They view themselves as working-class (although some are wealthy). Almost three-quarters voted to leave the European Union in 2016.

To chart the trajectory of these voters, it is helpful to remember the fate of Mr Johnson. The Tories picked him as leader and prime minister in July 2019 at the height of Britain's deadlock over Brexit, to fend off Mr Farage's Brexit Party (a predecessor of Reform). It worked. Mr Johnson won the election in December 2019, broke the impasse and took Britain out of the EU.

Unfortunately, the Tories hadn't planned much beyond that point. During the covid-19 pandemic Mr Johnson was revealed to be partying in Number 10, in breach of lockdown law. His premiership quickly turned to farce, punctuated by absurd stories (such as his "ambush" with a birthday cake) and ham-fisted manoeuvring. He was replaced in September 2022 by Liz Truss, whose disastrous premiership lasted only 49 days, and finally by Rishi Sunak, who could not save the Tories from a crushing defeat in July 2024.

Mr Johnson's legacy is a gift to Mr Farage. For one, there is the immigration issue—Reform's *raison d'être*. In 2019 Mr Johnson's voters understood that a vote for him was a vote to get Brexit done. The cause was practically synonymous with reducing immigration. Instead, net migration soared to a peak of 944,000 in the year leading up to March 2023 (compared with 184,000 in the year ending December 2019). Under Mr Johnson small-boat arrivals across the Channel—a totemic issue for Reform—rose to a high of almost 50,000 in a year. According to Ipsos, a pollster, the number of people who said immigration was one of their top issues jumped from 14% in December 2019 to 51% in September 2025. Reform's support grew in parallel.

At the same time, Britain's public services degraded. Hospital waiting lists rose during the pandemic and remained high. Local councils scrambled to avoid bankruptcy and social care suffered as a result. Voters struggled to book GP appointments. Labour won the 2024 election largely on the back of dissatisfaction with public services (as well as anger with the Tories). A recent paper by academics at the London School of Economics, University of Oxford and IE University suggests that voters in areas where GP practices closed between 2013 and 2023—particularly those with high levels of immigration—were more likely to turn to the populist right.

Give the other guy a go

If Mr Johnson's voters supported him in 2019 out of impatience with other politicians, they are exasperated now. "I'm not really interested in excuses," says Frank, a pensioner in Wymondham. "I think [the Tories] had the right ideas—more so than Labour—but they couldn't do it!" He is now considering Reform. One refrain comes up from the Reform-curious: "We've tried the Conservatives, we've tried Labour, why not Reform?" Britons are fair-minded. Perhaps it is Mr Farage's turn.

The influx of former Tories means Reform now represents two distinct types of voter. The core (perhaps 10-15% of voters overall) is truly radical. They tend to be favourable towards Donald Trump, sympathetic to some of the rioters who trashed English cities in August 2024 and incensed about immigration. Bill, a Reform supporter in Wymondham, describes climate change as "the biggest hoax the world has ever seen" and fears that "the establishment" will prevent a Reform government taking office. He says of Labour: "They called me racist and a pig." (He does not elaborate on who called him a pig.)

The second, larger group more closely resembles the 2019 Conservatives. They too are anti-immigration—especially worried about small boats—but they are also motivated by other concerns. "I

just think [Reform is] more focused on protecting businesses, especially small businesses,” says Linda. Frank worries about the number of people on welfare. Like the core supporters they worry about Britain’s decline, but they do not think the country’s institutions should “burn”—a position that 17% of Reform supporters strongly agree with. Just as in 2019, they want to elect a government that allows them to think less about politics, not turn it on its head.

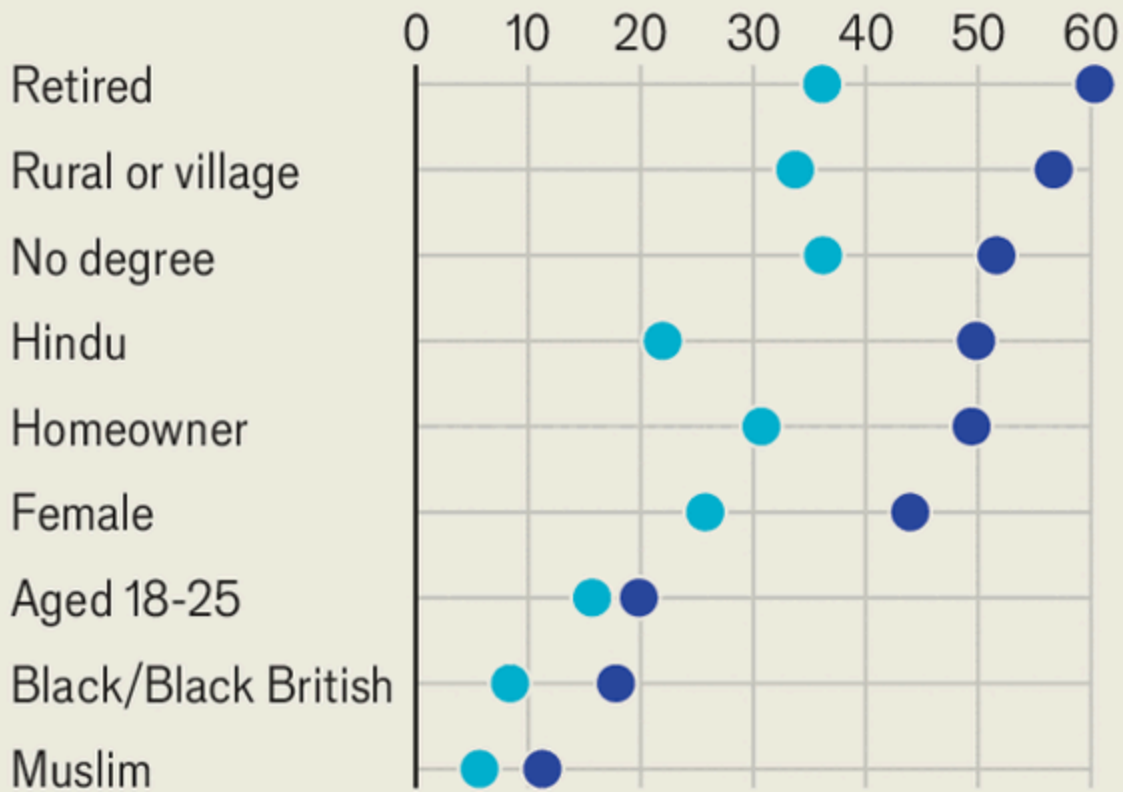
If Mr Farage wants to be prime minister, he will have to keep these new supporters happy. They won’t tolerate the sort of upheaval that Mr Trump unleashed on America and Mr Farage’s radical streak could scare them off. The party has watered down tax cuts and spending pledges that might spook bond markets. It has endorsed the triple-lock on state-funded pensions (which guarantees they will rise as fast as wages, inflation or 2.5% each year, whichever is highest), signalling to its elderly base that Reform is a safe choice.

Shades of blue

2

Britain, vote share by demographic group, %

● Conservative in 2019 ● Reform UK in 2026



Sources: More in Common; *The Economist*

Still, the path to power is not assured. Reform's current 25% is far from the 45% that Mr Johnson scored in 2019. The rump Tory support—polling at around 19%—is more stubborn than Mr Farage might have hoped. Among Reform's weak points compared with Mr Johnson's 2019 numbers are ethnic minorities, pensioners, homeowners and women (see chart 2).

Some voters in Wymondham like Reform's policies but dislike Mr Farage. "If he got into power, I don't think he'd have a clue what to

do,” says Sandra, a Tory supporter. Another calls him “a bloody nutcase”. Since September, Reform’s national poll numbers have slipped by around five percentage points.

Mr Farage’s U-turn over Iran didn’t help. After suggesting that the government should join America’s war, his instinct to align with Mr Trump came up against public opinion. “I do wonder about his relationship with the USA, and especially Trump,” says Linda. Only 13% of Britons describe themselves as “pro-Trump” (70% say Reform is a pro-Trump party). Plenty of issues might drive a similar wedge between Reform’s more and less radical elements. Mr Farage’s opponents will no doubt seek to exploit them.

Even so, the upstart party has led most polls for a year now—the first to ever dislodge Labour and the Conservatives in sustained polling. The local elections are bound to bring it good news. When most council seats were last contested, in 2022, Reform was polling at just 4%. To see how the game on the right is changing, keep your eyes on Norfolk. ■

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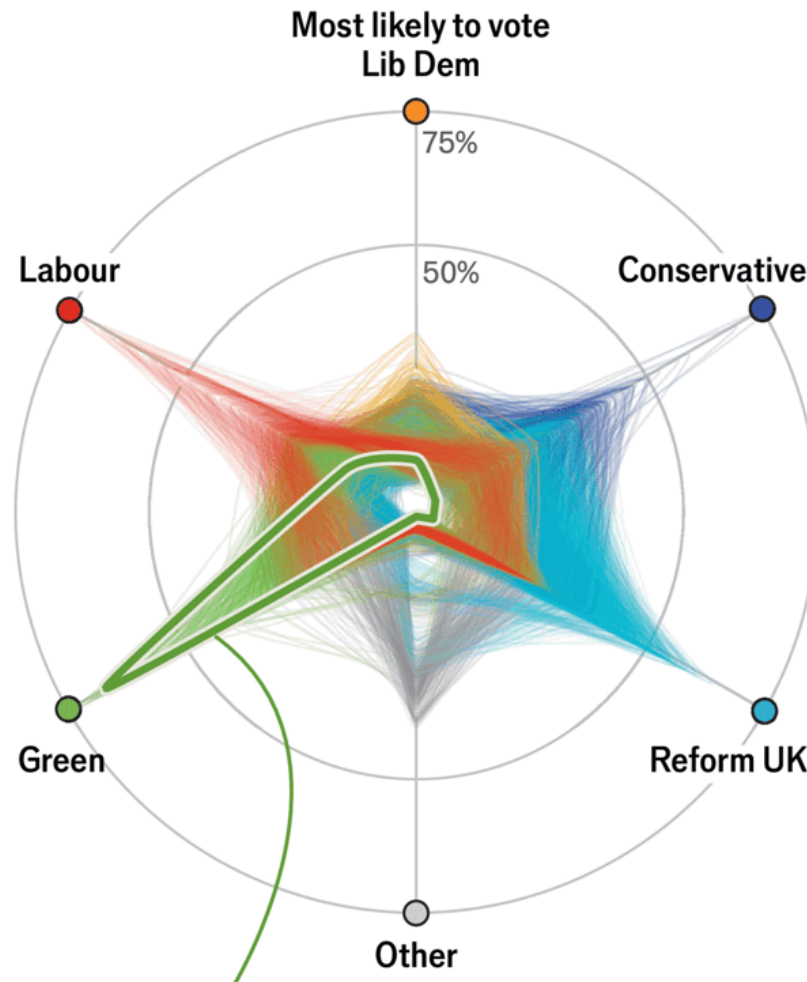
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Using data from More In Common, a polling firm, *The Economist* has built a model which calculates the probability of a voter supporting a party based on eight demographic characteristics—sex, age, ethnicity, region, education, employment status, type of housing and whether it is in a rural or urban area. We created 275,000 permutations of every characteristic to represent each of Britain's 55m adults. We find that over the past two years more voters have swung away from the party they last voted for than ever before.

Probability of voting for each party in a general election*

Each shape represents roughly 5,000 British voters grouped by region and other characteristics



Black women aged 25-34 from the South East, who rent a home in a city, are students and were educated to A-level

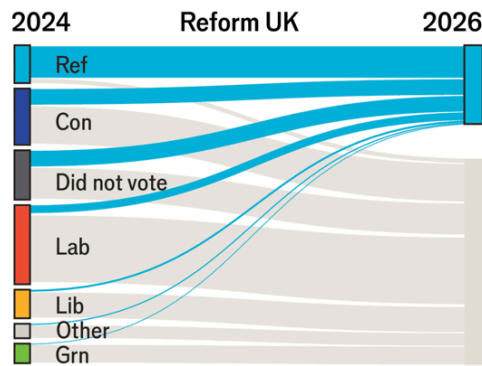
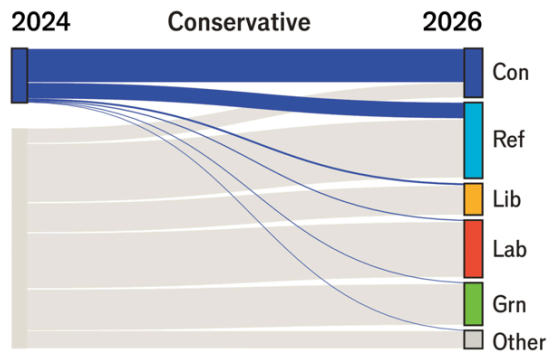
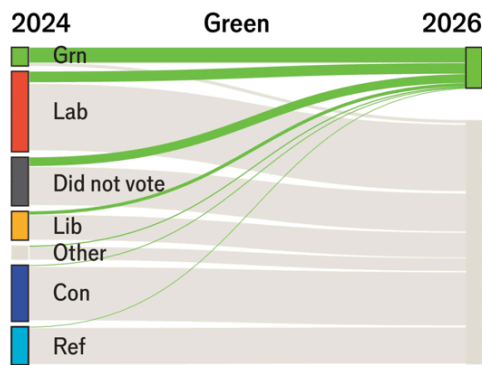
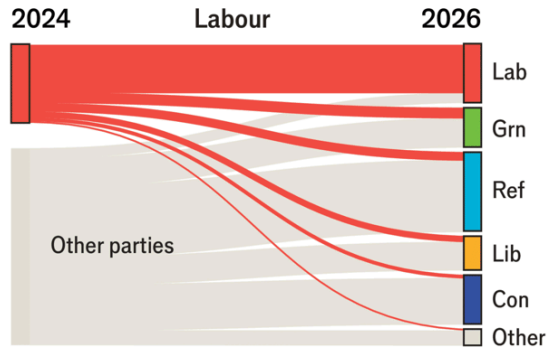
*Assuming a general election held “tomorrow”. Based on 39,000 responses to a nationally representative poll of adults in Britain surveyed each week between Jan 5th-Apr 13th 2026

Sources: More in Common; *The Economist*

That is in part due to Labour's support ebbing away rapidly after the general election in 2024. Take the party's least-sticky voters: young black female students in the South East. In 2024 Labour attracted about four in five of their votes. Today, fewer than one in five say they would back it (the party's policies on Gaza helped drive many to the Greens). Only 2% of adults are now more likely to vote Labour than they were in 2024 (middle-aged Asian women in the West Midlands are one such group).

Labour's weakness has primarily benefited the populist-left Greens and populist-right Reform. More than nine in ten Britons are now more likely to consider voting for either of those two parties than they were in 2024. But whereas the [typical Reform voter](#) is little changed—a poorly educated, old white man who lives in a town in the south of England—the typical Green voter has become younger and more urban. The Greens are now the most popular party for anyone under the age of 28, up from third in 2024.

Change in general-election voting, 2024-26

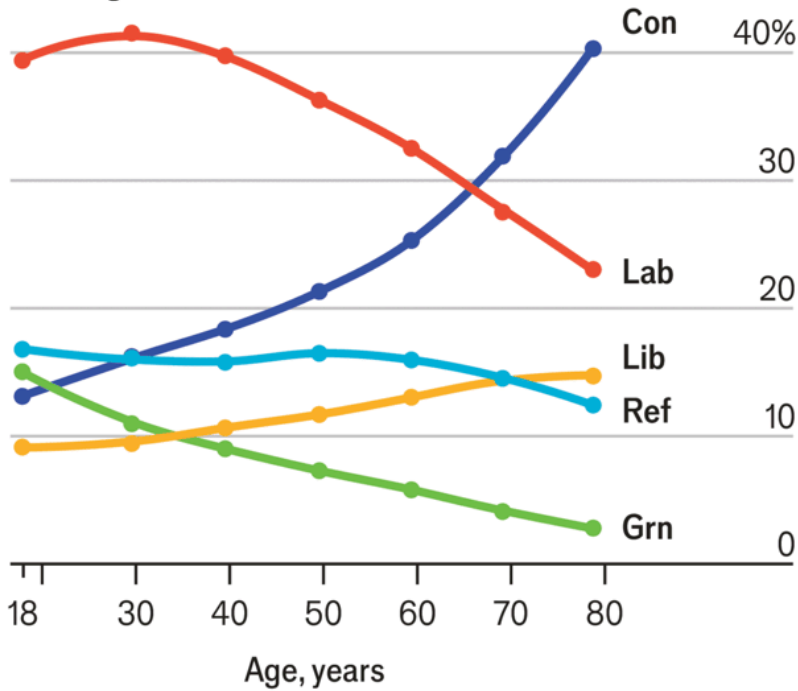


Sources: More in Common; *The Economist*

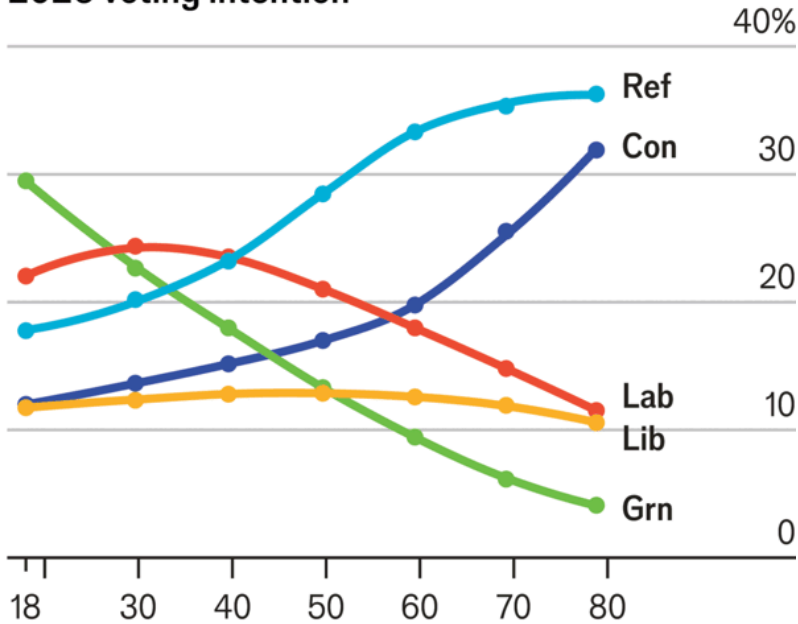
The effects of political promiscuity are also plain in changes in the predictive power of voters' characteristics. In 2024 someone who identified as being black had, other things being equal, a 25 percentage-point greater chance of voting Labour compared with other voters. Today that impact is 16 percentage points. The effect of old age—the most important predictor of a Tory supporter—has shrunk from 17 percentage points to ten.

General-election voting probabilities by age

2024 general election



2026 voting intention



Sources: More in Common; *The Economist*

Party loyalty is truly a thing of the past. In 2024 some 40% of Britons who had voted in 2019 switched parties, the highest share since the 1930s. If a general election were held tomorrow, by our calculations nearly 50% of voters would switch parties. In 2024 around 2.5m people had a greater than 60% chance of voting for one particular party. Now just 600,000 are that solid. About one-fifth of Britons have a profile for which four or more parties have a 15% chance of gaining an individual's vote. That will make election campaigns, which rely on targeting likely supporters, trickier.

Britain's electoral system was not built for this behaviour. Politics driven by impatient voters—who lurch to the hottest new thing from one election to the next—will leave most people disappointed. Dissatisfaction tends to increase distrust. The local elections on May 7th, when the Labour Party is expected to lose thousands of council seats, will be the first proper test of this new swingtime era.■

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Reform UK's donors

New legislation will restrict Reform UK's biggest source of money

The party's donor base is top-heavy

4月 16, 2026 04:15 上午



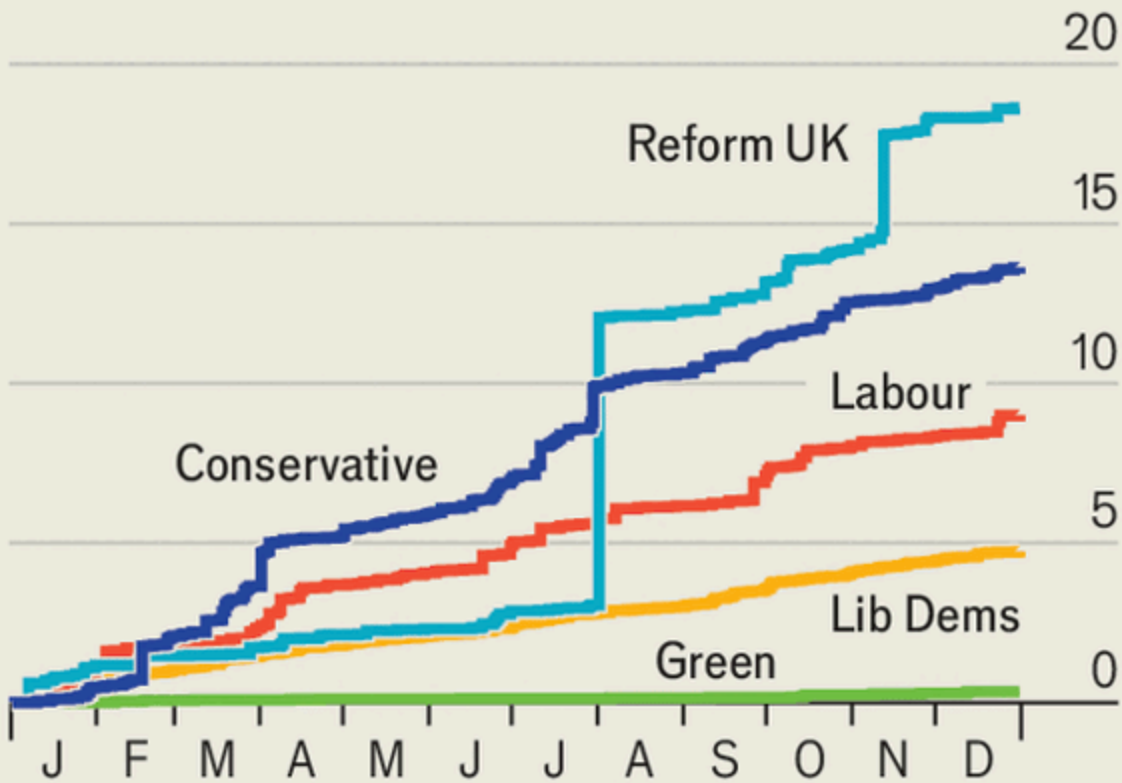
NOT ONLY is Reform UK ahead in the polls, it is leading the field in the competition for cash. In 2025 the populist right-wing party received more in large donations—that is, those above the cumulative £11,180 (\$15,010) reporting threshold for a single year—than any other British party (see chart). It raised over £18.6m, roughly double Labour's total and £5m more than the Conservatives.

Three of Reform's five largest individual donors previously donated to the Tories. The Green Party mustered a paltry £350,000.

But even among these big benefactors, Reform's donor pool is top-heavy. In 2025 the Tories brought in nearly 600 donations, with a median value of £5,000 each (part of gifts above the cumulative reporting threshold). Nigel Farage's lot attracted only 196 donations, but with a median of £19,000. And two-thirds of Reform's money came from one individual, Christopher Harborne, a Thailand-based crypto billionaire, who contributed £12m. That is more than the combined total of the next ten biggest donations by a company or individual to any party. It is thanks to Mr Harborne that Mr Farage became the first leader of a major European party to accept crypto donations.

Deep pockets

Britain, political party donations*, 2025, £m
Cumulative



*Excludes donors who cumulatively gifted less than £11,180

Source: Electoral Commission

Yet the Labour government plans to restrict the inflow of foreign money to political parties. Last month it published a review of foreign influence in British politics written by Sir Philip Rycroft, a civil servant. Two key recommendations have been included in the Representation of the People Bill (which, among other reforms, will extend the right to vote to 16-year-olds). The first is a moratorium on crypto donations, pending greater transparency for such transactions. The second would impose a £100,000 cap on donations from British citizens living abroad—such as Mr Harborne. After these

changes Mr Harborne would be eligible to donate less than 1% of his 2025 total.

Sir Philip says the intention of his paper was not to target any single political party. But, conveniently for Labour, the twin recommendations will have most impact on the party it now sees as its main rival. How much this will end up hurting Reform remains to be seen. Another foreign-based crypto billionaire, who donated £4m to Reform early this year, has said he will return to Britain just so he can continue to donate to the party. ■

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Mad about the debt

Labour will struggle to placate Britain's angry graduates

But student borrowers are right to feel aggrieved

4月 16, 2026 04:16 上午



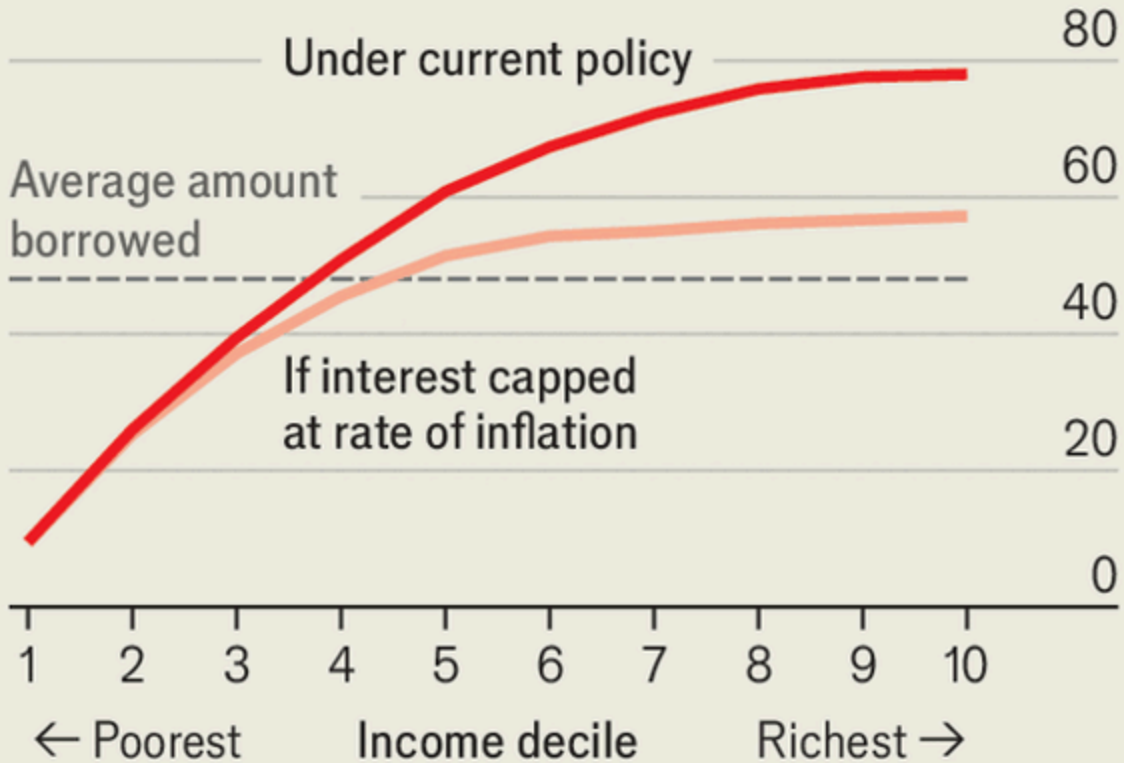
FOR YEARS politicians have tinkered with England's student-loan system—often in ways that make it more costly for graduates—with surprisingly little pushback. When, last November, Labour announced its own sly tweaks to repayment terms, it probably thought these would also go through without fuss. Instead the fiddling brought to the surface seething discontent, and calls for sweeping reforms.

Like a student unprepared for a seminar, Labour is struggling to respond. Its rivals say they will help graduates: the Tories have pledged to cut interest on student borrowings; the Greens have long said they would wipe out student debts. Last month the chancellor, Rachel Reeves, agreed that the loan system was “broken” but added that fixing it could not be “front of the queue”. On April 7th Labour said it would cap the interest applied to student loans for 12 months—a stopgap measure. Yet the longer Labour avoids a deeper rethink, the greater the risk that it will be forced into costlier changes down the line.

The ruckus centres on graduates with “Plan 2” loans who started university between 2012 (when the maximum tuition fee tripled to £9,000, or \$12,000, a year) and 2022. Those who finished their courses in 2025 graduated with average debts of £53,000. Nowhere else do students borrow so much for a bachelor’s degree. Even in pricey America, average debt per borrower is only around \$30,000. Fewer British families save for education and universities have higher fees than many in America.

Graduate premium

England, expected lifetime student loan repayments*, by income decile, £'000
2025/26 prices



Source: IFS

*2022/23 entry cohort

Graduates on Plan 2 loans repay 9% of their earnings over a threshold, currently £29,385 a year. Any balance unpaid after 30 years is written off. Interest varies depending on each borrower's income. The lowest-earning graduates see their debt increase with inflation (measured using the retail price index, or RPI, which overstates inflation); the best-paid ones are charged RPI plus 3%. Overpayments from more-successful graduates thus help fund write-offs for classmates who are expected never to repay what they borrowed (see chart).

Some graduates object to the size of their monthly payments. A graduate earning £35,000 pays £42 a month. One earning £70,000 coughs up more than £305. The first cohort of Plan 2 borrowers, now in their 30s, have begun landing jobs in media and politics that offer opportunities to make their hardships better known.

The louder grouse is that, because of interest charges, lots of graduates have watched their loan balances swell even though they have been repaying. In the wake of the pandemic inflation rose much higher than the architects of the loan system expected. A graduate with £50,000 of debt who makes only the minimum repayments would have to earn over £60,000 before their loan balance starts to shrink in cash terms. Well-paid grads resent that they are [charged extra interest](#) to help bail out peers who chose their courses poorly, or who have chosen not to work. General taxation would seem a fairer source for such subsidies, if they should exist at all.

A third criticism is that governments have repeatedly changed the repayment terms. The loose promise back in 2012 was that the repayment threshold would rise with average wages. But in 2022 Boris Johnson's government froze it for three years and changed the way it would be updated in future, to a stingier method. Then came Labour's tweaks: in November it announced a fresh three-year freeze. On both occasions, politicians also froze the earnings thresholds that determine what rate of interest graduates pay—increasing the share of those saddled with higher rates.

These fiddles have saved the government money but vastly increased how much graduates will fork out in total. The IFS, a think-tank, says that a student applying to university in early 2022 might have expected to borrow around £48,000 and to pay back around £40,000 of that (in today's money) over their lifetime. But the retroactive changes mean they are now expected to pay back around £56,000.

Rethink Repayment, a lobby group, would like the interest rate on loans reduced, the repayment threshold increased and the repayment rate cut from 9% to 5%. But this would cost the government billions: £12bn over the long run for the 2022 cohort alone, according to Kate Ogden at the IFS, and there are ten other cohorts of Plan 2 borrowers.

How, then, should the government respond? It might consider smaller relief, perhaps by pulling only one of the three levers in that plan. High real interest rates are by far the most unpopular part of the system. The catch for Labour is that cutting them would mostly benefit higher earners. Because low-earning graduates can expect to have a lot of their debt forgiven, they will never have to pay most of the interest being added to their balances.

The government might prefer to reduce graduates' monthly payments—either by rescinding planned freezes of the repayment and interest thresholds, or by reducing the repayment rate. In theory that change could be made cost-neutral by extending the time students have to wait for forgiveness (albeit at the risk of causing a fresh controversy).

Bagging a bachelor's still grants most people a life of fatter pay packets (even if the premium is not as big as it once was). It thus remains reasonable that graduates should pay a big share of the cost of their degrees. Yet society also benefits from minting well-trained workers—and in the past few years the balance of funding seems to have grown badly out of whack.

When the Plan 2 loan system was set up in 2012, it was accepted that taxpayers would end up covering about 40% of students' fees and living costs. Fast forward a decade, and public money will contribute only 3% of the total costs of educating the cohort that started university in 2022, according to the IFS.

Support for England's student-loan system was hard won. Tinkering in recent years has cost a lot of goodwill. Ignored, the current frustrations could well harden into big campaigns for debt forgiveness; that would not just be costly and arbitrary, but also deeply regressive. Much of England's loan system is worth defending. Some recalibration would be smart.■

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Lower value

Does Britain send too many people to university?

A furore over student debt renews debates about dud degrees

4月 16, 2026 04:16 上午



WHEN IN 2012 Britain's politicians tripled the maximum tuition fee for undergraduates, critics feared youngsters would go off degrees. They need not have worried. Participation kept going up. By 2024 about 60% of young Britons had some kind of post-secondary qualification, up from 48% when fees were raised. Only five rich countries boast rates higher than that.

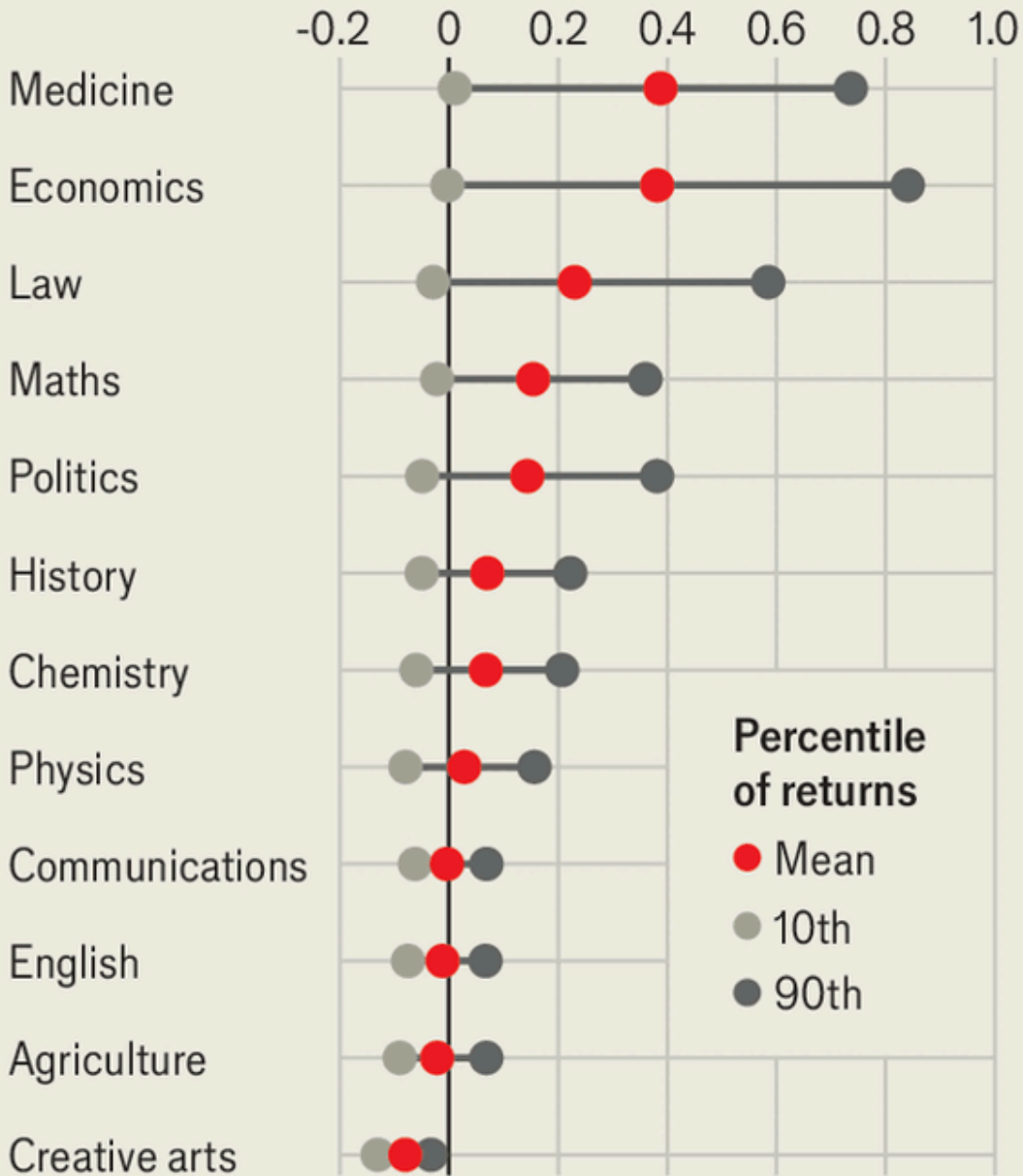
The worry these days is that universities are enrolling more students than is wise. A furore over [student debt](#) has rekindled old claims

that the system is rife with “low value” degrees. The Conservatives say Britain should cut by around 100,000 the number of students entering higher education each year (652,525 Britons began undergraduate courses in 2024). They say this would generate savings that might be spent on lowering the interest on the debts of existing graduates.

Discussions about dud degrees split into two debates. The first is whether universities competing fiercely for new recruits have cut entry requirements far below what is smart. In 2024 more than 10% of freshers on full-time undergraduate courses had no A-levels (or equivalent qualifications), up from only about 3% ten years before. Data suggest that about a quarter of such students drop out, twice the average rate.

Degrees of return

England, estimated net lifetime returns to the Exchequer from higher education*, £m
Per student, by degree subject, 2018 prices



*2002 GCSE cohort, based on 2019 loan system

Sources: IFS; *The Economist*

The second debate concerns students who choose to study subjects that don't provide much (or any) earnings bump. In 2020 the Institute for Fiscal Studies, a think-tank, crunched educational and income records and concluded that, after costs, about one-fifth of graduates would be better off financially over their lifetimes if they had not gone to university. That was true for most graduates in creative arts—studied by 7% of undergraduates—and for swathes of those studying agriculture and English.

These students are more likely to have a big chunk of their debt written off (as happens to what is unpaid after 30 or 40 years). That raises the costs of the system as a whole (see chart). A study in 2019 predicted that people with creative-arts degrees would repay only about a quarter of the money they borrowed. Capping enrolment on these bachelor's courses might thus save taxpayers cash. Yet the idea alarms people who warn it risks choking off supplies of workers to industries in which Britain excels. ■

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Bagehot

The invention of Wales

Independence takes root in a place where it was once absurd

4月 16, 2026 08:15 上午



JAN MORRIS, a writer, became a fervent Welsh nationalist in her dotage. In one of her lesser-known works, she imagined an independent Wales in the mists of the 21st century. Its capital was Machynlleth, a small town of 2,163 people in the middle of Wales. For it was here that Owain Glyndŵr, a 15th-century Welsh soldier, set up shop after rebelling against the English and briefly achieving the “fulfilment of Wales”.

Even in the hands of a writer like Morris, an imagined tale of Welsh independence was a tough sell. Her publishers had warned her: a Scottish figure would have a “larger sales potential”, they said. It

was the only work she published that failed to elicit a single letter from readers. In Machynlleth today, the site of Owain's parliament hosts a small museum dedicated to the Welsh prince and "Caffi Glyndŵr", a coffee shop with a logo of Prince Owain holding a sausage triumphantly aloft.

Come May, however, an idea that was once Morris's most fevered imagining will take a step towards reality. Plaid Cymru, which supports independence, will probably emerge as the largest party in Senedd elections. About 32% of the Welsh population would support independence, says More In Common, a pollster. Barely a decade ago, support struggled to get into double figures, putting independence in the "Elvis is alive" bracket of public opinion. Now it stands roughly where Scottish voters were before their referendum in 2014, setting off years of constitutional wrangling.

Yet, still, an independent Wales is almost impossible to imagine for people other than Morris. For an ancient place, Wales is a modern beast. Its trappings of statehood are young. Cardiff was made its capital in 1955. Its flag was recognised in 1959. The border did not reach its current form until 1974. Its parliament, introduced in 1999, has enjoyed full lawmaking powers only since 2011.

What powers the Welsh government does wield are the soft edges of statehood. It controls education and health and (some) transport. The sharp parts—sending people to prison, for instance—are kept in London. Scottish independence would be a matter of institutional archaeology, digging out what has always been there. When it melded with England, Scotland clung to its symbols of statehood: its church, its legal system and its education system. In Wales, independence is a matter of institutional invention, building something that has not—Prince Owain's efforts aside—really existed before.

Things have shifted. Even though a majority of Welsh voters (unlike Scottish ones) supported Brexit, that referendum in 2016 triggered a

jolt in the number of people identifying as Welsh only. Soon after, covid-19 offered an aperitif of statehood. The border, so malleable throughout history, became firm. Mark Drakeford, the then Labour first minister and a bicycle-riding, clarinet-playing, baggy-jumper-wearing fellow, threatened to stop people from entering Wales from England. Why should second-home owners from another country be free to spread the virus in my country?

Traditionally, one thing stood in the way of Welsh independence: the Welsh. Voters rejected a devolved parliament by four to one in a referendum in 1979. Watered-down versions of devolution struggled. In 1997 barely 50.3% of Welsh voters supported the Welsh Assembly. Abolitionists, who wish to return power to Westminster from Cardiff, are still a noisy minority.

Even Welsh separatists were not big on separatism. For much of its existence, Plaid Cymru avoided the “I” word. Keeping Welsh civilisation—particularly its rich language—alive and free was far more important than vulgar political power, argued Saunders Lewis, one of the party’s co-founders. It officially added “independence” to its constitutional goals only in 2003, points out Richard Wyn Jones of Cardiff University. In many respects, they are still unbothered. About 2% of Welsh people consider independence the main priority for any incoming government, says More In Common. This rises to only 3% among Plaid supporters.

Despite the surge in support for it, independence is incidental to Plaid Cymru’s rise. The party is a Schelling point around which progressive voters who hate the idea of Nigel Farage’s Reform UK in power in either Wales or Westminster can form. An independent Wales is, however, the preferred destination of any country run by Plaid Cymru. Ignoring that is the political equivalent of reading *Playboy* for the articles and being surprised to discover a naked woman on the next page. Harri Webb, a Welsh nationalist and poet, declared—a touch prematurely—in the 1970s: “Wales is marching

backwards into independence, everybody desperately pretending that we are going somewhere else.”

Such inertia is a powerful force in politics. Not that many in Westminster appreciate it. The idea of Scottish independence furrows brows; the idea of Welsh independence triggers giggles. “I think it is far more likely that Wales will leave the union before Scotland does,” argues Lauren McEvatt, a former Tory special adviser to the Wales Office, in comments gleefully circulated by independence campaigners. Not due to any colossal constitutional fight, but a mixture of neglect, mild contempt and mockery taking its toll, eventually.

The break-up of Britain (again)

British politics has entered a centrifugal period. After the May elections each devolved part of the United Kingdom will be run by a party seeking its abolition. In Northern Ireland Sinn Fein, whose leaders were once deemed such a threat to the British state that the sound of their voices was banned, is the largest party in the province. The SNP is about to enter its third decade in power north of the border. Even after an array of SNP scandals, independence now enjoys a slim lead in most recent polls. And in Wales a once-strange literary dream slowly turns into an even weirder reality. ■

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International

- [**The game theory behind violating ceasefires**](#)

Shooting for peace :: Truces like the one in the Gulf get broken all the time. But they still work

- [**Millions will go hungry if the Strait of Hormuz stays closed**](#)

Farm alarm :: Expensive fuel and fertiliser will lead to smaller harvests and higher prices

- [**If it starts, a nuclear-arms race will be unstoppable**](#)

The Telegram :: A sobering interview with the head of the International Atomic Energy Agency

Shooting for peace

The game theory behind violating ceasefires

Truces like the one in the Gulf get broken all the time. But they still work

4月 16, 2026 04:36 上午



THE CEASEFIRE between America and Iran got off to a violent start. After it was announced on April 8th, Israel intensified its bombardment of Hizbullah fighters in Lebanon (which Israel says was not included in the truce). In the early hours of the ceasefire, Iran launched drones and missiles at other countries in the Gulf. Bahrain says it was attacked by Iran's proxy militias earlier this week. Iran is also yet to resume the normal flow of traffic through

the Strait of Hormuz, and President Donald Trump has instructed the US Navy to impose its own blockade.

To many, this is not how a ceasefire is meant to unfold. But although violations can test a fragile, perhaps ephemeral truce, they need not scuttle negotiations. Ceasefires have a history of being frequently and cannily flouted without regressing fully to all-out war. The agreement to end fighting in Gaza, for example, remains in effect (officially, at least) after six months, despite Israeli air strikes as recently as this week.

The Economist collected statistics from the Armed Conflict Location and Event Data (ACLED) base on 12,333 violent events in the 60-day period surrounding nine ceasefires reached in the Middle East and nearby countries after 2020. Though armistices reduced fighting, none resulted in a total cessation of violence (see chart). On average fatal events fell by 81% in the 30 days after a ceasefire began, compared with the 30 days before.

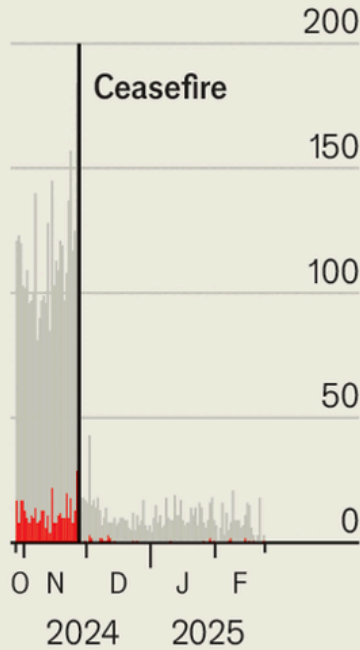
The Armenia-Azerbaijan armistice in 2020, followed by only sporadic violence, was the most successful of the nine (despite a brief return to fighting in 2023). By contrast, temporary truces between Israel and Hamas in late 2023 and from January to March 2025 saw fighting quickly return to pre-ceasefire levels once they ended. Most ceasefires fell somewhere between those two extremes. In these cases, violence declined in the immediate aftermath of a ceasefire taking effect, but never to zero. In some instances that lower level was sustained; in others, violence gradually escalated to near pre-ceasefire levels.

Truce and consequences

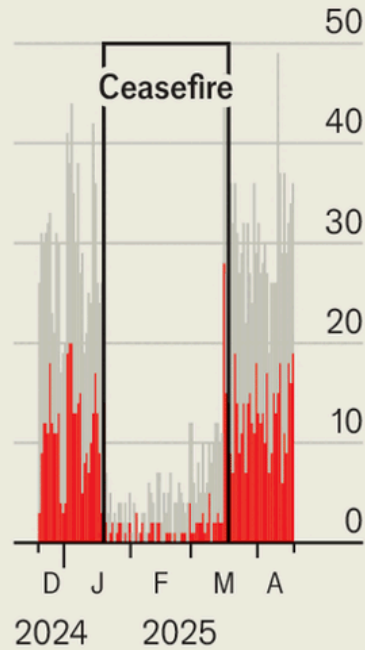
Daily reported conflict events, selected wars

■ Recorded fatalities ■ No fatalities/unknown

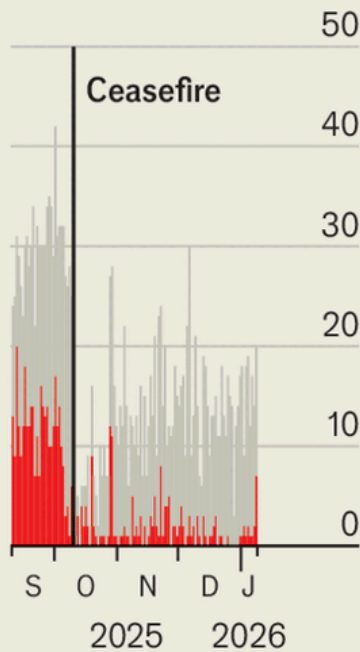
Israel-Lebanon



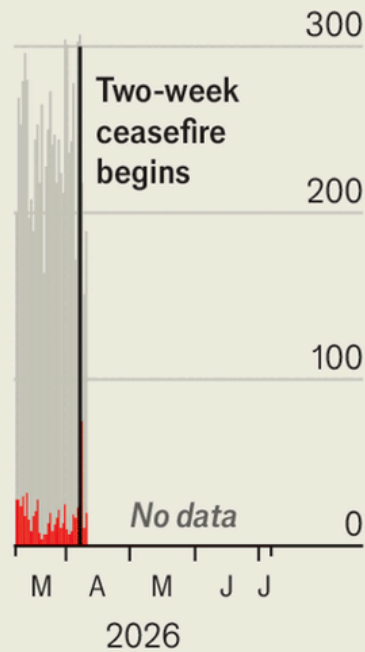
Israel-Gaza I



Israel-Gaza II



Third Gulf war*



Sources: ACLED; *The Economist*

*Including Lebanon front

The fact that ceasefires rarely prevent all violations does not render them meaningless, argues Valerie Sticher of the Centre for Security Studies, a research institute at ETH Zurich. Ceasefires, she says, are often “a form of strategic bargaining” used to recast the terms of a conflict rather than simple humanitarian acts. To adapt freely from Carl von Clausewitz, a 19th-century Prussian military strategist, it may be more useful to think of ceasefires as the continuation of war by other means.

Many ceasefire violations are accidental. Opposing factions inadvertently bump into each other on the battlefield, or aggrieved spoilers on one side attempt to derail peace talks by stoking up the violence. That does not appear to be the case in the third Gulf war. Although, in theory, the decentralised command structure of the Islamic Revolutionary Guard Corps allows for the possibility of a lone commander jeopardising talks, recent attacks confirmed by Iran’s state media appear to have the full backing of the regime’s leadership.

What to make, then, of violations in the first week of the Iran ceasefire? One explanation is that all sides are deliberately violating the truce to gain a strategic advantage, and are subsequently retaliating to deter each side’s breaches. Literature on the game theory of ceasefires suggests that agreements to pause overall hostilities introduce a threshold below which attacks can continue. The exact level of this threshold is often unknowable, but it is usually managed by both sides through a “tit-for-tat” strategy whereby each provocation meets an equivalent response.

Strikes like Israel’s in Lebanon, or those of Iran’s proxies, can put pressure on opponents at the negotiating table. Attacks above the threshold can see truces fall apart altogether, and return to the sharply escalatory dynamics observed in the Gulf before the agreement.

The violations may also reflect an understanding, refined over decades by strategists in America, Israel, Iran and Hizbullah, Iran's Lebanese proxy, of the accepted rules of lower-intensity conflicts. Though Iran had not fought a conventional war from 1988 until last year, it has plenty of experience in low-level fighting, often despite formal truces.

Iran and Hizbullah learned how a weaker actor could create what Iranian authorities call "deterrence equations": tacit red lines enforced by tit-for-tat attacks. Hizbullah would respond to Israeli attacks (and vice versa) in kind, with the same number of rockets and casualties—often even at the same time of day.

The long-running conflict in Lebanon and northern Israel was "Iran's strategic laboratory", says Daniel Sobelman of the Hebrew University of Jerusalem. Reciprocal ceasefire violations enabled Hizbullah to restrain Israel, a much stronger adversary, without triggering full-scale war.

Once the third Gulf war was under way, Iranian state media said the country wanted to reset its deterrence equation. Iran repeatedly promised to match attacks on its civilian infrastructure with retaliation on energy infrastructure and desalination plants in the Gulf. That has prompted Mr Trump to back down from his most extreme threats. Those threats, along with the closure of the Strait of Hormuz, blunted America's ability to escalate and introduced "symmetry" into Iran's fight with America, says Mr Sobelman.

Fare well with arms

When escalatory dynamics end, the talking can begin, says Danny Citrinowicz, a former Israeli intelligence officer. The ceasefire gave all sides an opportunity to recalibrate, if not to end provocations.

Truces often yield more peaceful long-term conditions. The Ceasefire Project, a research group, catalogued 2,203 declared truces between

1989 and 2020. About half of them concluded without a return to war or were still in force when the study ended. A third of them failed. Ceasefires in the Middle East were the weakest of the lot. More than half of the region's 360 truces with a known endpoint failed.

Agreements are weakest early on, the researchers find. And despite Mr Trump's confident prediction that a pause in fighting he brokered between Israel and the Islamic Republic in June 2025 after the 12-day war would last "for ever", America's decision to resume bombing Iran in February shows even short-term success is no guarantee of lasting peace.

Monitoring by third parties improves the chances of a ceasefire lasting. A number of countries, including America, have had observers on the ground in Israel since the beginning of the ceasefire in Gaza. But the war in Iran is different because America is a direct combatant, and is therefore unlikely to allow a third party to police its presence in the region.

That is worrying because working out a peace deal can be an arduous process. The Good Friday agreement to end the troubles in Northern Ireland in 1998 took 700 days to negotiate. Pushing talks into the future can help extend a truce, but also delay resolution of the conflict. The ceasefire in Gaza, for example, is still stuck in "Phase 1", with the two sides unable to agree on a more lasting settlement. The Korean war has been paused since 1953 without a formal peace.

America is contemplating extending the current ceasefire to give more time for talks. Perversely, each side's willingness to return to war, including by violating the ceasefire to gain leverage in the talks, is also a point of leverage at the negotiating table. Israel is content to see the war continue. Iran appears to prefer war over a bad deal. "If Trump decides to turn back to war, Iran will turn back, too," says

Mr Citrinowicz. “Iran is like a poker player that is not only calling but also raising.” ■

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Farm alarm

Millions will go hungry if the Strait of Hormuz stays closed

Expensive fuel and fertiliser will lead to smaller harvests and higher prices

4月 16, 2026 04:15 上午



In need of replenishment

ONE BLOCKADE was bad enough. Iran's closure of the Strait of Hormuz has pushed up prices for oil, natural gas and fertiliser, among other commodities. On April 13th America initiated a blockade of its own, halting the few vessels Iran had been letting past, which will presumably compound the problem.

Commodity prices are rising again, to the dismay not just of drivers, but of farmers, too, who need fertiliser for their fields and diesel for their tractors. Some are planting or fertilising less, which inevitably means smaller harvests later in the year. Food prices are starting to rise. The World Food Programme (WFP, a UN agency) estimates that if the blockage continues until mid-year, an extra 45m lives will be at risk, on top of the more than 300m people who already struggle to feed themselves. If the El Niño weather pattern takes hold in the next few months, as many climate scientists think likely, things could get worse still; some of the poorest parts of the world could get too much rain and others too little, which means crops will fail.

The starting-point for the incipient crisis is higher energy prices. These affect every step in food production: planting, harvesting, processing, transport. In rich countries energy accounts for as much as half of variable costs in farming, says the International Energy Agency, a club of countries that are big oil consumers. Global food-price indices generally track the price of crude, albeit with a lag. Edgar Terry, who runs a fruit and vegetable farm in California, says the diesel he uses to power his tractors now costs \$6.13 per gallon, up from \$3.41 before the fighting began. As a result, he is planting less celery this spring.

The price of fertiliser, much of which is made with natural gas, is rising as well. The Gulf is arguably more central to the global fertiliser industry than it is to energy. It is the source of 30-35% of the international trade in urea and around 20-30% of ammonia, both widely used fertilisers. Perhaps 30% of the world's fertiliser trade passes through Hormuz. The war has stopped that flow. Kpler, a data provider, reckons nearly 1.9m tonnes are stuck on the wrong side, equal to 12% of all the fertiliser shipped through the strait in 2024. Qatar Fertiliser Company, a state-backed firm that produces 14% of the world's urea, has been offline for over a month.

Other suppliers are not in a position to fill the gap. Plants in Russia, the world's biggest exporter, have been targeted by Ukrainian

drones; those still operating are at full capacity. China, the second-biggest, is cutting exports to protect its own domestic supply. Gas shortages have forced fertiliser producers in other countries, including India and Bangladesh, to curb their output. And there is no global system of fertiliser stockpiles, as there is for oil. The prices of urea and ammonia have risen by 65% and 40%, respectively, since the start of the war. An index of fertiliser affordability from Rabobank, a Dutch lender, has plunged to a four-year low.

The timing could not be worse. The northern hemisphere and parts of Africa are in the midst of planting season. Farmers in South Asia will start sowing in the next couple of months, when the monsoon arrives. Agronomists say fertiliser doubles the world's agricultural output and it typically needs to be used when crops are planted to have the optimal impact. Even if the war ends tomorrow, says Julian Hinz at the Kiel Institute, a think-tank, much damage is already done.

Wealthy farmers in the West are fairly sanguine. Many stockpile fertiliser and lots of them overuse it anyway. Those struggling with the cost are switching crops. This season America's Department of Agriculture expects a shift from maize (which requires a lot of fertiliser) to soybeans (which require less). In Europe a similar adjustment is under way.

For poorer farmers, the consequences are graver. Many of the world's 500m smallholders barely grow enough to feed their families. They certainly cannot afford to keep stocks of fertiliser. Sayed, who farms wheat, barley and chickpeas on his tiny plot in central Afghanistan, is one of them. The price of a 50kg bag of urea has jumped to 2,400 afghanis (\$29) at his local market, from 2,000 afghanis in January. He has given up using the stuff, which will shrink his harvest.

Asia and Africa rely especially on fertiliser from the Gulf. The region provided 71% of Thailand's imports of urea last year, 67% of South

Africa's and 41% of India's. More than half of Indians depend on agriculture for their livelihood. Before the war the government in New Delhi had planned to cut fertiliser subsidies to save money. Now, officials are scrambling to secure additional supplies from Russia and China, probably at significantly greater expense.

A detour de force

The result is what Michael Werz of the Council on Foreign Relations, a think-tank, calls a "slow-motion famine machine". For now, the countries hardest hit are those that relied on humanitarian aid before the war began. The closure of Hormuz has trapped enough of the WFP's supplies of food to feed 4m people for a month. It is scrambling to reroute these deliveries.

One example is a shipment of high-energy biscuits that the WFP wanted to send from Dubai to Afghanistan. Instead of trucking the biscuits across Iran it was forced to send them on a nine-country detour, to enter Afghanistan from the north. Corinne Fleischer, the WFP's supply-chain chief, reckons this is extending the journey by weeks—and at added cost to boot.

Humanitarian groups can ill afford such expenses. Rich countries have slashed their aid budgets of late (while boosting spending on defence). Net official development assistance dropped by 9-17% year on year in 2025, after a 9% decline the previous year, according to the OECD, a club of mostly rich countries. As Jean-Martin Bauer at the WFP puts it, "The humanitarian shock absorber isn't there any more."

Higher fuel prices already mean smaller helpings for the world's poor. Take Lalita Devi, a farmhand who lives just north of New Delhi in the village of Singhu. Since February, she says, the price of cooking gas has quintupled. Stalls that sold *rotis* for five rupees apiece have raised that to eight. With cooking out of the question

and fast food pricier too, Ms Devi has begun skipping meals and all but given up vegetables.

The longer supplies are snarled, the more widespread such effects will be. If traffic through Hormuz is impeded for six months, Helios AI, a data provider, reckons global food prices will rise 12-18% above pre-war levels by the end of the year. Again, the effects are likely to be uneven. Analysts at Germany's Kiel Institute predict food-price inflation will reach 30% in Zambia, 11% in India and 8% in Venezuela within a year. With oil above \$100 a barrel, the diversion of crops to biofuels could send food prices higher still.

The pain will be felt by those already on the margin: people in the poorest corners of the poorest countries and in conflict zones with little buffer against shocks. In contrast to a conventional famine, in which hunger is concentrated in a particular spot, the effects will be distributed around the world, with little direct connection to local weather and harvests and with few television cameras present.

That does not mean they will be insignificant. After Russia and Ukraine, both big exporters of grain, went to war in 2022, food prices shot up. Researchers believe that more people have died of hunger than on the battlefield as a result of that conflict. Unless the strait reopens quickly and the fuel and fertiliser start flowing, the war in Iran could be as bad—or worse. ■

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The Telegram

If it starts, a nuclear-arms race will be unstoppable

A sobering interview with the head of the International Atomic Energy Agency

4月 16, 2026 04:15 上午



THE WORLD stands on the brink of a nuclear-arms race. If one can be avoided, a big reason will be this: currently, the first country to start such a race risks paying a terrible price. Rogue states caught sprinting for a bomb face crippling sanctions and military strikes. Meanwhile, any halfway-respectable country that flouts the Non-Proliferation Treaty—a legal ban on the creation of new nuclear-armed powers, signed by 191 states—risks becoming a pariah, with unknowable economic and diplomatic costs.

Less happily, if a nuclear-arms race does get under way, it will carry on, like toppling dominoes. That is not this columnist's breathless judgment. It is the view of the world's nuclear police chief, Rafael Mariano Grossi, soberly expressed on April 13th in an [interview for "Inside Geopolitics"](#), a video show produced by *The Economist*. As director-general of the International Atomic Energy Agency (IAEA), Mr Grossi has the task of persuading countries not to break nuclear-arms curbs, and of sounding the alarm if they try. Asked whether he is worried about a nuclear-arms race, the veteran Argentine diplomat replies: "I really am." Can he confirm reports that many countries are privately debating getting nuclear arms, whether that means Iran's neighbours in the Persian Gulf, or American allies such as Germany, Japan, Poland or South Korea, who are no longer sure that they are protected by an American nuclear umbrella? "These discussions are being held," he answers.

Mr Grossi concedes that the existing non-proliferation regime has, over the years, failed to stop several countries from joining the club of nuclear-armed powers. But he calls it "one of the last points of stability that we have" in a dangerous world. If more countries pursue nuclear arsenals, a domino effect will "inevitably" lead "a good number of countries" to follow, he suggests.

Mr Grossi deplores the strategy of nuclear bluffing that led Iran to its current grim fate. He notes how the Iranian regime boasted of having all the elements needed for a nuclear bomb, including uranium enriched almost to weapons grade, then asked the world to believe that it had no intention of ever building bombs or warheads. He does not endorse American and Israeli claims that an Iranian nuclear breakout was imminent. Instead he describes appealing, in vain, to Iran's rulers to grant his IAEA inspectors the full access that their country's large and ambitious nuclear programme demanded, for in the atomic realm "promises are not enough". Alas, Iran's leaders preferred their policy of ambiguity, and, in Mr Grossi's words, the patience of America and Israel ran out. In a boardroom on the 28th floor of a UN skyscraper in Vienna, Mr Grossi lays out the

results of Iran's fatal gamble. He recalls visits to underground Iranian nuclear complexes that have been reduced to rubble, and his exchanges with Iranian officials and scientists killed by air strikes and assassinations.

To the IAEA boss, a lesson can be drawn from the deaths of Middle Eastern leaders who sought nuclear arms in Iran, Iraq and Libya. Rulers with nuclear ambitions should return to the negotiating table. He is too diplomatic to mention Israel's undeclared nuclear arsenal and the angst it causes some neighbours.

Others draw exactly the opposite conclusion. A European diplomat frequently discusses nuclear strategy with governments across his continent. He reports a cynical mood that gripped European capitals when Russia invaded Ukraine in 2022, intensifying after Donald Trump returned to office last year. Behind closed doors, European officials agree that "Ukraine would not have been attacked if it had nuclear weapons". Yes, Mr Grossi is "absolutely right" that the world as a whole is safer without more nuclear weapons. "But look at the interests of individual state actors," urges the diplomat. The rulers of Iran, Iraq and Libya negotiated with the West about their nuclear programmes. All are dead. "The one who is alive is Kim Jong Un," the North Korean despot who defied the world to build nuclear-tipped intercontinental ballistic missiles. The diplomat lists a dozen countries believed to be seriously researching nuclear options, from northern Europe to Indonesia, Turkey and the United Arab Emirates. "I don't ever want to see a nuclear-armed Germany," says the European diplomat, whose country suffered greatly in the second world war. But he predicts that Germany will one day want a nuclear bomb "and will get one, because they cannot rely on the US, and I cannot believe I am even saying that sentence."

The quest for security in a lonely world

Back in Vienna, Mr Grossi is too worldly to be shocked by regimes who think they would feel safer if they had nukes. Instead, he calls

for a sophisticated analysis of different countries' incentives. The nuclear-arms-as-protection argument is "valid for North Korea", he concedes. But the Kim regime mostly has to withstand pressure from America, China and South Korea in a corner of north-east Asia. In contrast, he says, the geography and politics of the Middle East generate complex dynamics that make it more perilous for a country in that region to "burn bridges" and seek atomic arms.

Yet even in the Middle East, force is no cure-all. Mr Grossi is sure that Iran's nuclear programme cannot be completely bombed out of existence, not least because "you cannot unlearn what you have learned." He calls a negotiated settlement the only solution.

Other diplomats and experts offer a bleaker prediction. As war drags on in the Gulf, they see ever more reasons for Iran to seek a nuclear device, though its programme may have to become smaller and even more secretive to combat its penetration by Israeli and American intelligence, and the devices it makes may be rather crude. "We could wake up to a flash in the desert one morning," says an expert. Still, even a simple nuclear blast sends a message that neighbours will feel compelled to heed. The dominoes of proliferation are wobbling. One more shove could tip them over. ■

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Tycoon capitalism

Could AI's leading men become as powerful as Ford or Rockefeller?

For now, they are still a long way behind

4月 16, 2026 08:13 上午 | Dearborn, Michigan



DARIO, DEMIS, Elon, Mark and Sam. The five most important people in artificial intelligence are so famous that first names alone are enough to identify them. Politicians and journalists hang on their every word. ChatGPT, run by Sam Altman's OpenAI, has more than 900m weekly users. [Dario Amodei's Anthropic](#) has developed an AI model so good at hacking it has caused panic among policymakers. Demis Hassabis, head of Google's AI efforts, has won a Nobel prize

for his scientific research. Elon Musk, who runs xAI, among other businesses, is the richest person alive. Mark Zuckerberg's Meta has created the West's most popular family of open-source models, and is spending enormous sums on AI researchers in an attempt to catch up to the technology's frontier.

In a very real sense, these five men hold the fate of Western civilisation in their hands. Already the American military uses their AI tools, with some of the tycoons (Mr Altman and Mr Musk) showing more enthusiasm for this than others (Mr Amodei). Some economists believe that AI will eventually supercharge economic growth. Others say it will put millions out of work. Plenty of people fret that it might end humanity altogether. Not since the splitting of the atom has a new technology created such angst.

It is unnerving that so few men wield such awesome power, particularly men as opportunistic as Mr Altman or as volatile as Mr Musk. But it is hardly unprecedented. AI's famous five are but the latest example of a common phenomenon in the history of Western capitalism. There are many examples where a small cluster of men has pushed new technologies forward—not necessarily by inventing them, but by bringing them to the masses. In the process, they have accrued enormous power.

These technologies have shaped how everyone else lives. Railways helped people move farther and faster than ever before. Oil provided the energy for industrial capitalism. Steel made it easier to build taller buildings. Automobiles helped create mass consumerism. Retail banking gave the world credit. The internet monopolised humanity's attention. All of these technologies made the world richer. They also upturned social norms.

You might think that tycoons are overrated, or worse. Technological progress is the result of the actions of millions of people. No single person invented steel or developed the internet, for instance. A handful of people monopolise the returns from these collective

efforts. Popular anger at the uber-rich stems from the belief that, at best, they were in the right place at the right time—and, at worst, that they are leeching off the rest of society. Every billionaire is a policy failure, runs the slogan.

This is an uncharitable conclusion. History shows that time and again tycoons have played the decisive role in spreading new technologies to the mass market. They are a necessary condition of innovation. A paper published in 2023 by Shari Eli of the University of Toronto and colleagues finds that Ford's development of the Model T, a car first launched in 1908 that was far cheaper than any before it, largely explains why Americans were the first to widely adopt automobiles. A paper from last year by Ufuk Akcigit of the University of Chicago and co-authors points to the crucial role of so-called "transformative entrepreneurs" in turning inventions into long-run economic growth. In short, prosperity requires tycoons.

To understand how the AI magnates compare with business titans through history, *The Economist* examined 11 technological waves in America over the past 150 years, from railways to the internet. For each, we picked the top five people responsible for the control, distribution and popularisation of that technology.

We quantified the power of each by looking at the revenue, employment and market value of their companies at their peak, as well as a subjective assessment of the degree of corporate control held by the tycoon, along with their personal wealth. We consulted books and historical datasets, alongside figures from *Forbes*, which began tracking the fortunes of the very rich in 1918. The measures were standardised based on the most relevant benchmark, such as GDP or population at the time. For many earlier tycoons, data were poor; fortunes, for example, were often disguised. What follows therefore represents only our best estimate.

Riches alone would not capture the full extent of a tycoon's power. At his peak the wealth of John D. Rockefeller, founder of Standard

Oil, was equivalent to around 1.5% of American GDP. Mr Musk may be richer still, depending on how his wealth is calculated. By our ranking, however, Henry Ford is the most powerful mogul America has seen so far.

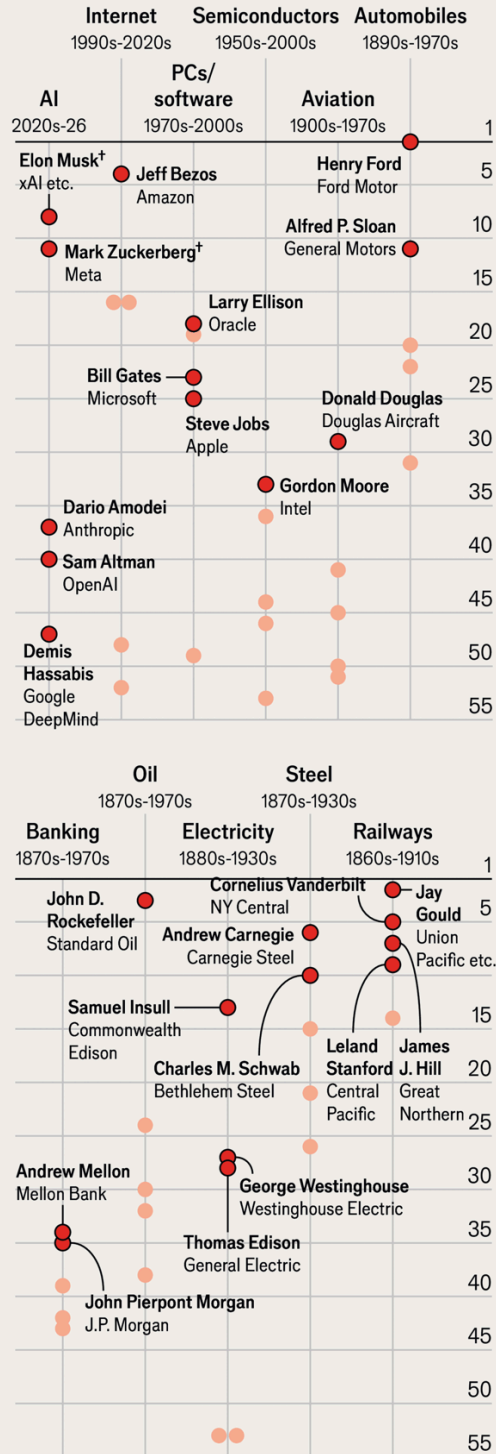
Visible hands

Ford was fabulously rich. We estimate that, at his peak, he held assets worth well over 1% of American GDP. His sprawling estate near his company's headquarters in Dearborn, Michigan, is beautiful. Rockefeller was richer still, but employed far fewer people: during Ford's tenure his car company was truly enormous, employing about 0.15% of the American population in 1925. Ford also exercised almost complete control over the firm. After buying out minority shareholders in 1919 his family owned the business in its entirety.

No other tycoon, moreover, has done so much to alter society. Ford's Model T was revolutionary because it was produced at mass scale and aimed at the mass market. In 1917 more than 40% of cars on America's roads were Model Ts. Ford's workers were paid enough—the famous \$5-a-day wage—to purchase the vehicles that his factories created. You can hardly turn a corner in Dearborn today without encountering the man's legacy: from the Henry Ford Medical Centre to the numerous roads that are named after members of the family.

Monopoly men

United States, business tycoons ranked* by peak power



*Composite ranking based on company revenue, employment and market capitalisation, along with tycoon's corporate control and wealth †Ranking includes businesses beyond AI
Source: *The Economist*

Most of the other titans in our top ten—among them Cornelius Vanderbilt (a railway magnate), Andrew Carnegie (a steel tycoon) and Alfred P. Sloan (a former boss of General Motors)—died long ago. But two living moguls make the cut. One is Jeff Bezos, the founder of Amazon, who comes fourth in our ranking. Amazon employs over 1m Americans and is worth \$2.7trn. Then there is Mr Musk, at number eight, though his elevated rank is more a reflection of his success in carmaking (Tesla) and rocketry (SpaceX) than AI. Not far behind him, in 11th place, is Mr Zuckerberg, which is likewise a result more of Meta’s dominance over social media than its position in AI.

By contrast, Mr Altman, Mr Amodei and Sir Demis, whose power is more directly tied to AI, all fall in the bottom half of our ranking. Model-making relies on a small number of clever people and oodles of computing power, meaning that the labs these men run have relatively few workers. None of the three, moreover, enjoys the kind of corporate control held by Ford or Vanderbilt. Mr Altman runs OpenAI at the pleasure of his board (which briefly ousted him in November 2023, though it was subsequently purged). Mr Amodei owns only a small stake in the lab he co-founded. And Sir Demis is not even the most senior employee at his company.

In fairness, the technology they wield, unlike the others on our list, is still only in its infancy. Few tycoons of the past had the same potential to shape the direction of numerous industries, from entertainment to defence. And it may be many years until the moguls behind AI reach the apex of their power. In 1913, ten years after it was founded, Ford Motor Company was making an annual profit of roughly \$1bn in today’s money. OpenAI, which recently reached the same age, is still a long way from making any profits whatsoever.

Power laws

Studying tycoons through history also reveals three important commonalities. The first is that many were deeply strange. Ford was odd in a bad way, with his paper, the *Dearborn Independent*, spreading antisemitic poison. Rockefeller was odd in a better way, obsessing over how to save money even as he became fabulously rich. Vanderbilt liaised with spirits from the nether world; John Pierpont Morgan, a banking titan, consulted astrologers. Thomas Edison, an electricity pioneer, was fanatically opposed to sleep. Steve Jobs, founder of Apple, practised extreme diets. With this in mind, Mr Musk's conspiracy theories or Mr Zuckerberg's robotic demeanour do not seem so out of the ordinary.

The second commonality is that, as these tycoons popularised new technologies, they introduced new dangers. Some of these were perceived as threats to life and limb. In the early days of railways many scientists worried that humans were biologically incapable of travelling at high speeds. Aviation was highly unsafe at first. So was drilling for oil. Cars killed pedestrians and occupants alike. The contest between Edison's direct current and George Westinghouse's alternating current generated a public-safety panic; Edison's men staged gruesome public electrocutions of animals to persuade Americans that his rival's technology was lethal.

Other risks were financial. Over-investment in railways helped cause repeated market crashes in the 19th century. A bigger banking system spread credit but magnified financial crises. And many of these new technologies automated jobs, putting people on the economic scrapheap. Railways and cars crushed horse-based locomotion. Electrification removed the mechanical constraints that had prevented automation in manufacturing.

The third commonality concerns relations between magnates and the state. The tycoons of the 19th century undoubtedly had more latitude than their modern counterparts: more scope to control markets; more ability to discipline labour; more opportunities for cronyism. Carnegie violently suppressed labour unrest. Morgan held

so much sway over the financial system that during a market meltdown in 1907 he personally functioned as America's central bank. Andrew Mellon, another magnate on our list, served as treasury secretary while continuing to steer one of America's largest industrial empires.

Yet from the 20th century onwards, governments curbed many of the earlier tycoons' worst excesses. In 1911 the Supreme Court ordered the breakup of Standard Oil into 34 independent companies after ruling it had violated antitrust law. In part to avoid another Morgan-style bail-out, in 1913 Congress created the Federal Reserve. Reforms in the 1930s made it harder for magnates to control vast holding companies. In 2000 a judge ordered the breakup of Microsoft for unlawful monopolisation (the software giant narrowly escaped dismemberment on appeal, but was chastened nevertheless). As AI transforms the economy and society, the people behind it may likewise encounter governments that wish to curb their power.

In theory, capitalism tends to be presented as impersonal and decentralised. In practice, however, its most important phases are often driven forward by individuals. Time and again, towering, quasi-autocratic figures have gained control over large swathes of the economy. The men currently propelling AI may not necessarily be among their number. But if history is any guide, a Rockefeller or Ford is likely to emerge soon enough. ■

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Release tension

Why Anthropic and OpenAI are locking up their latest models

Allowing only a privileged few companies to use them may make commercial sense

4月 16, 2026 04:15 上午



EXCLUSIVITY IS A powerful marketing tool. Just ask Anthropic. When on April 7th the artificial-intelligence lab announced that the [preview version of its latest model](#), called “Mythos”, would be available only to an exclusive group of companies, the envy quickly spread. Only one bank, JPMorgan Chase, made the initial list of invitees. The board of an Asian lender called in its chief executive a few days later

to explain how it, too, could swiftly gain access to “Project Glasswing”, as Anthropic’s new club is called.

That response is unsurprising, given the lab’s claims about Mythos. It says that its new model is particularly adept at finding cyber-security weaknesses—which is why it is being rolled out in stages, lest those with nefarious aims get their hands on it before companies have had a chance to use the tool to patch their defences.

When Mythos is eventually released to the public, Anthropic says its hacking powers will be curtailed. Even so, the model’s purported capabilities have alarmed not just businesses but governments, too. After Mythos was unveiled, Scott Bessent, America’s treasury secretary, and Jerome Powell, chairman of the Federal Reserve, summoned America’s biggest banks to discuss the cyber-security risks posed by AI.

Not to be outshone, on April 14th OpenAI, maker of ChatGPT, announced that it would release its own system with supercharged hacking capabilities—a tailored version of the GPT-5.4 model it launched last month—to vetted users. This staggered approach to releasing models is more than just an act of public service, and may soon become the norm for frontier systems. That is because the labs stand to gain in three ways.

First, that which is locked up is harder to steal. In February Anthropic complained about “industrial-scale” campaigns by three Chinese labs to “distill” its models, and OpenAI has made similar protests in the past. Distillation entails using the outputs of one AI model to improve a system that is less capable. Most labs use the technique in one way or another. For example, a big model that requires lots of computing power may be distilled into a small but mighty one.

Distilling a rival's model, however, is closer to industrial espionage. America's labs are eager to use intellectual-property laws to prevent that from happening. But the surest way to stop a model from being plagiarised is to prevent those who would distill it from gaining access.

Second, labs are grappling with a shortfall in computing power, forcing them to triage. Despite the vast sums being spent on data centres, demand for AI continues to soar and each new frontier model gobbles up more power than the last. Anthropic has recently had to introduce limits on how much customers can use Claude, its chatbot, particularly at certain times of the day, and has altered its enterprise pricing to charge based on consumption.

Mythos appears to have a particularly voracious appetite for computing power. Anthropic's published pricing for the service is high, at five times what it charges to use Opus 4.6, its most powerful model available to the public. That suggests Mythos is far more of a burden on its infrastructure. Keeping it behind closed doors will allow Anthropic to induct new customers only when capacity allows.

Third, restricting access to the most advanced AI systems conveniently shifts power back to the model-makers. Applications like Cursor, an AI coding tool, are popular among enterprises partly because they avoid vendor lock-in: IT can swap models in and out of the back end depending on cost and performance without requiring staff to learn a new interface. But it is difficult for developers to create applications that are compatible with models they cannot access. That may lead some customers to opt for a model-maker's own tools, such as Anthropic's Claude Code or OpenAI's Codex.

The upshot of all this is that leading AI labs are likely to continue exerting greater control over who gets access to their technology, and not only because they are concerned about safety. Those left out will be none too pleased. ■

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Board to tears

America's corporate boards are under siege

Activist shareholders and regulatory changes are undermining their control

4月 16, 2026 04:15 上午



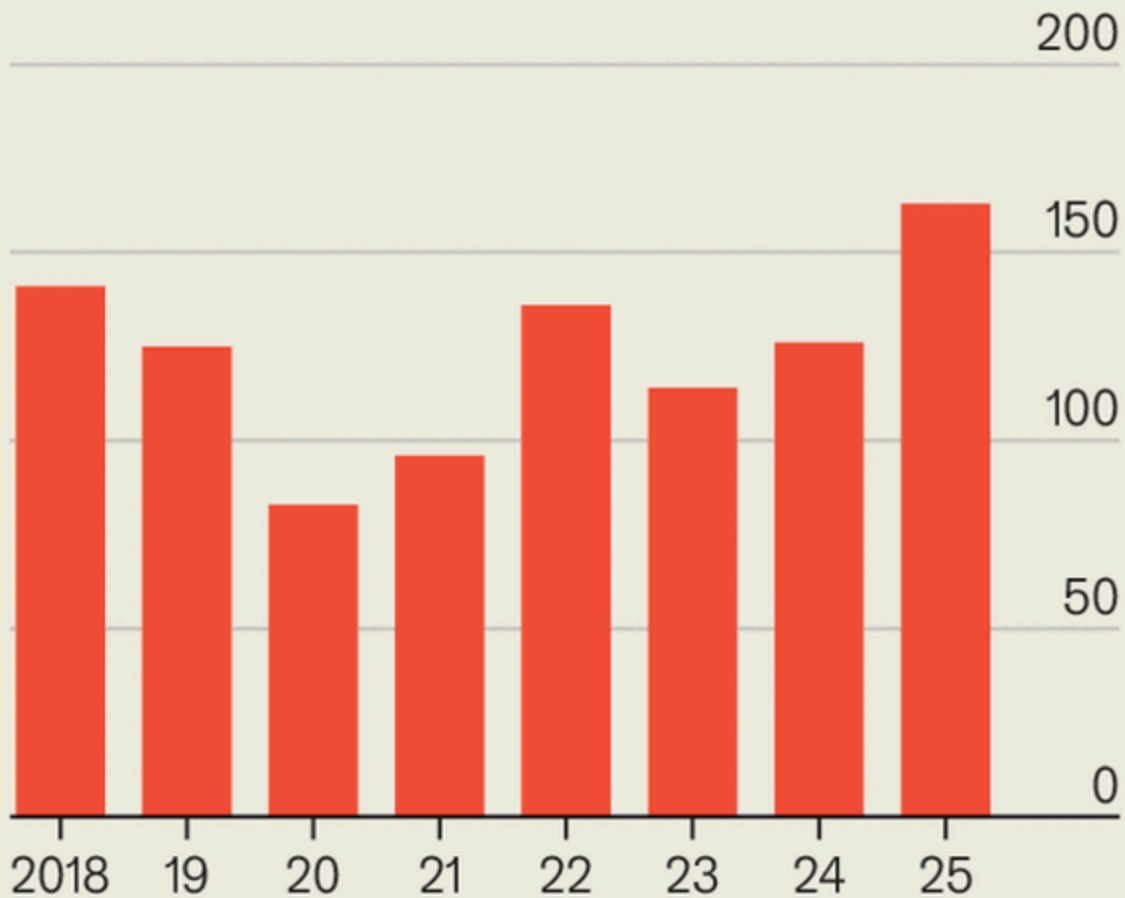
PROXY SEASON was once a tedious but largely predictable time of year for America's corporate boards. Most annual shareholder meetings went off without a hitch. Informal discussions with large shareholders (preferably over a long lunch) meant directorships and pay packets were all but sure to sail through. The paperwork was irksome—but only for board members who bothered to read it.

Nowadays boardrooms are transformed into war rooms from April to June. Activist investors prowl the corporate landscape looking for ponderous companies to pounce upon. Regulatory changes are curtailing the mechanisms once used to keep pesky shareholders from causing trouble. Directors are entering a “Wild West of a proxy season”, says one adviser. Many have little idea what it will bring.

America’s boards have had a turbulent few years. In 2020 campaigners began pushing them to appoint more directors from under-represented social groups. In 2021 regulators approved a rule introduced by Nasdaq compelling companies listed on its exchange to have at least two who fit that bill. Many companies went further. Environmental warriors added demands of their own; in 2021 a campaign at [ExxonMobil](#), America’s biggest oil producer, resulted in the appointment of three sustainability-minded directors.

Activated

United States, shareholder-activism campaigns



Source: Lazard

As wokeism has receded, boards have faced fewer such demands. Some have quietly dropped their diversity commitments. But they are instead contending with agitators of the cold-blooded capitalist variety. Last year set a record for shareholder activism, with 163 campaigns in America, according to Lazard, an investment bank (see chart). Board shake-ups were among the most common demands. On April 9th CarMax, a second-hand car retailer, said that it would appoint two directors favoured by Starboard Value, an activist hedge

fund, to avoid a showdown at the company's upcoming annual meeting.

Activist gadflies have been aided by various regulatory changes. Since 2022 shareholders have been able to pick and choose directors from across the lists proposed by companies and activists, rather than opting for one line-up in its entirety, making it easier for interlopers to win a seat. It has helped that activists these days tend to propose more experienced candidates than they once did. "Ten years ago companies could tell activists to pound sand," recalls Jim Rossman of Barclays, another bank. "Now they can't." In 2025 activist shareholders won three-quarters of the board seats they sought in America, up from an average of less than two-thirds over the preceding four years.

Other shifts in corporate governance may further weaken boards' grip on their companies. Many asset managers rely on [proxy advisers](#) to tell them how to vote on proposals from management and others. As a result, the recommendations of Glass Lewis and ISS, the dominant advisers, give boards a sense of which resolutions are likely to win approval. The proxy duopoly, however, is now under threat from President Donald Trump, who in December accused the pair of using "their substantial power to advance and prioritise radical politically motivated agendas", and instructed regulators to investigate them. The asset-management arms of JPMorgan Chase and Wells Fargo, two banks, subsequently said they would reduce their reliance on the advisers.

Complicating matters further, the Securities and Exchange Commission, a financial watchdog, last year released guidance saying that asset managers which define themselves as passive investors (a designation that brings less regulatory paperwork) risk losing that status if they communicate too much with boards. The Trump administration's intent is to clamp down on what it sees as efforts by passive giants such as BlackRock to push their political agendas on companies. A consequence, however, will be that boards

are deprived of a vital source of information on whether shareholders are likely to approve, for example, a big transaction, says Peter da Silva Vint of Jasper Street, a firm that advises companies on shareholder relations.

Gone are the days when boards could thrash out “backroom deals” in advance of contentious votes, reckons Mr da Silva Vint. As shareholders prepare to gather for this year’s round of annual meetings, plenty of drama awaits. ■

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Silicon in the sun

Australia's startup scene is thriving at last

Can the Lucky Country recreate Silicon Valley down under?

4月 16, 2026 04:16 上午 | Sydney



AMID THE surfers and sunbathers letting loose on Sydney's Bondi Beach, another sort of denizen can occasionally be spotted. Rather than stuffing her ears with swimming plugs, she dons AirPods and speaks energetically to an unseen companion about cap tables. Instead of reclining with a book, he punches out code on his MacBook.

To many, Australia is a land of scenic vistas and mineral riches. In recent years, however, it has also developed a bustling startup

scene. Last year Aussie startups raised over \$5bn in venture-capital (VC) funding, the third-best year on record (behind only the frenzied boom of 2021-22), up by nearly half since 2018 and only a little behind France and Germany. From Atlassian (enterprise software) to Canva (design tools) and Afterpay ("buy now, pay later"), the country has produced a number of high-profile successes. Indeed, for every \$1bn of VC money invested since 2000, Australia has produced 1.22 unicorns—a higher ratio than any other country, and nearly twice the figure for America.

This is, at first glance, a surprise. Australia is thousands of kilometres away from the world's biggest tech hubs. It is a small market, with a population of 28m, making it hard for companies to gain scale. Sparse capital and "tall-poppy syndrome"—a cultural norm of resenting high-achievers—have caused many Australian techies to decamp to Silicon Valley.

Three factors explain the growing momentum. The first is that Australia's tech firms now have a lineage. Atlassian launched in 2002 with a credit-card loan and no VC backing. When Canva was founded in 2013, many prospective investors balked at it being based in Sydney.

Now this earlier generation has come of age. Atlassian listed on the Nasdaq in 2015 and, despite a 70% decline in its share price over the past year amid the wider sell-off in software stocks, is still worth \$16bn. Afterpay was acquired in 2022 by Block, an American payments company, for \$29bn. Canva, which was valued in August at \$42bn, is expected to go public in the next year or two.

Their success has blazed a trail. Many alumni of these firms have gone on to build startups of their own: Dovetail, a developer of customer-analysis software, was built by two former employees of Atlassian. The growing pool of startups has, in turn, led to the creation of local VC outfits, says John Henderson of Airtree, one such investor.

The second factor is talent. Australia has seven of the world's top 100 universities for computer science, as ranked by *Times Higher Education*, a magazine. Many graduates go abroad. But the so-called "boomerang effect"—where homegrown talent returns after a stint in Silicon Valley—has grown stronger as the local tech ecosystem has expanded. One such returner is Cameron Adams, who left a job at Google to co-found Canva. A special visa category makes it relatively easy for Australians to get a job in America. Safe streets and a more relaxed working culture draw them back home.

A third factor is Australians' openness to adopting new technologies. Anthropic, a leading artificial-intelligence lab, reports that the country has the third-highest usage per person of its Claude chatbot, after Israel and Singapore. The country's early adoption of "buy now, pay later" financing fuelled the global rise of Afterpay. It also helps that Australia's government is notably tech-savvy: according to a ranking by the OECD, a club of mostly rich countries, it is second only to South Korea.

Surf break

Australia is still a long way from recreating Silicon Valley down under. The local VC industry remains small; two-thirds of deals in the country last year involved one or more foreign investors. The industry often blames stringent rules that make Australia's "superannuation" funds, which manage the country's \$3.2trn-worth of retirement savings, particularly conservative. Regulations intended to protect pensioners from getting stiffed on fees discourage these funds from handing money to VC firms, despite their record of high returns, notes Amit Singh of Mandala Partners, a consultancy. Early-stage funding in particular is still limited. Investors prefer to back bigger, more established startups: last year just 20 deals accounted for 58% of all VC funding in Australia.

A recent spate of high-profile lay-offs has also rattled Australia's techies. Last month Atlassian said it would sack 1,600 staff, roughly

10% of its total, including around 480 in Australia. A local spokesperson for Block who was contacted by *The Economist* was laid off during the writing of this article. By one count Sydney has had the most tech lay-offs in 2026 of any city outside America. Some bosses argue that the firings reflect the efficiency gains brought by artificial intelligence. The more likely explanation is that, just as in Silicon Valley, many of them [over-hired during the pandemic-era boom](#). More techies may soon be hanging around Bondi Beach plotting their next venture. ■

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Rocket wallahs

India's space industry is blasting off

Thank Nehru, Modi and Musk

4月 16, 2026 04:15 上午 | Bangalore



Sky-high ambitions

ON APRIL 10TH Artemis II, an American lunar mission that carried four astronauts farther than humans have travelled before, splashed down safely in the Pacific Ocean. Next year the Indian Space Research Organisation (ISRO) aspires to meet its own celestial ambition. Its Gaganyaan mission will seek to add India to the small group of countries—comprising America, Russia and China—that have achieved crewed space flight.

That goal is not as otherworldly as it may sound. In recent years India has built a thriving commercial space industry that works closely with ISRO. Its success is thanks largely to three people.

The first is long dead: Jawaharlal Nehru, India's first prime minister. Nehru had a passion for science—big cities are littered with planetariums bearing his name—and established the precursor to ISRO in 1962, at the urging of Vikram Sarabhai, a leading physicist. Unlike the cold-war agencies of America and the Soviet Union, India's was devoted to development goals, such as monitoring monsoons. It has since become a rare example of a widely respected Indian government institution.

Yet until 2020 India's space sector remained a cottage industry. A limited ecosystem of companies worked with ISRO, mostly small manufacturers producing components for its missions. Graduates of the Indian Institute of Space Science and Technology (IIST), a dedicated university, had few opportunities outside the public sector. That changed thanks to Narendra Modi, India's current prime minister and the second pivotal figure. His government opened up space to the wider private sector in 2020, creating IN-SPACE, a "single window" where companies could obtain licences for space activity of all sorts as well as access to ISRO's launch capacity. The government estimates that the private space industry's total revenues now exceed \$8bn, with 400 or so startups, many of them set up by IIST alumni.

Third is Elon Musk, the world's richest man. The Falcon 9 reusable rockets developed by SpaceX, which he founded and runs, have dramatically reduced the cost of launching satellites, making more space-based businesses viable. Would-be Indian space tycoons hope that the public listing of Mr Musk's colossus sometime this year will prove that the industry can be a lucrative investment. They also hope that a "SpaceX mafia" of investors and employees that get rich as a result will redeploy some of the bounty in India.

The country boasts a handful of space clusters. One is in Bangalore, long a centre of the aerospace and defence industry: aeronautics labs were established there shortly after independence, close to what had been a British military base. Another is in Chennai, which is near ISRO's launch site. AgniKul Cosmos, a startup based in the city, wants to become a "taxi" for satellites (as opposed to SpaceX's "buses"). Using 3D printers, it plans to build smaller reusable rockets than the Falcon 9, which could be launched from wherever a client wants and put their satellite in precisely the required orbit. The first commercial launch is scheduled for later this year.

For the moment, space chiefly means defence, says Anirudh Sharma of Digantara. His startup first imagined itself as an orbital air-traffic controller, helping clients monitor the risk of their satellites colliding with debris. It soon realised that its satellite-mounted lasers could track missiles on Earth just as easily as extraterrestrial junk. Its offices in America, staffed with a mix of local citizens and green-card holders with security clearances, supply various American defence contractors. India's defence establishment has also developed an interest in the industry. The brief conflict with Pakistan in 2025 showed the need for capabilities in space, says Mr Sharma. China reportedly provided Pakistan with satellite images during the clash.

The other anchor client is ISRO. India's government wants to use its space mission to give a further boost to its private space industry. It is taking inspiration from America, where SpaceX won the contract with NASA, the country's space agency, to provide the landing system that is intended to take astronauts back to the Moon's surface in a future stage of the Artemis mission. If Gaganyaan succeeds next year, it should help draw greater attention to the businesses that supported it. India's goals in space may have shifted since Nehru's day, but development remains an important part of the plan. Its government hopes that the sector will contribute to India's rise as a powerhouse of advanced manufacturing. It is shooting for the Moon—but may just succeed. ■

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Bartleby

The desperate pursuit of final approval

An office parable

4月 16, 2026 04:16 上午



From: Rudolf Schwink

To: Sarah Sofoss

Hi Sarah, I have done the final redraft of the new product user survey. We are now at 25 questions, which is already too long. So we need to be very disciplined when this goes out to the executive leadership team for sign-off. I know you know this, but this ought to be a quick approval, not another debate. Rudolf

From: Sarah Sofoss

To: Rudolf Schwink

Hi Rudolf, Totally agree on need for brevity but can you reinsert the question we discussed on frequency of use? S

From: Sarah Sofoss

To: ELT, Rudolf Schwink

Dear all, Please find attached the final version of the user survey on the new product for sign-off. We will get this into the field next week. Best wishes. Sarah

From: Brian Aldidge

To: ELT, Sarah Sofoss, Rudolf Schwink

Hi Sarah. HAVe made some specific comments on language and grammar inthe doc, but the amin thing sis that we need a longer section on competititos. We cannot understand the market otherewise. HAVe suggestrd new questions. Best. Brain.

From: Vijay Bhacharayan

To: ELT, Sarah Sofoss, Rudolf Schwink

Hi all. Agree with Brian on competitors. This is a really good chance to test what customers think of the new features in our current product, too. Have put some questions on both into the doc. Well done, everyone! VB

From: Serge Dideroux

To: ELT, Sarah Sofoss, Rudolf Schwink

I do wonder if we should have a much more open-ended set of questions. We seem to be looking for confirmation of our own assumptions about the new product, not asking what people would want if they had a blank canvas. I'm sorry to raise this so late. Serge

From: Brian Aldidge

To: ELT, Sarah Sofoss, Rudolf Schwink

Good pprint, Serge. MAYbe we could ask an open-ended questions att ehe dn? Brain

From: Rudolf Schwink

To: ELT, Sarah Sofoss

Sarah, this is getting out of control. Everyone has had a chance to comment already. If we accept all of Vijay's suggestions, we are up to 34 questions. If we listen to Serge, we'd be starting the whole process again. And why is Brian making comments on the language, given he's functionally illiterate? Rudolf

From: Brian Aldidge

To: ELT, Sarah Sofoss, Rudolf Schwink

Sarah, let's meet to discuss this/ Tyjis is unacceptable behaviour. I'm typing fast and on a phone. I think my meaning is clear. Brian

From: Rudolf Schwink

To: Sarah Sofoss

Hi Sarah, I'm so sorry. I didn't mean to copy everyone. Rudolf

From: Sarah Sofoss

To: Brian Aldidge, ELT, Rudolf Schwink

Dear Brian, I will speak to Rudolf and can only apologise on his behalf. In the meantime, I have added most of the new questions. Alexis, over to you for final approval. Are we good to go? Sarah

From: Rudolf Schwink

To: Brian Aldidge

Hi Brian, I'm very sorry. I should not have lost my temper. Rudolf

From: Brian Aldidge

To: Rudolf Schwink

I hope that you reflects on this. Brian

From: Rudolf Schwink

To: Brian Aldidge

Dear Brian. I will reflects on it. Rudolf

From: Alexis Smith (CEO)

To: ELT, Sarah Sofoss, Rudolf Schwink

It's fine but we have to ask some questions about AI.

From: Sarah Sofoss

To: ELT, Rudolf Schwink, Alexis Smith

The survey is very long already, Alexis. Were there any questions you wanted to delete to make room?

From: Alexis Smith (CEO)

To: ELT, Sarah Sofoss, Rudolf Schwink

You can get rid of the questions about the new product.

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Haute streak

From Ralph Lauren to The Row, American luxury is booming

Can the old world fight back?

4月 16, 2026 04:16 上午 | New York



Cut from a different cloth

IT IS A miserable time for most purveyors of fancy handbags and pricey frocks. Following a post-pandemic boom, spending on personal-luxury goods worldwide has [contracted](#) in both of the past two years, according to Bain, a consultancy. War in the Middle East—and the resulting shock to the global economy—has luxury brands braced for further gloom. On April 13th LVMH, the industry's

colossus, reported that sales of its clothes and leather goods in the first three months of 2026 were down by 2% from the year before—the seventh consecutive quarter of decline.

Yet one group of labels has been surprisingly perky lately: American ones. Europe's *maisons* have long dominated the luxury business. Lyst, an e-commerce site, maintains a ranking of the hottest labels in fashion based on sales, online searches and social-media activity. Five years ago none of the top ten was American. Now three make the cut—Ralph Lauren, Coach and The Row. In the final three months of 2025 Ralph Lauren's revenue rose by 10% year on year. Sales at Coach were up by 25%, resulting in a record quarter for its owner, Tapestry. The two companies' share prices have risen by 89% and 135%, respectively, over the past year. What is behind the new world's newfound success?

Shifts in strategy are part of the explanation. At Ralph Lauren, a years-long turnaround is now paying off. It has refreshed its product line-up, taken greater control over distribution and revamped its tired shops. Many of its larger stores now house coffee bars and restaurants; David Lauren, the founder's son, who oversees branding and innovation, says that people visit "because they love the ambience". Average selling prices (what shoppers pay after discounts) have risen every quarter for almost nine years. The firm also now spends over 7% of its sales on marketing, twice the figure a decade ago. With clear results: every fashion influencer worth their ring-light has one of the brand's pony-logo caps.

More recently, Coach has followed a similar playbook. It has abandoned crumbling malls and department stores and shed its reputation as the go-to label for discounted bags. It now sells almost 90% of its products directly to customers. Ads featuring stars such as Selena Gomez, and a push into customisable charms for bags, have lured younger shoppers.

Other forces are giving these American labels a leg up. Preppy looks and '90s throwbacks are in vogue. Online searches for Ralph Lauren's quarter-zip sweaters jumped by 132% year on year in the last quarter of 2025, reckons Lyst.

The global economy is on the side of the American brands, too. Shoppers in America have been more resilient than those elsewhere. Luxury spending rose slightly there last year, even as it declined in Europe and Asia, where old-world labels dominate. The strengthening of the euro over the past year has also made it dearer for tourists in Paris and Milan to splurge on French and Italian brands.

That American designer brands on the whole tend to be less expensive than those from European rivals has also helped at a time when stretched consumers around the world are looking for cheaper alternatives. Sandeep Seth of Tapestry argues that the \$200-500 that most Coach bags sell for is the "sweet spot" right now. JPMorgan Chase, a bank, reckons that European luxury labels' bags now cost 5-10 times those from Coach, up from 2-3 times 15 years ago.

Cashmere-clad European bosses pooh-pooh this: "affordable luxury", they say, is an oxymoron. Others beg to differ. Patrice Louvet, Ralph Lauren's chief executive, contends that luxury is defined not by price, but "by the experience you provide".

Besides, American brands have shown that they can occupy the swankiest end of the luxury industry when they choose to. Ralph Lauren caters both to the merely well-off, with its Polo products, and the stinking rich, with its Purple Label line. Then there is The Row, which sells \$5,000 bags and \$12,000 coats. The brand, founded by Mary-Kate and Ashley Olsen, two former child actors, focuses on the kind of understated designs that have thrived amid growing demand from today's uber-rich for so-called "quiet luxury". The ability of the Olsen twins to persuade stars such as Kendall Jenner and Zoë

Kravitz to wear their products, while restricting distribution, has created a sense among shoppers that they must earn the “right to buy”, says Flavio Cereda of GAM, an asset manager.

None of this will make America the new centre of gravity for luxury. Three of the world’s four top fashion shows still take place in Europe. And plenty of American labels are struggling. Tapestry has failed to turn around Kate Spade, another fashion business it owns, and last year sold Stuart Weitzman, a shoe brand, amid flagging sales. Capri, a rival American luxury group, has struggled as Michael Kors, its biggest label, has fallen out of favour with shoppers. After being blocked by trustbusters from merging with Tapestry in 2024, Capri sold Versace to Prada to reduce its debts.

For their part, European labels are doing everything they can to revive sales. Many, including Chanel and Gucci, have hired new creative directors in the past year or so. Having irked shoppers with hefty price increases as luxury spending soared after the pandemic, they are now making up for it by adding cheaper wares to their line-ups and holding constant the prices of high-end ones. Whether or not this revives their fortunes, the old assumption that only Europe can do luxury looks increasingly outmoded. ■

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Schumpeter

David Zaslav and the tyranny of incentives

The Warner CEO's mega-payout is a cautionary tale

4月 16, 2026 04:16 上午



ON APRIL 23RD shareholders will vote on a deal that has tested shareholder capitalism to its limits. In February Paramount Skydance grasped Warner Bros Discovery, its much bigger rival, from the jaws of Netflix after months of wrangling. The [takeover battle](#) has been an epic watch. President Donald Trump has weighed in. So has Bryan Cranston, star of "Breaking Bad". The tie-up must still be approved by regulators around the world (not easy, as reflected in Warner's share price, which is 12% lower than Paramount's cash offer). If it does receive their assent, the deal will create an

entertainment giant, enthrone David Ellison, Paramount's boss, as the king of Hollywood and give sovereign-wealth funds from the Gulf an unprecedented stake in popular culture.

It will also make David Zaslav, Warner's boss, remarkably rich. Mr Zaslav is a great Hollywood survivor: he started running Discovery, a constellation of TV channels, in 2006. Mr Cranston, who has won a Golden Globe, has described him as "so boring". Mr Zaslav, who has won perhaps the largest golden parachute in corporate history, probably doesn't care. If Mr Ellison fires him after the deal closes, Mr Zaslav will receive \$34m of severance pay.

Whatever happens to him, even if he stays on at Paramount, Mr Zaslav will collect more than \$500m from stock awards and options that will vest on generous terms. His tax bill will also be settled by his employer, bringing the total bounty to more than \$800m. In Tinseltown terms, selling the studio that made "Casablanca" will earn Mr Zaslav enough to personally finance two "Avengers" movies. How is that possible?

The idea that managers, as well as entrepreneurs, should earn a fortune when a company is sold took root in the 1980s. Executives naturally greet takeovers warily, since they might struggle to find another job afterwards. Paying them off thus enlivens the market for corporate control, ran the argument.

That logic never seemed quite as unassailable outside executive suites and university economics departments. "If an executive needs a multimillion-dollar contract to get his mind clear in a takeover situation, then maybe he should see a psychiatrist," remarked Felix Rohatyn, a famous banker. Nevertheless, by the end of the decade a majority of large American firms had fitted their corner offices with parachutes and Congress had levied a special tax on them—the one that Warner's shareholders will now, unusually, pick up on Mr Zaslav's behalf.

Since then, boards have constructed increasingly intricate pay packages designed to align the interests of managers and shareholders. The idea that the right incentives can solve any problem has become an article of faith in corporate America. Stock awards and options, rather than cash, make up more than 70% of executive compensation at large firms. In Silicon Valley shares are doled out to employees like sweets.

One consequence is that the earnings of senior executives have become utterly unintelligible to shareholders. "Compensation actually paid", a figure companies are now forced to disclose, does "not reflect the actual amount of compensation earned by or paid to our CEO", reads a typical warning from Warner's proxy statement. Another is that golden parachutes have become much bigger. According to a study by Alvarez & Marsal, an advisory firm, the average payout a CEO should expect after his firm is bought is \$27m. A study by Jeffrey Gordon of Columbia University covering takeovers between 2011 and 2022 found that, for deals larger than \$10bn, the average payout was \$48m.

Mr Zaslav is not the first boss of Warner Bros to become fantastically wealthy. When Time bought the studio in 1990 Steve Ross earned almost \$200m; when AT&T bought Time Warner in 2018 Jeff Bewkes left with a \$70m golden parachute. But even by these standards Mr Zaslav has been well rewarded. Moreover, his pay illustrates just how much the interests of executives and shareholders can diverge. A good chunk of Mr Zaslav's compensation is awarded for hitting qualitative "individual strategic goals" rather than verifiable financial measures. His parachute also continued to grow while the deal to sell Warner was negotiated. Glass Lewis, a proxy adviser, says the tax arrangements in Mr Zaslav's exit package should be a cause of "severe concern"; ISS, its rival, has called them "problematic".

Whether investors view Mr Zaslav's billowing parachute as tastefully golden or garishly so may depend partly on when they bought Warner's stock. Paramount will pay \$31 for each share, more than

three times what they were worth a year ago. Judged this way, Mr Zaslav has delivered extraordinary value.

Yet this merger would not have been possible without the abject failure of an earlier one he orchestrated: the tie-up between Warner Bros and Discovery in 2022. The grand promises made then have gone largely unfulfilled. Its streaming service (HBO Max, then just Max, then HBO Max again) is still dwarfed by Netflix. Warner has had just two profitable quarters since the deal closed, leaving its debt-laden balance-sheet in a precarious state.

Up in the clouds

Warner's board is responsible for Mr Zaslav's pay. (Curiously, the committee chair is a banker whose shop is advising on the transaction.) Yet when Warner's shareholders do vote on the merger next week, they will also have a chance to express their disapproval, a right they have had since regulators introduced "say on pay" rules after the financial crisis. The effect of rejecting an executive's compensation, as shareholders did to Mr Zaslav's \$52m package last year (and almost did the year before), is identical to supporting it wholeheartedly. Votes do not bind companies and are often ignored. Warner's owners have good reason to feel short-changed by Mr Zaslav's pay. He will float happily away. ■

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Sovereign wealth of woe

War will drain the Gulf's \$6trn treasure chest

The conflict complicates life for the custodians of Middle Eastern oil fortunes

4月 16, 2026 05:30 上午 | DUBAI



IN RECENT YEARS the sovereign-wealth pots of the six members of the Gulf Co-operation Council (GCC) have bestridden the world of investing. The hydrocarbon kitties of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) have between them deployed more than \$430bn in capital since 2021. For every petrodollar they invest, 75 petrocents ends up abroad, in everything from artificial-intelligence darlings and private credit to Premier

League football clubs and TikTok. They oversee over \$5trn of assets globally, up from \$3trn in 2021.

Those farsighted efforts to plan for life after fossil fuels are suddenly being disrupted by the brutal reality of war. Iran's retaliatory strikes against American allies in the region have already destroyed \$25bn-worth of oil and gas infrastructure, according to Welligence, a consultancy. This will need to be rebuilt—and maybe supplemented with spending of \$30bn-50bn on pipelines to bypass the Strait of Hormuz, over which Iran has proven its grip. Amid growing regional instability, GCC countries will also need to spend more on defence, not least to restock interceptor missiles and other munitions. And all this needs to happen as their economies slow because of disruptions to activity, including energy exports. Dubai (part of the UAE) has already announced a stimulus package for businesses.

The deep-pocketed funds will almost certainly be expected to foot some of the bill, as they did in past crises. During the pandemic the Abu Dhabi Investment Authority (also from the UAE) withdrew \$24bn and the Kuwait Investment Authority withdrew \$25bn, equivalent to 3-4% of their assets under management, estimates Diego López of Global SWF, a research firm. Emirati and Qatari funds with stakes in their countries' flag carriers bailed out the airlines to the tune of \$4bn.

Such large capital calls tend to mess with funds' target allocation and restrict investment in other asset classes in the subsequent years, Mr López observes. And this time the exercise will be even more delicate. For one thing, over the past five years the funds have invested more in illiquid private assets. Emirati and Saudi vehicles have poured nearly \$100bn and some \$40bn, respectively, into AI startups and data centres. Between 2021 and 2025 about \$140bn in GCC sovereign wealth went into property and infrastructure, and perhaps \$80bn into private credit. Such investments are harder to liquidate in a pinch than bonds or public equities. Some of them could be sold only at a steep loss.

Other investments are tied to foreign-policy goals, such as ensuring food security and critical minerals. If funds sign deals as part of arrangements between governments, these, too, can be hard to unwind. The UAE's kitties own stakes in mines and farms in several African countries. Saudi Arabia's Public Investment Fund (PIF) has backed mining businesses in Brazil and agricultural ones in South-East Asia.

The last complication is the funds' growing exposure to national ambitions to move GCC economies beyond petroleum. L'Imad, a vehicle created by Abu Dhabi in January that absorbed ADQ, the emirate's existing wealth fund, has large stakes in national infrastructure operators, including TAQA, a utility, AD Ports Group, a port operator, Abu Dhabi Airports and Etihad Rail. Another Abu Dhabi pot, Mubadala, is funding the expansion of Al Maryah Island, the emirate's financial hub, and Masdar, a renewable-energy firm.

As Iranian projectiles dent the allure of the wealthy Gulf states for foreigners and their money, domestic investments suddenly look rather risky. Diminished airline traffic through the region is already weighing on the income statements of local airport operators and airlines. Average occupancy and daily rates at luxury hotels in the funds' portfolios have dropped every week since the war began. Emirates Global Aluminium, a big smelter co-owned by Mubadala and Investment Corporation of Dubai, has said it could take up to a year to repair the damage from missile debris. Property companies such as Aldar, also partly owned by Mubadala, face plummeting residential sales and leasing activity. All this is stanching cashflows and will decrease the dividends such businesses pay out to the funds.

Some of the region's more pharaonic projects already seemed to be on shaky ground. In January construction was suspended on the Mukaab, a colossal cube-shaped skyscraper that was the centrepiece of a \$50bn residential and commercial district in Riyadh, the Saudi capital. The war makes resumption of the project unlikely. In March,

weeks into the conflict, Saudi Arabia cancelled some contracts for Trojena, a desert ski resort, and The Line, a futuristic wall-shaped city. At least for the PIF, which has backed many Saudi initiatives, big write-downs are inevitable.

On April 15th the PIF unveiled a new five-year strategy, drawn up before the war began. At an investment jamboree organised by the PIF last month in Miami, the fund's boss, Yasir Al-Rumayyan, was hoping to attract more foreign investment to the kingdom. "In the past, we tried to bring Saudi to the world," he told a crowd of finance grandees. "Now we are in a stage where we want to bring the world to Saudi." Given the various projects' stumbles, that was already going to be a tough sell. The threat of periodic Iranian attacks does not make it any easier. Investment bankers report that foreign contractors are retreating from various Gulf projects and some Western investors are getting cold feet.

Mr Rumayyan also stressed that the PIF remains committed to its investments around the world. "We measure our returns not in quarters, but in decades," he insisted. Indeed, no one expects a fire sale of assets part-owned by the GCC funds. An investment adviser in Singapore notes that of six Gulf sovereign funds involved in deals intermediated by his firm, only one has pulled out in the past month. With domestic profits dwindling, reliable foreign income is all the more critical, he says.

That may be true. But it also suggests that the funds' attention may turn from risky bets on the future to duller assets generating cash here and now. At home, meanwhile, more of their money will go to rebuilding the old economy rather than erecting a new one. The longer the war drags on—and the deeper the scars it leaves—the harder it will be for the funds to pretend that nothing has changed.

■

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The Warsh of times

America's next Fed chair is caught in a vice

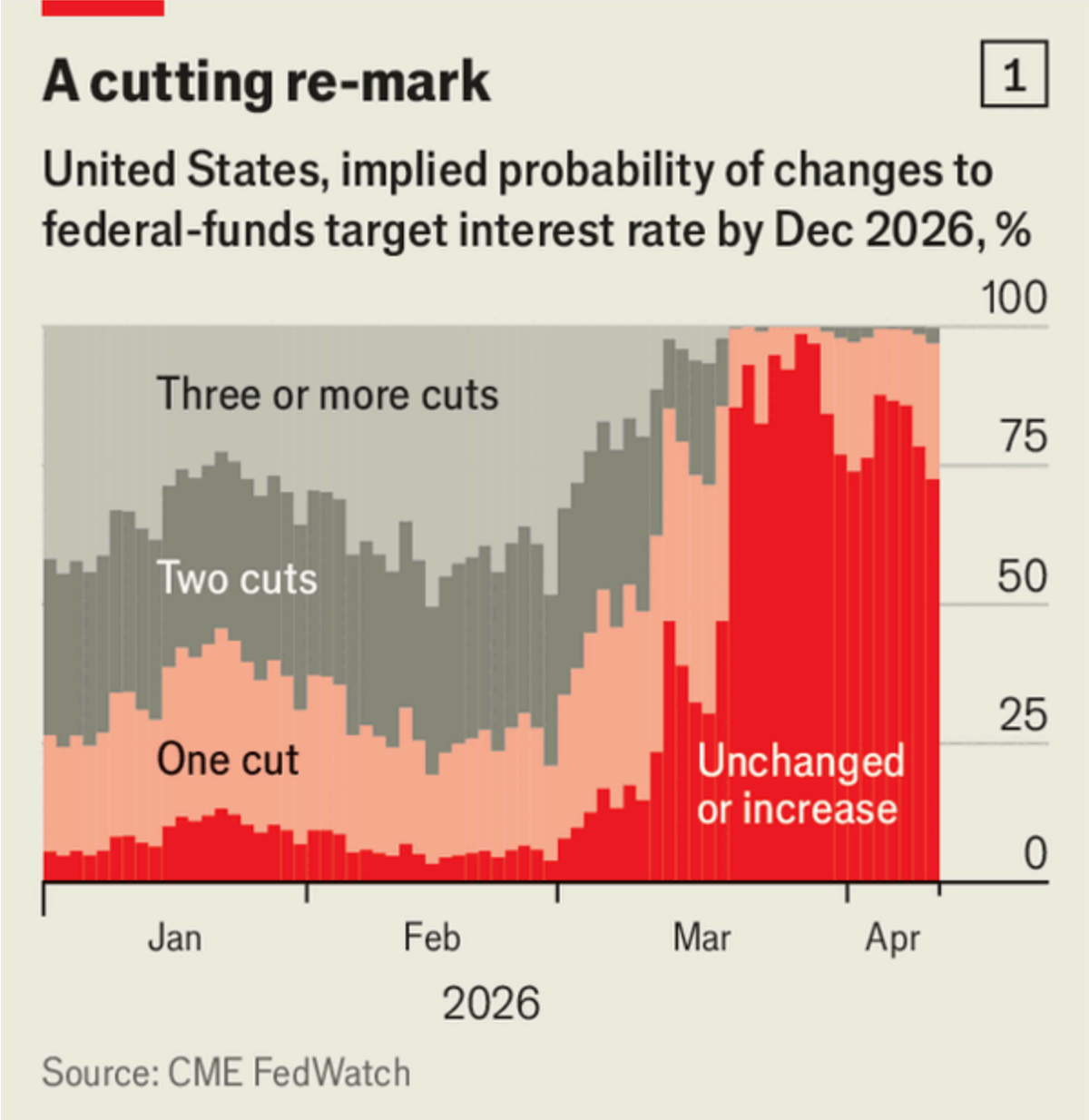
Inflation was heating up even before the war in Iran

4月 16, 2026 04:16 上午 | Washington, DC



RUNNING THE Federal Reserve is generally considered one of the world's great jobs. Running America's central bank with Donald Trump in the White House is a rather thornier proposition. Jerome Powell, the current chair, is the subject of regular presidential tirades. "Where is the Federal Reserve chairman, Jerome 'Too Late' Powell, today?" asked Mr Trump on Truth Social, his social network, as his war in Iran sent markets lurching lower last month. Mr Powell is also the subject of a spurious investigation by the Department of Justice (DOJ) into the bill for renovating the Fed's headquarters.

Kevin Warsh may have hoped for an easier run of things. In January, when Mr Trump nominated the former Fed governor to succeed Mr Powell, consensus in markets was of at least one or two cuts in interest rates, and probably more, before the end of 2026. That would not have got today's 3.5-3.75% down to the 1% or so that the president occasionally demands. But it might at least have kept Mr Warsh out of the crosshairs.



Since then the case for those rate cuts has evaporated (see chart 1). Few now expect any this year. Most obviously, war in Iran has sent the price of oil soaring, pushing headline inflation to an annual rate of 3.3% in March, up from 2.4% the month before, according to official figures released on April 10th. The next month's data will probably also be painful for similar reasons. Despite a (tentative) ceasefire in the Gulf, oil prices are still hovering around \$95 a barrel, a third higher than before America and Israel attacked the Islamic Republic in late February.

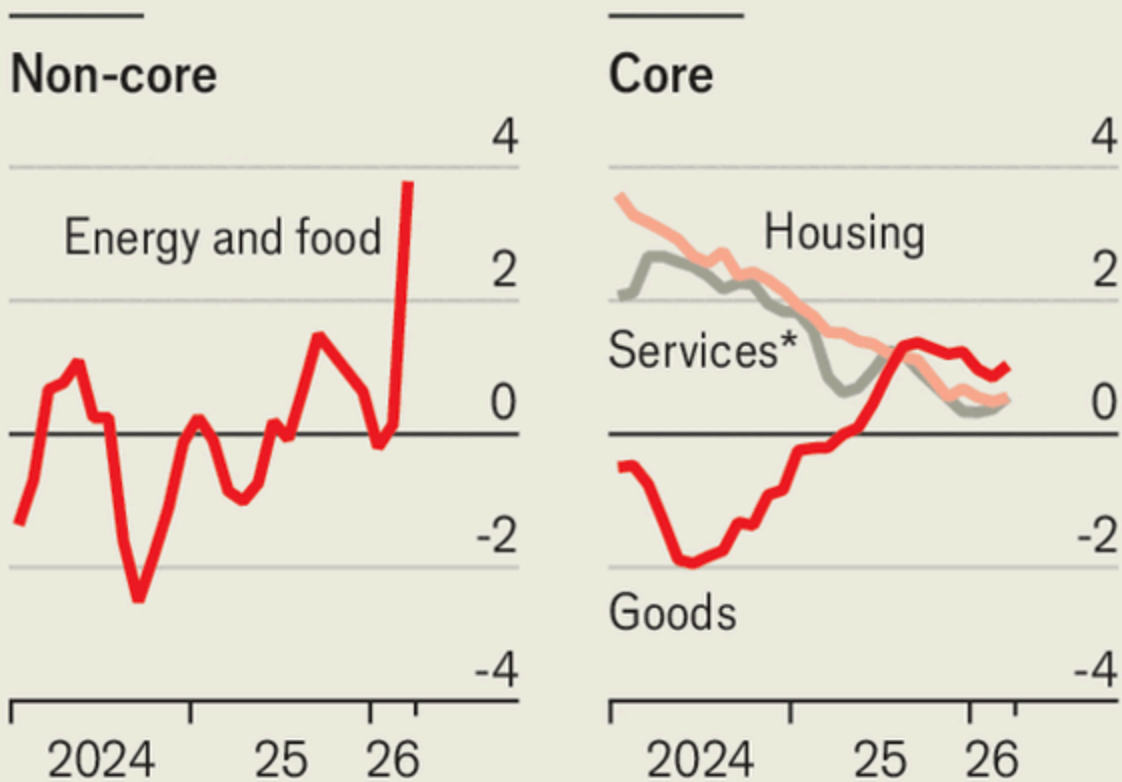
Oil shocks tend to percolate, in time, to other prices around the economy: energy is, after all, an input in nearly everything. America went through a similar experience in 2022, after Russia invaded Ukraine. Reducing interest rates to stimulate the economy while prices are marching up is, for the most part, a central-banking no-no.

Complicating life for Mr Warsh, American price stability was already deteriorating before the war. Mr Trump's tariff shock may have been a one-off, raising the level of goods prices as importers gradually passed the cost on to customers, but not the rate of inflation. Services inflation, though, which tends to be less jumpy and better reflects how hot the economy is, has stopped falling.

Hit, hit, then stray

2

United States, annual inflation rate,
%-point difference from 2010-19 average



Sources: Macrobond; *The Economist*

*Excludes housing

Exclude housing (which tends to lag behind other prices because rents are typically reset only once a year) and prices of services—anything from haircuts and car rentals to mobile-phone plans—are rising about half a percentage point faster than their average in the 2010s, when inflation consistently hit the Fed’s target of 2% (see chart 2). That is not a huge gap. But it suggests that inflationary pressure has not been fully squeezed out of the American economy, making additional monetary stimulus hard to justify.

This is an empirical blow to Mr Warsh's rate-cutting project. Another challenge is theoretical—but no less potent for it. An erstwhile inflation hawk, he got into Mr Trump's good graces by arguing that productivity growth brought about by artificial intelligence justified sharp reductions in interest rates.

This argument was always shaky. If AI really were to make American workers vastly more productive, and soon, the correct monetary response might well be to raise interest rates. That is because the "neutral rate"—which neither stimulates nor stifles output—tends to rise and fall with the economy's underlying growth potential. Moreover, so far the most obvious economic impact of the AI boom has been a huge wave of investment in data centres. By ploughing billions into the economy, this splurge pushes against the notion of lowering rates.

In the past few months, some senior Fed officials have laid out their disagreements with Mr Warsh's AI optimism (without being so impolitic as to name him specifically). Philip Jefferson, vice-chair at the Fed, said in a speech in February that AI may well raise inflation in the short term and pull up the neutral rate in the long term. Later that month Michael Barr, another Fed governor, gave remarks making similar points. Even Mr Powell has weighed in. During the most recent Fed press conference he told *The Economist* that with AI, "you're not looking at something that would immediately call for lower rates or that would be lowering inflation."

And Mr Powell may be around for a while. He has said that, unlike his recent predecessors, he does not plan to step down from the Fed's board of governors when his term as chair expires in May, at least until the DOJ probe ends. (His term as a governor runs until 2028.) If some recalcitrant Republican senators stick to their pledge not to confirm any new Fed appointees, including Mr Warsh, until the probe wraps up, he could even stay as chair *pro tempore* beyond May. On April 15th Mr Trump vowed to sack Mr Powell if he does not

depart—although it is not clear he has the legal authority to do so. He also said that the investigation would continue.

Mr Warsh’s metamorphosis into an inflation dove has allowed him to sweet-talk the president into offering him the Fed job. Now that Mr Trump’s Iran mess has made interest-rate cuts trickier, explaining to the president that he cannot have the reductions he wants will require something even more saccharine. ■

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Too strategic to fail

Pakistan's deft diplomacy is an economic blessing. And a curse

It allows the country's rulers to put off necessary reforms

4月 16, 2026 08:18 上午 | ISLAMABAD



DIPLOMATS WOULD say that Pakistan has had a good Gulf war. Friendly relations with both Donald Trump and the Islamic Revolutionary Guard Corps, the elite force that runs Iran, have allowed it to play go-between. Economists are not so sure. When fuel and food prices are climbing as a consequence of the war, Pakistanis' pride in their country's global standing provides only limited comfort.

Pakistan has a record of turning that standing into financial breathing room. The country has not been short of outside help, from American military aid during the cold war and the “war on terror” in the 2000s to Chinese infrastructure lending and cheap loans from Gulf countries more recently. Though its economic buffers are thin, its diplomatic prowess will help it through the latest crisis. But turning geopolitical clout into cash risks perpetuating a cycle of lacklustre reform efforts, poor growth and eventual bail-outs.

The need for foreign support is obvious. Pakistan spends roughly 4% of GDP annually on fuel and fertiliser from the Gulf. With the Strait of Hormuz closed, the government has been forced to introduce fuel rationing. Civil servants are working a shorter week; there have been rolling blackouts in Punjab, the most populous province; cricket matches have been played without crowds. Petrol prices have been raised by 43% and diesel prices by 55%. But this is unlikely to stem the drain of foreign currency. Before the war Pakistan’s foreign-exchange reserves covered only about three months’ imports.

The war hurts overseas earnings, too. Around half of Pakistanis working abroad are based in the Gulf, mostly in Saudi Arabia and the United Arab Emirates (UAE). These expatriates’ remittances are worth around \$40bn a year (10% of GDP). The Pakistan Institute of Development Economics, a think-tank, estimates that economic disruption in the Gulf could cut this by between \$3bn and \$4bn. Unemployment at home is likely to surge as fewer Pakistanis can find jobs elsewhere.

Never before has Pakistan faced a similar crisis with so little room for manoeuvre, argues Murtaza Syed, a former deputy governor of the central bank and ex-IMF official. Every time commodity prices spike, Mr Syed says, it has had to turn to international lenders. In all it has had 25 IMF bail-outs since it joined the fund in 1950. The latest—which is still current—was agreed on in 2024, after the energy shock from Russia’s invasion of Ukraine and devastating floods. Pakistan spends more than half its tax revenue on debt service.

Its \$138bn of external debt (48% of its total borrowing) is largely split between loans from American-backed multilateral institutions, such as the IMF, the World Bank and the Asian Development Bank, and bilateral loans from China, mostly for infrastructure. The UAE, Qatar and Saudi Arabia have also chipped in, for example with deferred oil payments and short-term deposits at the central bank. Scholars of Pakistani foreign policy have coined the term "strategic rents" for the country's ability to extract payments from allies. "The problem with good relations with America is that it means the IMF is too nice to us," says Miftah Ismail, a former finance minister now in opposition. "That is bad because we always use that space to delay doing the right thing."

That might mean attracting foreign capital by building productive capacity or providing an easy environment to do business. Instead, Pakistan's outsize intelligence and security apparatus has kept America and others interested. Saudi Arabia, with which Pakistan has a mutual defence pact, owns a chunk of external debt. Pakistan sometimes appears close to exhausting this strategy. The Chinese, noting the IMF's experience, have become wary of throwing good money after bad. On April 4th Pakistan's ministry of finance said that the UAE had declined to roll over a \$3.5bn loan, requiring the repayment of 18% of Pakistan's dollar reserves and blowing a hole in the current IMF plan. But Saudi Arabia has stepped in with an extra \$3bn.

Pakistan faces what Janos Kornai, a Hungarian economist, called a soft budget constraint. Writing many years ago about socialist economies in the old Soviet bloc, Kornai argued that state-backed companies had no realistic prospect of failure. They could limp on for ever, often enriching their patrons and management, in the knowledge that more money would eventually be forthcoming. Pakistan's importance in its allies' strategic plans affords it a similar licence. The military men who run much of the economy know that more funding may appear, whether or not they pursue the reforms that could break the cycle of bail-outs.

Pakistanis have been the victims. In 1995 Pakistan's GDP per person was around 45% higher than India's and nearly twice that of Bangladesh; it is now 45% below India's and 35% below Bangladesh's. Liberal economists had hoped that the current crisis might have been enough to force Pakistan to confront its structural problems. Yet once again the country's geopolitical value has provided an escape route. ■

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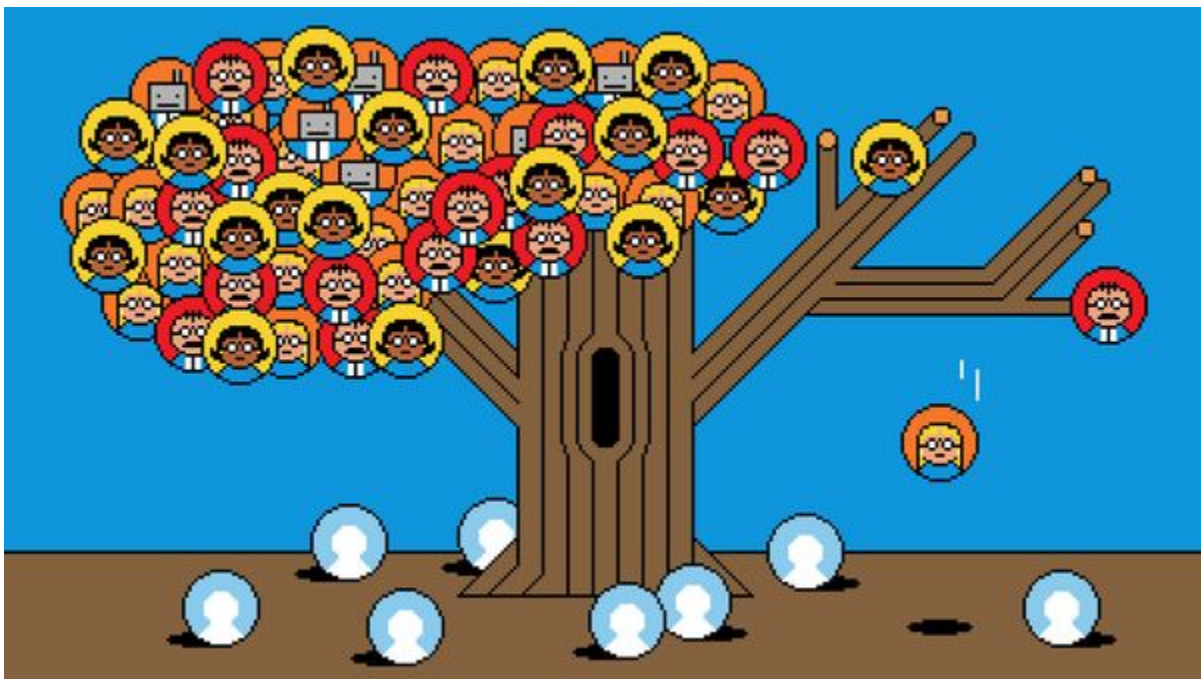
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Code red

The tech jobs bust is real. Don't blame AI (yet)

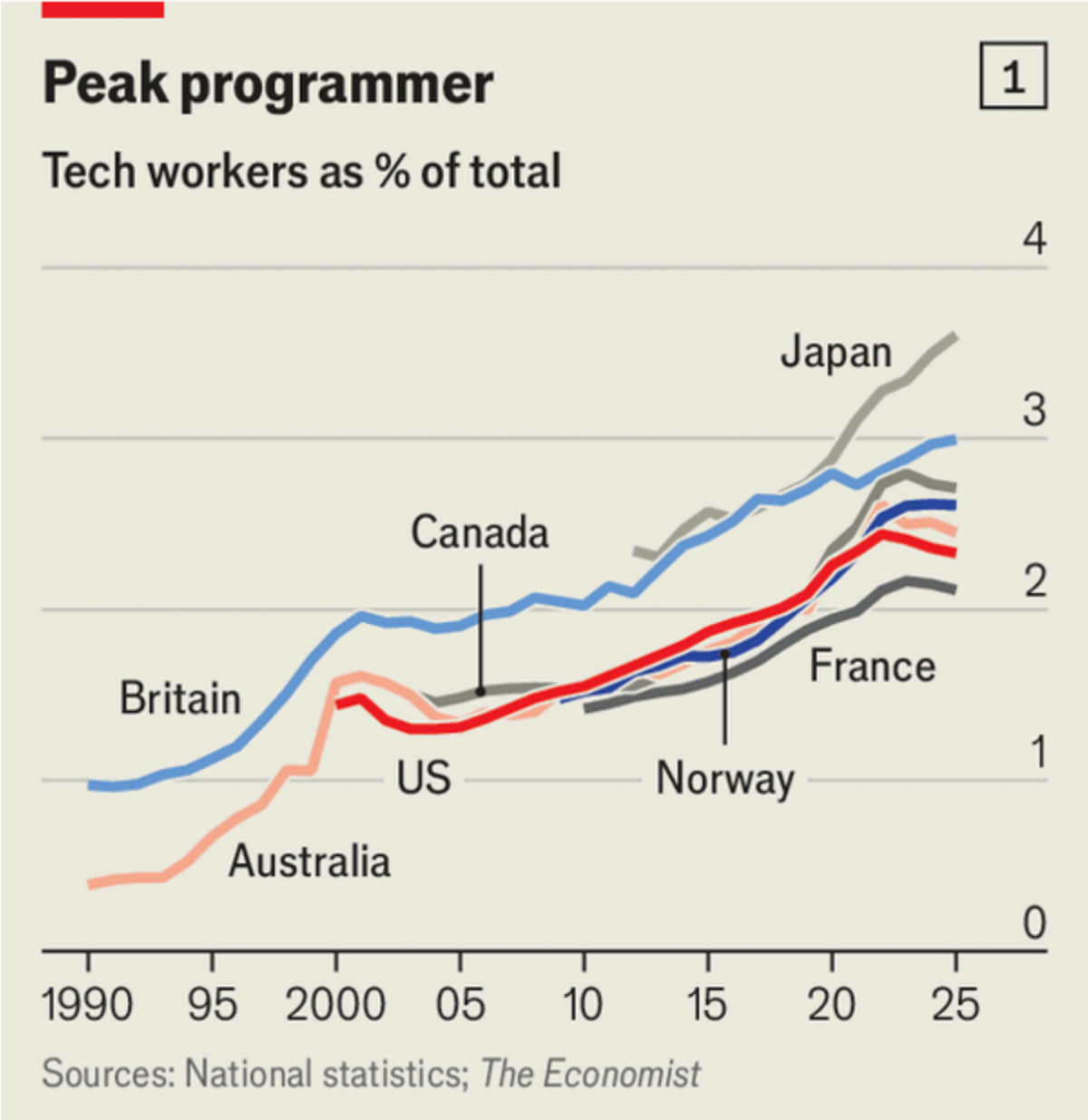
Why technology firms are shedding workers

4月 16, 2026 04:16 上午 | San Francisco



AMERICAN TECH firms are in lay-off mode. Oracle, a cloud-computing wannabe, has just sacked thousands. Block, a digital-payments darling, is slashing more than 4,000 roles—nearly half its workforce. Amazon and Meta are trimming. From 2022 to 2025 they and five fellow tech giants scarcely added to payrolls. Total employment, tech-related and not, in San Francisco, the world's tech capital, has fallen by 3% since the start of 2023.

This, as bosses tell it, is not because the industry is in a funk. It is because the sector is in the midst of a generational boom, courtesy of artificial intelligence. Boosters argue that AI is getting really good really fast at the sort of work many tech employees perform—spookily so, as [the latest model from Anthropic](#), a leading lab, shows. Humans are becoming redundant.



Fear of a tech-jobs AI-mageddon has spread beyond Silicon Valley. In America, technology's share of overall employment has dipped

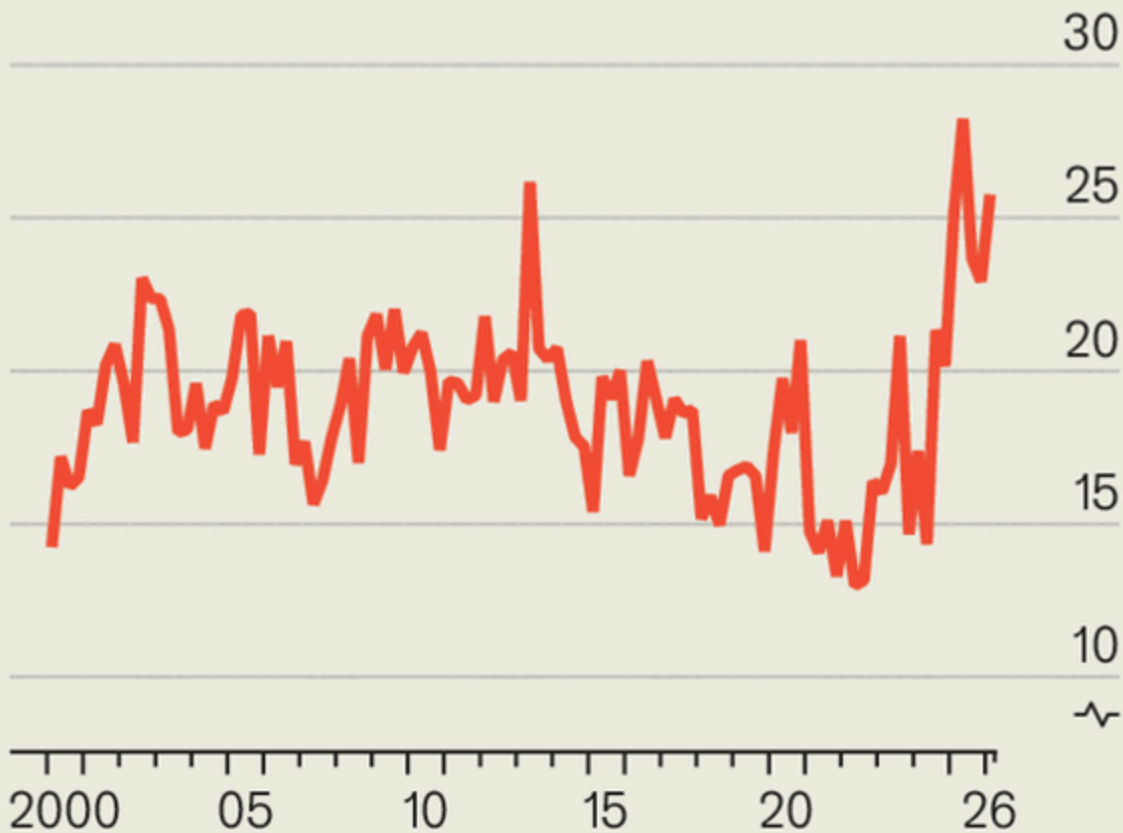
from a peak of 2.5% in late 2022 to 2.3% (see chart 1). More than 500,000 tech jobs are “missing”, relative to earlier trends. Some sub-industries have shrunk faster; “web-search portals and all other information services” employ 7% fewer people than in December 2022. High-earners, many of them techies, think more disruption is coming. The top 10% fret more than ever about jobs (see chart 2).

We have gathered comparable data on tech employment in America, Australia, Britain, Canada, France, Japan and Norway. This includes firms in software development, programming and cloud computing. Tech employment rose sharply in the years before 2022. In November of that year OpenAI released ChatGPT to the public, ushering in the AI age. Since then tech’s share of overall employment has stagnated or fallen. Surely that is not a coincidence?

The new techno-pessimists

2

United States, top 10% of earners, subjective probability of job loss in the next five years, %



Source: University of Michigan

It may be. For economists studying AI's impact on the labour market, ChatGPT's launch is a convenient starting-point. But it is also misleading. Those early AI tools were primitive. Only since Anthropic's release in February 2025 of Claude Code, an AI assistant, has it become remotely plausible for an AI tool to replace a human software engineer. Until the past few months, when Claude Code has conquered tech firms, any slowdown in recruitment is unlikely to have owed much to AI.

AI enthusiasts excited about such tools also overrate their popularity—and, by extension, their macroeconomic effects. America's Census Bureau reckons only about 25% of firms in the San Francisco area use AI regularly as part of their day-to-day operations. In America as a whole, adoption is much lower. And usage need not mean job displacement. A recent survey of firms across America, Australia, Britain and Germany by Ivan Yotzov of the Bank of England and colleagues finds that over the past three years AI has had "essentially zero" impact on employment.

History is another reason for pause. You may think that as economies become more tech-intensive, technology's rising share in total employment is an iron law of nature. Yet for most of the 2000s that share in America, Australia, Britain and Canada hardly budged. As late as 2006-07, as the rich world was inflating a financial bubble, tech hiring was soft. AI was not to blame.

Then it was the bursting of the dotcom bubble in 2000 that held down job growth. After that spectacular pop, many tech firms gradually ran out of money and had to close. But by the middle of the decade other factors were in play, too. To save money, companies outsourced more tasks to foreign IT consultancies like India's TCS and Infosys. In addition, American interest rates began rising in late 2004. Higher borrowing costs discouraged businesses from investing in software and computer equipment—in turn trimming demand for people who installed and managed it.

Techies' predicament today looks eerily similar. Many firms went on a hiring binge during the covid-19 pandemic, when locked-down consumers were craving all things digital. In 2022 interest rates started rising fast as central banks realised that pandemic-related inflation was not a seasonal cold but something more chronic; in 2023 growth in business investment in IT slowed sharply. Firms again turned to outsourcing to save costs. From 2021 to 2024 American imports of services related to cloud computing and data storage more than doubled. Why employ someone on a Bay Area

salary if you can get the same service from Bangalore for a quarter as much?

A subtler phenomenon is also in play. Though many tech businesses have frozen hiring, other industries covet workers with tech skills. American occupational data—looking at people who describe themselves as “software developers” and so on—suggest strong demand for tech workers. Today 3.7% of people have tech-related occupations, up from 3.6% in November 2022. A new paper by Leland Crane and Paul Soto of the Federal Reserve suggests firms’ ranks of coders are growing more slowly than before the introduction of ChatGPT, but continue to grow nonetheless.

The non-AI economy—retailers, banks, manufacturers and others that still account for most rich-world jobs—are also hoping that AI could allow a single nerd to get more done. But many such firms employ few nerds, leaving plenty of demand for tech skills. From 2022 to 2025 the number of American computer and software workers grew by 12% in retail, 75% in property and nearly 100% in construction.

Tech jobs aren’t going away. They are spreading through the economy. The route to riches used to run through Google or Meta. Now a young coder might apply to Starbucks—and not as a barista.

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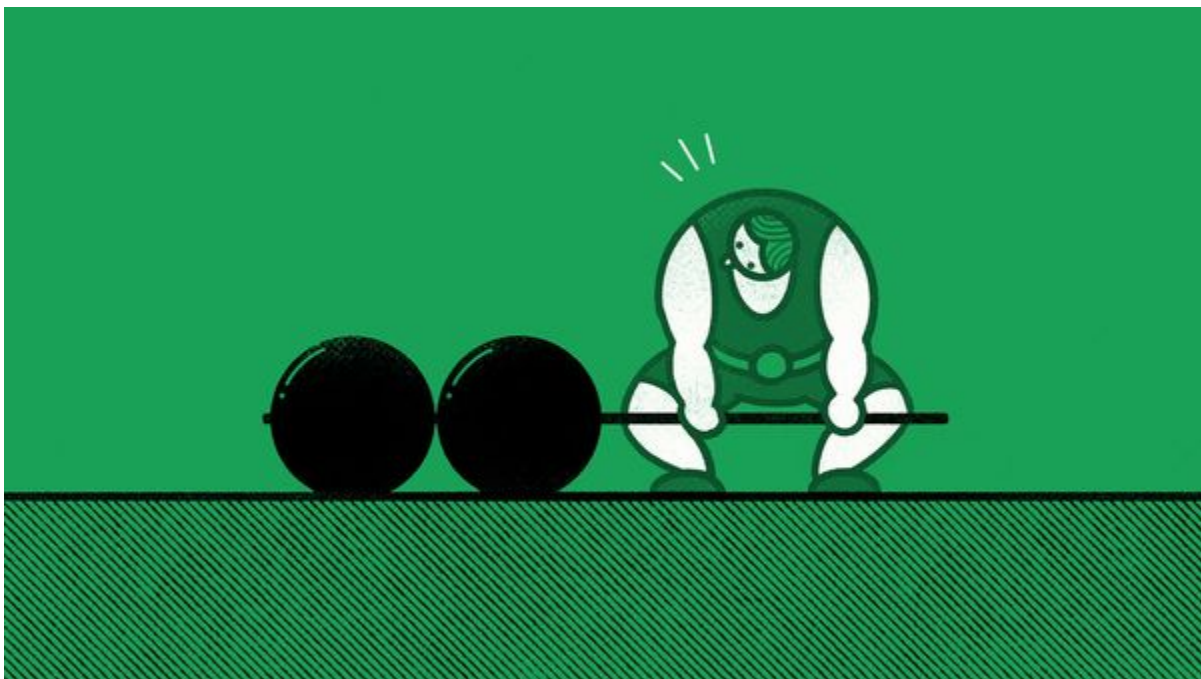
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Buttonwood

How to build a portfolio when bonds fail to buffer stocks

The classic hedge has fallen apart, but don't dump it just yet

4月 16, 2026 04:16 上午



FEW FINANCE geeks are awake for long each day before they start scrolling through data to see how markets moved overnight. Your columnist, for example, keeps a much-loved dashboard that, with just a couple of clicks, shows all his favourite currency pairs, yield curves and indices (he hears some people cultivate bonsai instead). It often takes surprisingly few numbers to forge a decent guess at what is happening in dozens of markets, and what the morning's headlines are.

Then again, sometimes you need only one. In 2022, as consumer prices surged across the world, an inflation reading from a big, rich country would usually do the trick. This time last year, when President Donald Trump was flip-flopping on tariffs every other week, the dollar's strength—or, rather, weakness—was a proxy for investors' nerves about all sorts of assets. Now, if you want to know what kind of morning it is for stocks, government bonds and (weirdly) precious metals, you need only check the oil price. If it has leapt, it is a good bet that the rest are doing badly. If oil traders are calm, others probably are as well.

For stocks and government bonds to move together during an energy shock makes sense: faltering growth hurts stocks; inflation hurts bonds; an oil shortage raises both threats at once. But it is not only in recent weeks that the two asset classes have behaved similarly. Since 2022 the correlation between them has been positive and rising, having previously been reliably negative for decades. In other words, whereas bond prices used to rise more often than not when stock prices fell, and vice versa, the two now tend to rise and fall in tandem.

That is a problem for investors' portfolios, because many of them used the old, negative stock-bond correlation to great effect. The logic of the classic 60/40 allocation between the two, for instance, relies on their tendency to fluctuate in opposite directions over short periods while both appreciating in the long run. This results in a portfolio with a steadier value than a stock-only one, without sacrificing too much in the way of expected returns. The more stocks and bonds move together, the less this logic holds.

Perhaps surprisingly, however, the right response for investors is not to ditch their stock-bond splits. The main reason is that they are not exactly spoiled for alternatives. Abandoning shares for good would be foolhardy, since there is no other widely available, tried-and-tested asset class offering similar long-run returns.

And even as plenty of salespeople tout supposed bond substitutes, few stand up to scrutiny. In a recent research note, Antti Ilmanen and Dan Villalon of AQR, a quantitative hedge fund, rattled through some of the most modish alternatives: private credit, “buffer” funds (constructed from equity derivatives) and bitcoin. Proponents argue that these can improve a stock-bond portfolio’s diversification. Yet the researchers found that, over the past five years, each putative substitute has been at least as highly correlated with the S&P 500 share index as American Treasury bonds are.

Moreover, the diversification benefit an asset offers comes down to more than its correlation with stocks. A better measure may be the asset’s “beta”, meaning the extent to which stockmarket movements are reflected in its returns. The lower this is, the better the asset works as a diversifier for shares. A beta of 0.5, for instance, means every dollar invested generates 50 cents’ worth of exposure to equity risk.

Treasury bonds look good on this front, with a beta of 0.2. Taken in aggregate, the beta of private-credit funds is 0.7 and that of buffer funds is 0.6. Bitcoin’s beta is a whopping 2.1, meaning that its inclusion in a portfolio alongside stocks would amplify equity risk rather than dampening it.

What, then, are investors to do? Messrs Ilmanen and Villalon suggest the “equity-market neutral” and “trend-following” strategies offered by many hedge funds, as you might expect given that they work for one. For most individuals, though, these are out of reach.

Instead, the best response to markets that ebb and flow together might be not to dump the classic stock-bond split, but to reassess its weights. Bonds now provide a thinner buffer for equity risk. Those who want to shun risk must therefore own more of them, and fewer shares, for a split closer to 55/45. Daredevils, by contrast, might go 65/35, buying more stocks to pursue higher returns, since bonds

now offer less. And they may have fewer numbers to check each morning. ■

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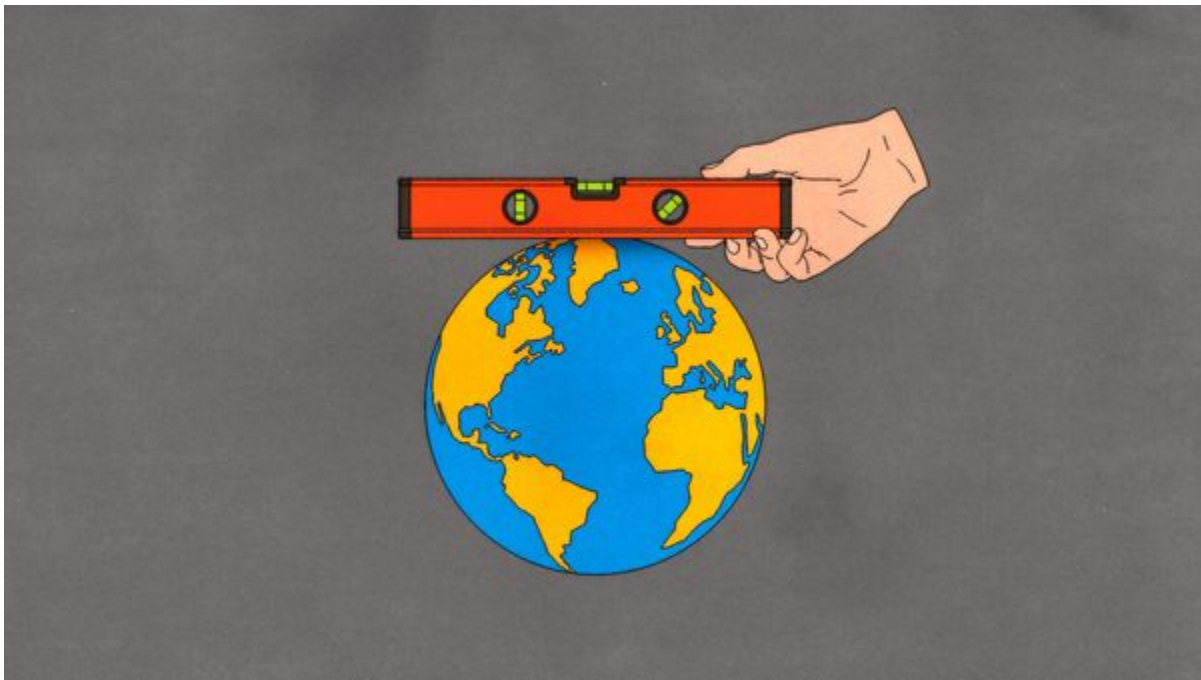
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Free Exchange

Global imbalances are back. Who's to blame?

The suspects look familiar

4月 16, 2026 04:15 上午



IN THE YEARS before Lehman Brothers went bust in 2008, plunging the world into financial crisis, macroeconomists were understandably worried. But they worried about the wrong thing: not over-indebted American banks, but over-thrifty Asian economies. There was a glut of commentary about the “global saving glut”. According to this theory, Asia’s determination to accumulate dollar reserves was depressing interest rates, tempting Americans to overspend. The upshot was that Asia earned more than it spent, resulting in large trade surpluses. This enabled America to spend more than it earned,

reflected in a yawning current-account deficit (which includes the trade deficit and a few other things).

These “global imbalances” are back. And they have inspired a new glut of analysis. In March four prominent economists sent a memo on imbalances to the G7, drawing on a new publication (the fourth “Paris report”) by the Centre for Economic Policy Research (CEPR) and the Bruegel Institute, two European think-tanks. This month the IMF released a paper of its own on the topic.

The new imbalances are not quite as big as those of two decades ago. The world’s deficit countries, taken together, had a combined current-account gap of 1.6% of global GDP in 2025, according to IMF data, compared with a peak of 2.6% in 2006. But today’s debate is, if anything, more heated. President Donald Trump cited America’s deficit to justify his “Liberation Day” tariffs last year. President Emmanuel Macron of France, which currently chairs the G7, called China’s surpluses “unbearable” on his visit to Beijing in December. When imbalances were discussed 20 years ago, the Paris report points out, economists and policymakers were keen to know “Who was the perpetrator? Who was the victim—and why?” The same questions are being asked today.

One answer to the first question is America’s budget deficit. Fiscal easing can deepen trade deficits through a few mechanisms. Tax cuts or higher welfare spending increase American consumption and reduce saving. That can lift interest rates and thus the dollar—which makes exports less competitive, deepening the trade deficit. By raising world interest rates, it can also boost saving in other countries, and their current-account balances.

Other commentators are equally confident that the culprit is once again Asia, especially China. But this time the murder weapon is different: not the rope of reserve accumulation, but the wrench of unfair industrial policy. China subsidises its manufacturers, resulting in excess capacity. What these firms cannot sell at home, they dump

abroad. This crowds out local manufacturers, destroying jobs and obliging countries like America to increase their fiscal deficits to restore demand and curb unemployment.

This simple story contains important grains of truth. A paper by the CEPR's Ambrogio Cesa-Bianchi and his co-authors measures the "intensity" of industrial policy from positive citations of it in the earnings calls of companies from 24 countries. The measure correlates with export growth from 2002 to 2019.

But in macroeconomics, the plots are rarely this simple. Since imbalances are driven by saving and investment, they are also driven by expectations. And that can lead to counterintuitive results. In principle, industrial policy need not lead to an overall trade surplus, the IMF points out. Much depends on whether the policy is seen as permanent or temporary, and whether it succeeds in raising efficiency or backfires. If it is seen as a passing success, people will not raise their spending, even as their income temporarily picks up. The resulting increase in saving will improve the trade balance. If the policy is seen as a durable success, permanently improving incomes, people will lift their spending. That need not lead to any change in the trade balance. Exports may indeed take off, but imports will increase to match. Indeed Mr Cesa-Bianchi and his co-authors find no correlation between their intensity measure and a country's current-account surplus.

For industrial promotion to result in reliably higher trade surpluses, they point out, it must be coupled with some kind of "consumption suppression". Many commentators argue that China does just that. Its fiscal conservatism and patchy social safety-net, for example, oblige people to "self-insure" through high saving. The problem with this story is that, as China's surpluses have waxed and waned, consumption suppression has not moved in the same way. Spending on pensions and consumer trade-in schemes (think "cash for clunkers") has increased, even as surpluses have surged. China's fiscal deficit, broadly measured, rose from 12.8% of GDP in 2023 to

14.3% in 2025, estimates the IMF, even as the current-account surplus grew from 1.4% to 3.7%.

Mr Xi, in the study, with the spanner

What has suppressed domestic spending in China is a property slump. Although this slump was triggered by a government crackdown on borrowing by developers, policymakers did not expect housing investment to collapse nor did they want falling home values to depress consumer spending. If China is the culprit for imbalances, it has perpetrated more a blunder than a crime.

Is China also ultimately responsible for America's fiscal easing and the resulting pressure on the trade deficit? Hardly. In the years after the global financial crisis, when the world was short of demand and interest rates were at rock-bottom, it was plausible to argue that America needed big budget deficits to keep employment steady. But in those years China's surplus was shrinking. Since 2021 America has, if anything, wrestled with too much demand, and interest rates have risen in response. Its big fiscal deficits are a political choice not an economic necessity.

The causes of global imbalances are not, then, as clear as some commentators allege. All of the suspects are implicated. The plot is fiendishly complex. But the ending could still be bad. ■

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Examining the Mythos

How AI hackers will shake up cyber-security

The technology could eventually favour the defenders—but expect a bumpy ride

4月 16, 2026 05:30 上午



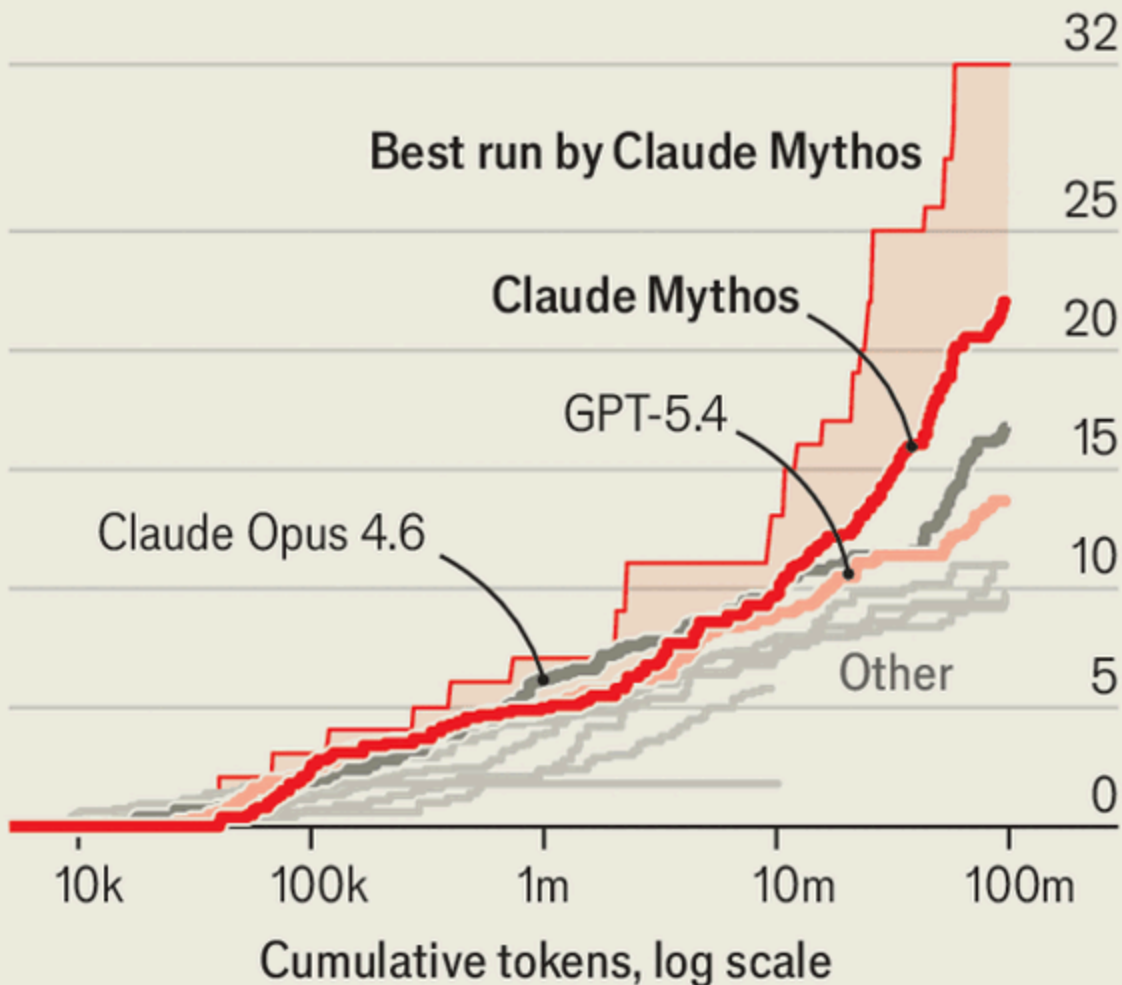
TECH FIRMS usually create buzz around products they plan to release. Anthropic, an American artificial-intelligence lab, has managed to create excitement—and a good deal of worry—around something it plans not to. On April 7th the firm announced that a new AI model it had developed, dubbed Mythos, would not be released to the general public. Instead, under an initiative called Project Glasswing, whose 12 founder members include Apple, Google and Nvidia, access would be strictly controlled.

The problem is not that Mythos is buggy or unreliable. Allegedly, it is that it works so well that releasing it would put the world's digital infrastructure at risk. According to Anthropic, the model has surpassed "all but the most skilled humans" when it comes to finding and exploiting security holes in everything from popular operating systems to the cryptographic software that secures e-commerce and financial networks. And it can find those vulnerabilities with only the bare minimum of human help. Not to be outdone, a few days later OpenAI, one of Anthropic's competitors, announced a closed version of its own hacking-friendly model, named GPT 5.4 Cyber.

A world of "vibe hacking", in which amateurs can use AI models to find flaws in software—and perhaps even write the "exploits" needed to crash them, hold them to ransom or even take control of them remotely—sounds terrifying. Shortly after Anthropic's announcement Scott Bessent, America's treasury secretary, hosted a meeting of bank bosses to discuss what AI-enabled hacking might mean for their businesses. Financial regulators in Britain organised a similar meeting a few days later. But security researchers themselves seem guardedly optimistic. "In the medium term I think this will be a mess," says Bruce Schneier, an American computer-security expert. "But in the long run I think it will actually be good for the defenders."

Plan of a hack

AI-model performance in cyber-security challenge, 2026, average steps completed out of 32



Source: AI Security Institute

Since Anthropic has released only limited information about Mythos, the degree to which the new model really is revolutionary rather than evolutionary is hard to judge (what might politely be termed a “vigorous debate” is raging online). Testing by the AI Security Institute, a British government agency, found that Mythos was neck-and-neck with other models on relatively simple cyber-security tests,

but noticeably ahead in a more advanced one that requires a model to complete dozens of steps before successfully taking over a target machine (see chart).

The chief thing Anthropic's researchers investigated was Mythos's ability to unearth bugs that hackers could use to attack or gain control of other computers. They looked specifically for bugs that had never been found before (known as "zero-days" in the jargon). Finding those would prove the model was doing novel work, and not simply regurgitating known bugs it had come across in its training data.

Zero-days lurk everywhere, says Jeff Williams, a co-founder of Contrast Security, a software firm, and of the Open Worldwide Application Security Project Foundation, a non-profit dedicated to improving the security of software. Although Mythos is said to have found "thousands" of high- or critical-severity flaws, Anthropic is keeping most secret until they can be fixed. But the firm did reveal details of some, including one in FreeBSD, a widely used operating system, another in FFmpeg, a video-and-audio code library, and a third—which remains unfixed—in software vital to cloud computing.

Many of the bugs reported by Anthropic are, if not simple, then at least comprehensible. They are the sorts of things a human could plausibly have found. They seem to be the sort of thing other AI models could have found, too. In a blog post published shortly after Anthropic's announcement, Stanislav Fort, a founder of AISLE, an AI-focused cyber-security company, described using several smaller, older models to find the same bug in FreeBSD. Citing his own firm's experience with AI-powered bug-hunting, Dr Fort reckons the AI cyber-security frontier is "jagged", with no model having a clear edge.

Everyone agrees that the state of the art is advancing quickly. Until recently AI bug-hunting was prone to generating false positives or trivial results. "One change I've noticed in the past couple of months

is that a lot of these AI-generated bug reports are increasingly of good quality,” says Mr Schneier. An update in January to OpenSSL, which helps ensure secure connections between websites, fixed a dozen security flaws found by AI models employed by Dr Fort’s firm. In March Anthropic itself announced that an older, pre-Mythos version of Claude had found almost a fifth of all the high-severity bugs fixed in Firefox, a web browser, in 2025.

As the growing power of AI models makes finding bugs easier, says Mr Schneier, the question becomes whether attackers can exploit them more quickly than defenders can fix them. This is where Project Glasswing comes in. Anthropic says it is expanding Glasswing to another 40 digital-infrastructure organisations, so they can use Mythos to harden the software on which the internet depends. Anthropic hopes that giving them access now, before similarly powerful models become widely available, will leave them time to find and fix as many bugs as possible.

All the researchers *The Economist* spoke to thought that, in the long run, AI-enabled hacking would probably help defenders more than attackers, by allowing companies to more thoroughly check their software before it is published. But there is plenty of short term to worry about. For one thing, AI checking is not cheap: Anthropic says one of the bugs it found cost the AI lab nearly \$20,000-worth of tokens to find. For software such as Linux, a family of widely used operating systems which are at least partly maintained by volunteers, that would be a steep price. And much of the code out in the world—running on home routers, smart gadgets like TVs or fridges and industrial machinery—has nobody maintaining it at all. In such cases, attackers could have a field day. ■

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Serving them right

How to make buffet breakfasts less wasteful

A computer model has found some counterintuitive solutions

4月 16, 2026 04:16 上午



BREAKFAST IS THE most important meal of the day, and how it is served matters, too. Take the classic hotel buffet breakfast. Or, maybe, don't: when people do, they take much more than they eat. Compared with ordering from the menu, all-you-can-eat breakfasts waste more food—up to twice as much, according to one study. This all amounts to a problem for the environment and the bottom line of hotels.

Experts have puzzled for years over how to encourage eaters to show a little restraint. Now researchers in Norway and Italy have cooked up a new idea. They have built a virtual breakfast buffet populated with simulated guests and are using it to find the best strategies to make buffet-goers leave behind fewer leftovers.

Hotel guests go hog-wild for a variety of reasons, many of which have little to do with hunger. Cultural and environmental influences dominate buffet decision-making. Previous research has found that factors which influence how much ends up in the bin range from nationality (Russians wasted the most; Austrians the least) and age (children have bigger eyes than stomachs) to the size of the plates (radius correlates with waste). The passive-aggressive signs perched on some buffet tables imploring guests to take only what they know they will polish off have been shown to increase the piles of leftovers.

To simplify matters, researchers at NORCE, an independent research institute in Kristiansand, and their colleagues at the University of Bologna settled on four main motivations guiding their model's buffet buffs: peckishness, the desire to live sustainably, social pressure and self-control. They then overlaid external drivers that turned those motives into behaviour. These altered variables such as the duration of the buffet, the size of plates and the diversity of food on offer.

Virtual guests could visit the buffet tables as often as they liked, within the time each had available. (Some were categorised as business guests and had to leave sooner than those on holiday, who could graze for up to three hours.) The researchers' goal was to see which combinations of motivations and drivers had the biggest impact on the amount of waste produced. To validate aspects of the model, the team used data collected from real breakfast buffets in eight Norwegian hotels during the spring and summer of 2023.

After hundreds of runs the model suggested the most important influence in limiting waste was, unsurprisingly, someone's attitude to

sustainability. Conformism, too, was influential: people are more likely to overindulge if they believe others will. Plate size was the most important of the external drivers: although the people in the model with both small and large plates went back for more, those with smaller plates tended to finish what they took. How long guests were allowed to stick around and what food they could enjoy had less of an impact.

Hotels could use the virtual buffet to minimise food waste, and the money wasted as a result. They could try different food layouts or see what happens if plates were 20% smaller, for example. They could also work out exactly how those irritating signs could be rewritten to have the most useful effect given a hotelier's typical clientele.

This work is just the starter, stresses Ivan Puga-Gonzalez of NORCE. The project is part of a larger European effort to reduce food waste called Changing Practices and Habits through Open, Responsible and Social Innovation towards Zero Food Waste (CHORIZO). He and his team are now using the model to test interventions in the real world. Travellers be advised: the next time you opt for seconds, you may be helping science, too. ■

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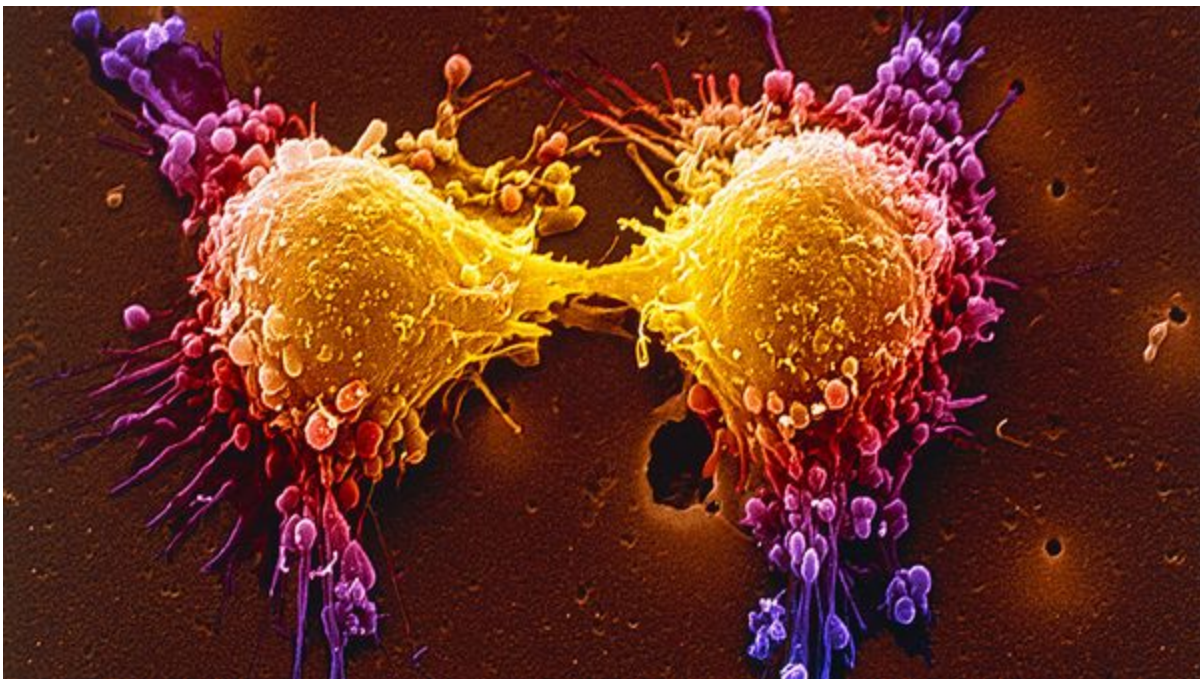
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Cancer's cheat code

Tumour cells use a genetic trick to become drug-resistant

The same trick could also be used against them

4月 16, 2026 08:16 上午



They do it with mirrors

CANCERS ARE real biological cheats. Whereas most of the cells in a healthy animal's body get along by following the same set of genetic rules, cancer cells shamelessly ignore them. Healthy cells, for example, can replicate themselves only about 50 times before shutting down. Cancer cells, by contrast, carry a mutation that allows them to divide indefinitely. But recent work has revealed an

entirely new level of oncological shenanigans. It now appears that many cancer cells have also stopped obeying Mendel's laws of inheritance, explaining why many cancers are able to evolve resistance to chemotherapy drugs at seemingly supernatural rates.

These laws, worked out in the 19th century by Gregor Mendel, an Augustinian friar, describe how heritable traits pass down through the generations, setting limits on the ways in which children can differ from their parents. Mendel's initial experiments were on peas in the monastery garden, but his laws have since been found to apply to everything from human height to disease resistance in individual cells.

As Paul Mischel of Stanford University describes in a paper in this week's *Cell*, some cancer cells refuse to play along. His work reveals that in about 20% of human cancer samples some DNA escapes from the chromosomes to which it is normally bound and forms tiny, circular bodies of extra-chromosomal DNA (ecdna) that get scattered throughout the nucleus of a cell. Thus scattered, they are no longer subject to the rigours of mitosis, the conventional process by which chromosomes divide into two identical copies, one for each daughter cell. This adds an element of unpredictability to how genes are inherited, allowing mutations to occur faster and on a more dramatic scale.

Such cellular skulduggery had previously been seen in bacteria and fungi, which use these tricks to develop resistance to drugs. It was not until Dr Mischel began looking into the subject in 2012, however, that cancer cells were found to be equally sneaky. Since then, he and his colleagues have found that ecdna fragments overwhelmingly contain information on defence mechanisms that the cancer cell can use to rapidly replicate and to avoid being destroyed. This may be because cells carrying such ecdna proliferate more easily. It certainly increases the chances of harmful new traits emerging faster than would be permitted by Mendel's rules.

It also reveals a potential vulnerability. Dr Mischel worked in close collaboration with Howard Chang, chief scientific officer at AMGEN, a biotech company, to reveal that daughter cells can benefit from eCDNA only if these circular snippets are able to weave themselves back into their chromosomes after mitosis. The eCDNA does this with the help of constituent “anchor proteins” that return it to the chromosomes and specific DNA sequences that allow it to integrate back into them.

Dr Mischel views these sequences and the anchor proteins as prime targets for future treatment. “Introducing drugs that disable or destroy them ought to leave the eCDNA adrift and remove the advantages it brings to tumour cells,” he says. That work is in its infancy, although Dr Mischel says some suitable anchor proteins have already been identified. Clinical trials are pending.

As important as eCDNA may be as a mechanism for explaining the behaviour of some aggressive cancers, “It would be an oversimplification to say that it is the only factor,” says Lillian Siu, president of the American Association for Cancer Research and oncologist at the Princess Margaret Cancer Centre in Toronto. In her view, humdrum mutations caused by genome instability and defective DNA-repair jobs contribute to the appearance of eCDNA which, in turn, may enhance such instability. Even if disabling anchor proteins can slow the rapid evolution driven by eCDNA, the forces that cause it to appear in the first place are likely to persist. ■

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Evolution revolutions

How natural selection really shaped humanity

Adaptation in response to evolutionary pressure is surprisingly common

4月 16, 2026 05:31 上午



HUMANS HAVE never been immune from the pressures of natural selection. Throughout the history of the species circumstances have arisen to give individuals with certain beneficial mutations an advantage over their peers, allowing their valuable genetic variants to spread among a population. Still, the emergence and rapid spread of such variants—known as strong directional selection—was thought to have been a rare occurrence in human evolution. A new study,

published in *Nature* on April 15th, however, reveals it has played a much more influential role.

The dynamics of evolutionary biology have historically been hard to extract from ancient DNA. Small sample sizes are partly to blame, with general conclusions about human adaptation hard to draw from a handful of (often poorly preserved) fragments. Another complication is that sustained genetic variation does not emerge exclusively as a result of natural selection. Genetic mutations can also propagate by chance or through mixing between populations. Sorting the genetic wheat from the chaff many thousands of years after the fact is a challenging task.

To overcome these limitations Ali Akbari and David Reich, a pair of geneticists from Harvard University, developed a new statistical toolkit to use on collections of ancient DNA samples. The researchers hoped it could make sufficiently detailed comparisons between pairs of samples in a collection to distinguish signatures of directional selection from those of non-adaptive mutations.

The researchers then applied their tools to the genetic data of 15,836 ancient individuals of West Eurasian ancestry as well as 6,438 modern humans. The dataset spanned 18,000 years and included new data for 10,016 ancient genomes, representing a doubling of the global pool of ancient DNA data and a 14-fold increase in sample size compared with previous studies searching for natural selection.

The results of the analysis surprised even the authors. Until now, only 21 incidences of directional selection have been found in humans in the past 11,000 years. The new paper, however, identifies 479 gene variants as highly likely to have emerged as a result of natural selection over the same period. That suggests directional selection was pervasive across West Eurasia in recent millennia. "It's an analytical tour de force," says Pontus Skoglund, a geneticist at the Francis Crick Institute, who was not involved in the study.

Some of the most intriguing findings emerged when Drs Akbari and Reich focused on variations arising in individual genes. One genetic signature that they focused on, which helps the body identify pathogens, is also associated with an increased susceptibility to coeliac disease. Their analysis suggests that this signature, which is found in roughly one in five of their modern-day samples, was almost absent until around 4,000 years ago. Its emergence may not, as had been previously thought, have been driven by the spread of agriculture, which happened long before.

Another hypothesis they suggest may be wrong concerns genes associated with a higher risk of developing cystic fibrosis, which some have speculated emerged because of the resistance to cholera it granted carriers. Drs Akbari and Reich found no indication of selection for these genes during the period that cholera is thought to have been endemic in West Eurasia, weakening the case for such a connection.

Co-ordinated shifts across collections of genes can also influence more complex traits. The researchers identified 44 signatures of directional selection across such gene groups. They found that genes associated with type 2 diabetes in modern-day humans were selected against, for example, as were those linked to psychiatric conditions such as schizophrenia and bipolar disorder.

Strong directional selection, pervasive though it may be, does not operate at a constant rate. The researchers found that such instances appear to have dramatically intensified for West Eurasians during the Holocene, beginning roughly 11,700 years ago, perhaps because of changing lifestyles following the rise of agriculture. In other populations exposed to different sets of circumstances, the genetic history may well be very different. ■

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Well Informed

Are sugar substitutes healthier than the real thing?

We share some bitter truths

4月 16, 2026 04:15 上午



THE PROMISE of sugar substitutes is simple: found in everything from yogurts to toothpaste, they claim to let people gorge on sweet treats without piling on weight and the tooth decay caused by sugar-loving bacteria. Now a growing body of research is suggesting that these substances may have surprisingly bitter consequences.

Sugar substitutes are a mixed sachet. They include synthetic concoctions (such as aspartame, saccharin and sucralose) and substances derived from plants, including a family of carbohydrates

known as sugar alcohols (such as erythritol, maltitol, sorbitol and xylitol) and stevia. Some strike the human tongue as hundreds of times sweeter than sugar, so are added in tiny amounts to foods and drinks. These small quantities, combined with the observation that many are excreted largely unchanged, have led to the assumption that they pass through the human body without affecting metabolism.

Things may not be so simple. In some randomised controlled trials (typically lasting 4-12 weeks) substituting other sweeteners for sugars did admittedly result in lower weight gain. But a number of large, long-term observational studies have found the opposite: people with higher consumption of sugar substitutes—some of whom may be using these to replace sugar in their diets—end up putting on more weight than those who consume the least. Other studies show that they also end up with higher rates of heart problems, diabetes and cancer than abstainers.

Proving causality through such observational studies is difficult, as it would involve accounting for all the ways in which people who eat lots of sugar substitutes are different from those who do not. It could be, for example, that some consumers of these sweeteners are people who are already at high risk for diabetes or heart disease and looking to eat more healthily. Even without a smoking gun, however, the overall body of research was concerning enough to prompt the World Health Organisation to issue, in 2023, precautionary advice against the use of sugar substitutes as a means to control weight or prevent chronic diseases. (The advice does not apply to people with diabetes.)

There are plenty of hypotheses concerning how sugar substitutes could be causing harm. Some of these substances have been found to activate the same harmful gut and metabolic signalling mechanisms as sugar, and some studies in mice suggest that they could be affecting the function of immune cells involved in preventing the growth of tumours. Emerging evidence also suggests

that they can affect the relative abundance of various gut bacteria, potentially tipping the scales in favour of harmful species. There are lots of open questions to be answered regarding the safety of sugar substitutes, says Herbert Tilg from the Medical University of Innsbruck, in Austria, but these studies are raising the level of concern.

Avoiding the most worrisome sweeteners is easier said than done. Food and drink manufacturers often use several in parallel (for example combining a substance that elicits instant sweetness with one that generates a lingering taste). This means that regular consumers of pre-packaged snacks or carbonated, energy and protein drinks will find them hard to avoid. The prudent thing to do is eschew these products altogether. And if you are hankering after something sweet, the best choice is a piece of your favourite fruit. ■

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Culture

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Acropolis now

Mary Beard offers a spirited defence of studying classics

Her book aims to excavate the discipline from the layers of argument that surround it

4月 16, 2026 04:16 上午



Talking Classics. By Mary Beard. *University of Chicago Press*; 208 pages; \$22.50. *Profile Books*; £16.99

EXTOLLING THE virtues of learning Greek and Latin, John Stuart Mill observed in 1867 that “The structure of every sentence is a lesson in logic...no modern European language is so valuable a discipline to the intellect.” Many such claims have been made over the decades about the merits of a classical education. Studying the languages,

literature and history of ancient Greece and Rome is said to promote logical thinking, simplify the learning of other languages and reveal informative patterns in history, from spotting tyranny to understanding imperial decline.

Nonsense, say critics of classics. The entire subject is steeped in whiteness, privilege and colonialism, and was invented in the 18th century as a Eurocentric foundation myth. Putting Greece and Rome at the top of the global cultural pile, and declaring Europeans to be their heirs, “to have empire over the peoples of the world”, as Virgil wrote of the Romans, has since been used to justify all kinds of misdeeds, by everyone from [Cecil Rhodes](#) to Mussolini. The subject needs to be updated and reimagined—as “global ancient history” or “ancient Mediterranean studies”—or perhaps abandoned altogether.

What to make of such arguments? Battlefields abounded in the classical world, and now the discipline itself has become one. It is to be expected that [Mary Beard](#), Britain’s best-known classicist and a professor at Cambridge until her retirement in 2022, considers her turf to be worth defending. But she surprisingly discards most of the familiar arguments in favour of classics on page two of her provocative new book, “Talking Classics”. Instead, like an archaeologist, she aims to excavate the discipline from the layers of discourse that surround it, and to make the case for it anew, without resort to shopworn traditional arguments.

Her starting-point is that if you want to understand the similarities and differences between the past and the present, the classical world provides an ideal arena (as it were) for such exploration. Unlike many other periods in history, it offers both great distance in time and a large amount of surviving evidence: “one of only a few past cultures that are simultaneously quite so far and quite so near”.

It is easy to be beguiled when reading graffiti in [Pompeii](#) or the letters of Cicero by how familiar the Romans can seem to be. But this is a trap, says Ms Beard; people in the past were also

unthinkably, incomprehensibly alien. (“If it is a girl,” a Roman writes to his pregnant wife in the first century, “throw it away.”) Studying antiquity raises questions about the extent to which the past can ever be understood—and how people in the future will think about and judge the modern world.

This leads on to Ms Beard’s next argument, which is that classical literature is relevant because it poses questions that still matter today. That is not to say that the Greeks and Romans had it all figured out. It is another trap to look to classical texts for “ready-made answers to contemporary problems”, she warns. Tacitus may have anticipated [Orwell](#) by two millennia on the way in which language becomes subverted under autocracy, but he has no simple solution to offer. Indeed, the Greeks and Romans were just as liable to come up with wrong answers as anyone.

What matters is that they asked such good questions. Rather than being a trove of timeless wisdom to be consulted, classical literature encourages debate and disagreement. Classics thus provides a framework in which to discuss questions to which there are no simple, right answers. True, the same can be said of other subjects in the humanities. But by being helpfully distant from the modern world, classics can provide a laboratory in which to argue about contentious issues.

But is classics not irredeemably tainted by the many ways it has been misused? Those who have appropriated classical history and symbols, and harnessed them to justify their actions, include imperialists, fascists (the fasces, a bundle of wooden rods, were a Roman symbol of authority) and even January 6th protesters, who sported Greek helmets and slogans as they stormed the Capitol. But classics is not “a gateway drug that takes you down a slippery slope to white supremacy”, Ms Beard insists, and “does not automatically lead to membership of the alt-right”. Studying a distant culture is not the same as endorsing its unsavoury aspects.

Indeed, it can be a way to challenge them and subsequent versions of them. On this view, the misuse of classical history is an asset, not a liability, because it sheds light on themes such as tyranny, colonialism and imperialism. As Ms Beard notes, "The sharpest critiques of empire come from within imperial states themselves." This was certainly true of Rome. But there has also been some fascinating recent scholarship about the role of classical history in Victorian arguments about the British empire. For some educated Indians in the 19th century, meanwhile, studying classics was a way to gain insight into the mindset of their colonial overlords.

Ms Beard admits there is a "serious case to answer" when it comes to the use of classical languages as "the policemen of privilege, class and social exclusion". Until 1960 students applying to Oxford or Cambridge needed a secondary-school qualification in Latin, regardless of the subject they wished to study. (Greek was also required until 1920.) But just because classical languages were once a tool of social exclusion does not make them unworthy of study today.

What of the idea that classics ought to be reimagined and updated? Arguments about the boundaries of the field date back to the 19th century. Should it include archaeology? Or the study of Mesopotamian epics? Or Sanskrit? But expanding the field to broaden its appeal and its range—by including non-European cultures, for example—would be a mistake, Ms Beard says. Just because white men have long seen themselves reflected in the classical past does not mean others should be encouraged to make the same error.

Defenders of the special status of classics will say she has not been kind enough to the discipline. Those who decry it as a bastion of privilege will say she has been too gentle. Whether you agree with her or not, there is no doubting the vim of Ms Beard's arguments, which are pithily presented, with flashes of salty humour. Rather than simple answers to complicated questions, she offers yet more

complicated questions. This is, in fact, just what she says classics itself does. It is not a source of easy answers or unquestionable authority, nor is it to blame for the ways it has been misused. Her book's argument epitomises the very kinds of thinking that the study of classics aims to encourage. ■

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Bird brains

What the world's most hated avian reveals about people

How the bias against the cormorant took flight

4月 16, 2026 08:16 上午



"What did you just call me?"

Cormorant. By Gordon McMullan. *Cambridge University Press*; 450 pages; \$45 and £35

FEW BEASTS have such a bestial reputation as the cormorant. It has been called the "bird from Hell", "black death", "devil bird" and "fish terrorist". Fishermen despise it. Poets and novelists have captured it ominously. Where did the [bird](#) go so wrong? Gordon McMullan, a professor of English at King's College London, argues that the

cormorant has been “caught up in the tendency of human culture to sort animals...into binary categories of ‘good’ and ‘bad’, imposing a moral perspective on nature”. His new book offers a perceptive “cultural history of greed and prejudice”—not just of a bird, but of human beings.

Some of the bias against cormorants can be explained by their dark colour (a symbolic plight shared by crows and black cats). So, too, by their physique (they dry off by stretching out their wings, which can look as if they want to start a pub brawl). But writers such as [Shakespeare](#) have done a lot to fan negative perceptions of the bird, including a reputation for greed. In [“Paradise Lost”](#) (1667) John Milton portrayed the Devil in Eden as taking the shape of—you guessed it—a cormorant.

Because they are such efficient hunters, fishermen blame them for eating more than their fair share. But Mr McMullan shows that cormorants probably do not consume more fish relative to their size than other piscivorous birds. Nor is the claim that they are “invasive” correct. Their numbers rebounded in the late 20th century, after pesticides and hunting had caused a decline.

“Cormorant” migrates enjoyably from literature and history to sociology—though sometimes it is too academic. What does it say about people that they revere pelicans (viewing them as a Christian symbol of selflessness) but despise cormorants? No bird can control how it is perceived. But perhaps people can shed their misperceptions. ■

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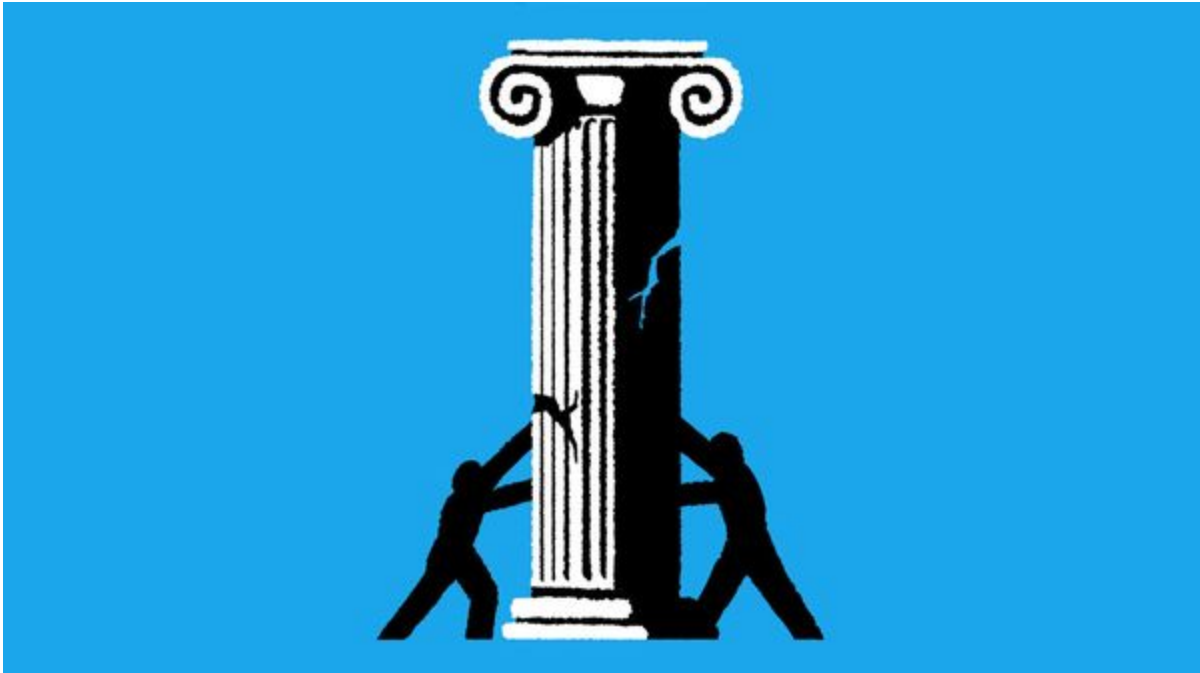
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Breaking free

Liberalism must revive itself before it's too late

A new book charts a future for the modern era's most successful philosophy

4月 16, 2026 04:16 上午



Centrists of the World Unite! By Adrian Wooldridge. *Allen Lane*; 416 pages; £25. Published in America as "The Revolutionary Centre"; *Pegasus Books*; \$35

THE 21ST CENTURY has been a deflating one for liberals. Politicians are loth to offer a ringing endorsement of free trade, or of the rules-based international order built from the wreckage of the second world war. Free expression and the sanctity of the individual are

under attack from both the strongmen of the right and the identity-politics-fuelled left. As for unfettered markets, defending them became less popular after the worst [financial crisis](#) for generations struck in 2007.

And yet, as Adrian Wooldridge, a columnist at Bloomberg and former *Economist* journalist, argues, [liberalism](#) forged the modern world. It was born as three revolutions in the 18th century—American, French and industrial—swept through Western societies and turbocharged the economic growth that followed. Early liberals set out a rich philosophy designed for a world in flux: “the belief that society starts with the individual rather than the collective, that power is so dangerous that it needs to be restrained, that truth can be striven for only through open discussion”. Modern liberals have lost sight of these principles. They must urgently rediscover them or face “illiberal anarchy”.

The Economist has been liberalism’s house journal since 1843, so it is perhaps no surprise that this reviewer (who did not work directly with the author) found his sweeping account enthralling. “Centrists of the World Unite!” proceeds at breakneck pace, starting with the 15th century. Readers meet [Erasmus](#) urging kings to rule by honour and sincerity (rather than Machiavellian fear), Hobbes extolling the importance of the individual and Montesquieu warning of the dangers of concentrated power. Just as history sped up in the revolutionary 18th century, so does the author’s narrative, rattling through all the big liberal thinkers in 130 pages.

It is, in truth, too much of a whistle-stop tour: this is a rare book that would have benefited from being longer. John Stuart Mill rightly gets the most space, and even that is barely a chapter’s-worth. Mr Wooldridge writes fascinatingly about how liberalism’s founders fought to remove “barriers to dynamism”, how their successors grappled with the meaning of freedom and how fiercely liberals themselves have criticised their own creed.

But the tour is quick, because the book's focus is how to chart a course for renewal. Today's liberals have splintered into factions that betray the cause, Mr Wooldridge writes. Left-wingers are so eager to settle group injustices (against black people, for instance) that they have turned against meritocracy—one of the most powerful ideas of the modern era. Market fundamentalists obsess over the narrow freedom to act as one pleases rather than avoiding harming others. The Davos class of "managerial liberals" ranks ideological questions far below their most important one: "How can I remain in charge?"

Thank goodness, then, for liberalism's "extraordinary ability to regenerate itself". Mr Wooldridge is not shy with prescriptions to help it do so. Liberals must move "simultaneously to the left and the right", he writes. They need to recognise that "business is a good servant but a bad master" and should crack down on rent-seeking, tax-dodging and concentrations of corporate power. Their rightward shift must highlight the importance of "excellence or greatness in both the arts and in human behaviour" and of the "civilising role of authority". Liberals of all stripes need to head off populists by taking the issues they promise disingenuously to fix—uncontrolled immigration, say, or urban dysfunction—more seriously.

It is a bracing manifesto. Liberalism has risked becoming a "fossilised orthodoxy" before, at the turn of the 20th century, only for a new generation of liberals to revive it. Two world wars and the Depression followed nevertheless. [War now stalks](#) the world again. It is in urgent need of a philosophy that seeks to honour individuals, constrain power and resolve differences through discussion rather than violence. ■

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Babewatch

Western men are going abroad to find traditional wives

Frustration with modern dating has fuelled the rise of "passport bros"

4月 16, 2026 04:15 上午 | DA NANG, VIETNAM



A FEW YEARS ago Mike got fed up with dating in America. "So many women there have been brainwashed to think it's OK to treat men like crap," he says. He could work remotely, so he moved to Thailand, where his money stretched further, and he met the sort of woman he was seeking. He is now engaged to a Thai woman, Pafan. (Both asked for their surnames to be withheld.) The couple often

post videos for their thousands of followers. In one viral clip captioned “Point of view: you have a Thai girlfriend”, Pafan kneels on the floor clipping Mike’s nails. He says his followers are mostly American men, many of them “in awe” of how she caters to him.

Mike is one of a rising number of “passport bros”: young Western men who travel abroad in search of better [dating prospects](#). Online forums, YouTube channels and TikTok accounts rank countries according to their women, advising which are the most “feminine”, “traditional” and likely to pamper men. Thailand, Brazil, Colombia, the Philippines and Vietnam are among the most popular. “It’s the ultimate life-hack in 2026,” says Austin Abeyta, a passport bro in Da Nang, Vietnam.

If all this sounds like the 1950s have collided with the modern [manosphere](#)—where dating frustrations translate into broader grievances about women online—you are not wrong. Men rejecting American women for “not offering what they value isn’t new”, says Beth Bailey, a historian at Cambridge University. American women’s roles changed during the second world war as millions entered the workforce. Some veterans sought more traditional partners abroad: almost 100,000 married foreign women, says Ms Bailey. Other men sought “mail-order bride” arrangements. In the case of passport bros, they do not bring women to America but instead travel overseas themselves, aided by remote work and digital-nomad visas.

Why the resurgence now? Some claim the dating landscape is stacked against men. They say apps such as [Tinder and Hinge](#) favour only a handful of highly desirable profiles, while others are left competing for scraps. “It’s a very labour-intensive game...without a good prize at the end,” says Mr Abeyta.

There has also been a broader cultural shift, with some young men becoming more conservative and seeking compliant partners. A recent study by Ipsos, a think-tank, surveying around 30 countries, found that more than half of Gen Z men believe women’s rights have

gone far enough; around a third think that wives should always obey their husbands.

Economics play a part, too. Moving abroad can make it easier to live out more traditional roles. In America supporting a household on a [single income](#) has become more difficult. "I don't mind dating a poor woman," says Justin, another passport bro. "You're more likely to get the traditional roles that way."

Some critics argue that passport bros exploit women and contribute to sex tourism. Others say that women are with them for a Western passport. But money may play as big a role. "I have no desire to live in America," says Jewel Clyte, Mr Abeyta's Filipina girlfriend. Their partnership has offered her more financial security than a partner from the Philippines might.

There is nothing wrong with finding love abroad. But Ms Bailey warns that large gaps in income can lead to "disproportionate levels of power". For passport bros and their riveted followers, however, that power imbalance may be what is so seductive. ■

Our reporters travelled to Vietnam to research this story. Hear what they discovered on "The Weekend Intelligence", available at www.economist.com/audio/podcasts

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Back Story

A rom-com ignites a row about tragedy, taste and art

Jokes about painful subjects should be serious at heart. Does "The Drama" pass the test?

4月 16, 2026 04:16 上午



THE PROVOCATION may be the point; if so, "The Drama" has succeeded. To its outraged critics, however, the controversial new film is grotesque. It is set up as a [romantic comedy](#), but features a plan for a [school shooting](#)—an unlikely mash-up that has ignited a debate about taste, tragedy and art. The trouble, in the end, is not that there is too much about guns in the movie, but too little.

Initially the cutesy mood recalls vintage Woody Allen, transplanted to Boston. Charlie, a British art curator played by Robert Pattinson, courts Emma (Zendaya, pictured), whose job is vaguer; quickly they are sharing one of those improbably swish flats in which characters in rom-coms live. Early in the action, and just before their wedding—don't try this at home—they and two friends drunkenly confide their worst-ever deeds. Emma confesses that, when she was 15, she “like, almost did a mass shooting”, ditching the plan just in time.

Cue a meltdown of friendships, Charlie's mind and decorum at the wedding reception. Cue, also, criticism of “The Drama” and Kristoffer Borgli, its Norwegian director, for enlisting this too-real horror in a whimsical genre. Some survivors of school shootings and victims' relatives have condemned his queasily humorous approach to the issue.

Hmm. Pain is the heart of cinema. Murder is traumatic, but is often committed on screen. Prejudice is harrowing, but heroes endure it. War is hell, but is eternally waged at the movies. Better, instead of “but”, to say “therefore”, since ambitious artists tackle hard topics not in spite of the distress involved, but because of it. So they must: stories are a way to cope with suffering. Others have been told about school massacres, such as [“We Need to Talk About Kevin”](#), a wrenching novel and film, and “Innocence”, an opera on now in New York.

And a movie on a grave topic needn't be sombre. As every good satirist knows, laughter can be deadly serious. [“The Death of Stalin”](#) is mordantly hilarious—and a penetrating study of deranged tyranny. Jokes about atrocities can be respectful if they convey something important that couldn't be said another way; if not, they are exploitative. “Life is Beautiful”, a clownish comedy set partly in a concentration camp, flunked that test.

How about “The Drama”? Gun violence is a fair, even urgent, target for satire, not least the view, held by some otherwise rational

Americans, that the answer is more guns, not fewer. The film lands some worthwhile barbs. "It's like a whole thing in this country, isn't it?" Charlie says of mass shootings, with the bafflement of many outsiders at this aspect of American exceptionalism. "Can we just forget about it?" Emma implores, like politicians who offer "thoughts and prayers" to mourners, then hastily change the subject.

The fact that Emma is female and black, rather than male and white (like most school shooters) is, to some, a negligent distortion. By way of explanation, the script inflicts a bit of loneliness and bullying on teenage Emma (played by Jordyn Curet rather than Zendaya). Edgy flashbacks, in which she struggles to record a murder manifesto, mirror similar scenes in "Four Lions", a satire about inept would-be suicide-bombers. These and brief, lurid fantasy sequences teeter on the boundary of taste.

A clearer failing is that, after raising the awful allure of violence, the film's attention wanders to different themes. One is the limits of forgiveness, a plea for which—"Do you want to start over?"—becomes a refrain. Another is the knowability of other people, especially [those who seem closest](#). "Remember, you know each other really well," a photographer chides the unsmiling couple in one of many clunky ironies.

The main interest here is in the relative moral weight of thoughts and acts. Emma never shoots anyone, whereas the lesser cruelties dredged up in that boozy confessional were enacted. Meanwhile a banal sort of nastiness unfolds in the present. For beneath his adorably ruffled hair, Charlie is kind of a creep. He deceives Emma in small and less small ways, fills her glass then asks why she is drunk, obsesses over his feelings and ignores hers. This is a sly chronicle of male coercion, camouflaged as a tale of an almost-monstrous woman, itself disguised as a rom-com.

In its premise and dark turn it resembles "The Celebration", in which a birthday party is capsized by a buried record of child abuse. But

once the abyss gapes open in that story, it never closes. By contrast “The Drama” evokes a tragic experience, then carelessly looks away.



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Child's play

The dark side of posting about your children online

A new book offers an exposé of the "kidfluencing" business

4月 16, 2026 04:16 上午



Like, Follow, Subscribe. By Fortesa Latifi. *Gallery Books*; 288 pages; \$30 and £20

DIGITAL FOOTPRINTS start long before children take their first steps. They may still be in utero when their parents post about them on social media, sharing sonograms with captions such as "Love at first sight!" Then come the newborn photos, flashed across Instagram within hours of a baby's birth. ["Sharenting"](#) is on the rise: one in four

children in the West has a social-media presence before they are born, according to one oft-cited figure.

Parents don't always stop there, however. Some turn their offspring into full-blown social-media stars—catchily called “kidfluencers”—documenting every major milestone (and many minor ones). They pick up the camera to capture first words and first steps, teething troubles, tantrums and potty training. Even the “most intimate moments are broadcast to millions”, writes Fortesa Latifi, a journalist, in a new book, as content is spun out of everything from puberty to menstruation.

“Like, Follow, Subscribe” is a fascinating exposé of kidfluencing, a multi-billion-dollar business where “children’s privacy is traded for profits”. She meets the parents who have become “producers, managers and cameramen”, incentivising their kids to film videos and dictating how many hours they work a day.

Kidfluencing is a lucrative family profit centre. Ms Latifi discovers that the top accounts charge as much as \$200,000 per sponsored post, bringing in between \$8m and \$10m a year. In this world, “Nothing is too personal to be #sponsored.” Potty training becomes an advert for nappies; shaving your legs for the first time is a chance to promote a razor brand.

The industry has drawn comparisons to child acting or modelling. Yet it does not have the same legal safeguards, Ms Latifi points out. In America only five states have laws requiring a parent to share a child’s earnings with them. Things like consent to be filmed, control of content and hours spent filming are up to parents’ discretion.

Certainly some children benefit from the fame and money influencing brings. Take [Ryan Kaji](#), who became famous at the age of three for toy reviews; today he has more than 40m subscribers on YouTube and earned \$35m in 2025, according to *Forbes*. Yet Ms Latifi’s reporting focuses more on the downsides. She asks Julie

Jeppson, a mother of eight who runs a family YouTube channel, which of her videos are most popular. Ms Jeppson reveals it is the ones in which her children get hurt: “The bloody noses, or the broken arms, or the emergency-room visit.” When one of Ms Jeppson’s children is in pain, Ms Latifi wonders, is her instinct to help them or to reach for her phone and record it? In a viral clip on another account, a [father](#) keeps filming his son having a seizure rather than immediately calling an ambulance.

Virality—which parents usually take such pains to avoid in nursery—has taken on a different dimension with social media. Pregnancy announcements and videos of newborn babies are especially popular. A former blogger reveals that she has “known people who have had more children because those brand deals are really lucrative”. The idea of having babies for social-media views may sound implausible, but industry insiders tell Ms Latifi that there is serious money in marketing products including buggies, nappies and pregnancy tests.

People are also fascinated by unfamiliar family dynamics. One popular [Christian influencer](#) is Karissa Collins: her 11 children all have names starting with “A”, including Anchor and Arrow. She both intrigues and infuriates her followers, such as when she posts about homeschooling or her belief that contraception is unholy.

Many of the most popular influencer families are Mormon. As well as chronicling their large broods, they post photos of pristine houses and countless loaves of fresh [sourdough bread](#). Behind this idyllic façade is the Mormon church: it pays them thousands of dollars per post, pushing imagery that makes the religion look Instagram-worthy, such as followers giving food to the homeless.

But children’s smiling faces can belie their suffering. Shari Franke, the 23-year-old daughter of a momfluencer who was convicted of child abuse in 2024, testified to lawmakers in Utah that she was a “victim of family vlogging”. (Her mother enacted severe punishments

on the children, and was arrested after her malnourished son escaped from her house.) “No amount of money”, Ms Franke said, can make up for having your childhood “plastered all over the internet”. In 2025 Utah passed a law to protect kidfluencers and child performers by requiring parents to set aside some of the earnings and enabling children to later ask for content to be removed.

The internet brings other dangers, too. The most disturbing section of the book concerns online predators. Ms Latifi offers grim examples of parents filming suggestive content of their children eating or dancing and kidfluencers being stalked by strangers at school.

“Like, Follow, Subscribe” stands out for its rich reporting, though Ms Latifi does not offer enough satisfying recommendations about how to improve the industry. She reflects on her own daughter and concludes nothing could persuade her to invade her child’s privacy. More parents may soon think twice before posting that sweet picture or sonogram. ■

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Economic & financial indicators

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Indicators ::

Indicators

Economic data, commodities and markets

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Economic data

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	Gross domestic product				Consumer prices			Unemployment rate	
	% change on year ago:				% change on year ago:			rate	
	latest	quarter*	2026†		latest	2026†		%	
United States	2.0	Q4	0.5	2.1	3.3	Mar	3.8	4.3	Mar
China	4.5	Q4	4.9	4.6	1.0	Mar	1.3	5.3	Feb ⁵
Japan	0.4	Q4	1.3	0.5	1.3	Feb	2.1	2.6	Feb
Britain	1.0	Q4	0.2	1.0	3.0	Feb	3.2	5.2	Dec ^{††}
Canada	0.7	Q4	-0.6	1.2	1.8	Feb	2.9	6.7	Mar
Euro area	1.2	Q4	0.8	1.2	2.5	Mar	2.2	6.2	Feb
Austria	0.6	Q4	0.1 [‡]	0.8	3.1	Mar	2.6	5.8	Feb
Belgium	1.0	Q4	0.4	1.0	2.2	Mar	2.8	6.4	Feb
France	1.2	Q4	0.9	0.8	2.0	Mar	2.1	7.8	Feb
Germany	0.4	Q4	1.2	0.8	2.8	Mar	2.9	4.0	Feb
Greece	2.5	Q4	3.2	2.0	3.4	Mar	3.1	8.5	Feb
Italy	0.8	Q4	1.0	0.7	1.5	Mar	1.9	5.3	Feb
Netherlands	1.8	Q4	2.2	1.2	2.6	Mar	2.9	4.1	Feb
Spain	2.7	Q4	3.3	2.1	3.4	Mar	2.4	9.8	Feb
Czech Republic	2.5	Q4	2.9	2.2	1.9	Mar	2.2	3.0	Q4 [‡]
Denmark	3.3	Q4	1.0	1.8	1.2	Mar	2.0	3.1	Feb
Norway	2.2	Q4	-1.3	1.5	3.6	Mar	2.9	4.6	Jan ^{††}
Poland	4.0	Q4	4.1	3.6	3.0	Mar	3.0	6.1	Feb ⁵
Russia	1.0	Q4	2.8	1.5	5.9	Mar	5.7	2.1	Feb ⁵
Sweden	2.0	Q4	2.0	2.3	0.5	Mar	1.7	8.8	Feb ⁵
Switzerland	0.7	Q4	0.6	1.0	0.3	Mar	0.6	3.0	Mar
Turkey	3.4	Q4	1.5	2.9	30.9	Mar	30.1	9.0	Feb ⁵
Australia	2.6	Q4	3.2	2.1	3.7	Feb	3.7	4.3	Feb
Hong Kong	3.8	Q4	4.0	3.2	1.7	Feb	2.0	3.8	Feb ^{††}
India	7.8	Q4	7.1	7.2	3.4	Mar	4.5	6.6	Mar
Indonesia	5.4	Q4	6.7	5.2	3.5	Mar	3.1	4.9	Aug ⁵
Malaysia	6.3	Q4	3.8	4.8	1.4	Feb	2.2	2.9	Feb ⁵
Pakistan	3.7	2025 ^{**}	na	3.5	7.3	Mar	5.0	6.9	2025
Philippines	3.0	Q4	2.4	3.3	4.1	Mar	4.6	5.8	Q1 ⁵
Singapore	4.6	Q1	-1.3	2.7	1.2	Feb	2.1	2.0	Q4
South Korea	1.6	Q4	-0.6	2.1	2.2	Mar	2.4	3.0	Mar ⁵
Taiwan	12.7	Q4	23.6	7.5	1.2	Mar	1.9	3.3	Feb
Thailand	2.5	Q4	7.8	2.0	-0.1	Mar	0.9	1.0	Mar ⁵
Argentina	2.1	Q4	2.5	3.4	32.6	Mar	29.9	7.5	Q4 ⁵
Brazil	1.8	Q4	0.6	1.8	4.1	Mar	4.0	5.8	Feb ^{5††}
Chile	1.6	Q4	2.3	1.2	2.8	Mar	4.2	8.3	Feb ^{5††}
Colombia	2.2	Q4	0.5	2.7	5.6	Mar	5.5	9.2	Feb ⁵
Mexico	1.8	Q4	3.5	1.5	4.6	Mar	3.8	2.7	Feb
Peru	3.2	Q4	-0.6	2.6	3.8	Mar	2.5	5.4	Mar ⁵
Egypt	5.3	Q4	0.8	4.5	15.2	Mar	13.5	6.2	Q4 ⁵
Israel	3.5	Q4	4.2	3.4	1.9	Mar	2.1	2.7	Feb
Saudi Arabia	4.5	2025	na	-0.9	1.8	Mar	2.5	3.5	Q4
South Africa	0.8	Q4	1.5	1.7	2.9	Feb	3.8	31.4	Q4 ⁵

Source: Haver Analytics *% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast ⁵Not seasonally adjusted
[‡]New series ^{**}Year ending June ^{††}Latest 3 months ^{†††}3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

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	Current-account balance	Budget balance	Interest rates		Currency units	
	% of GDP, 2026 [†]	% of GDP, 2026 [†]	10-yr gov't bonds latest, %	change on year ago, bp	per \$ Apr 15th	% change on year ago
United States	-3.5	-6.6	4.3	-6.0	-	
China	3.5	-5.8	1.5	1.0	6.82	7.3
Japan	3.3	-1.8	2.4	107	159	-9.9
Britain	-3.8	-5.1	4.8	7.0	0.74	2.7
Canada	-0.5	-2.2	3.4	31.0	1.38	0.7
Euro area	2.4	-3.3	3.0	51.0	0.85	3.5
Austria	0.6	-4.3	3.3	35.0	0.85	3.5
Belgium	-3.0	-4.6	3.6	46.0	0.85	3.5
France	-0.6	-5.3	3.7	39.0	0.85	3.5
Germany	4.1	-3.8	3.0	51.0	0.85	3.5
Greece	-5.1	0.4	3.8	33.0	0.85	3.5
Italy	1.2	-3.0	3.8	11.0	0.85	3.5
Netherlands	11.4	-2.1	3.1	32.0	0.85	3.5
Spain	2.3	-2.6	3.5	25.0	0.85	3.5
Czech Republic	0.3	-2.6	4.7	61.0	20.6	7.1
Denmark	12.4	1.2	2.8	44.0	6.34	3.8
Norway	11.8	8.9	4.4	54.0	9.45	11.7
Poland	-0.9	-6.6	5.5	27.0	3.59	5.0
Russia	2.7	-2.6	14.5	-116	75.9	9.1
Sweden	4.3	-2.0	2.8	46.0	9.19	6.3
Switzerland	1.9	0.2	0.4	4.0	0.78	3.8
Turkey	-3.1	-3.6	30.0	-230	44.7	-15.0
Australia	-1.6	-1.6	4.9	64.0	1.40	12.8
Hong Kong	10.7	-3.4	2.9	-50.0	7.83	-1.0
India	-1.3	-4.3	6.9	45.0	93.2	-7.6
Indonesia	-0.2	-3.4	6.6	-38.0	17,124	-2.0
Malaysia	2.6	-3.6	3.6	-15.0	3.95	11.6
Pakistan	-0.8	-4.4	12.6	9.0	279	0.5
Philippines	-4.0	-6.4	6.6	25.0	59.8	-4.5
Singapore	17.2	0.8	2.0	-51.0	1.27	3.1
South Korea	4.7	-3.0	3.6	99.0	1,472	-3.5
Taiwan	25.8	0.8	1.5	-12.0	31.5	2.7
Thailand	2.6	-4.7	2.0	4.0	32.0	5.0
Argentina	-1.6	0.4	na	na	1,366	-12.4
Brazil	-2.8	-7.1	13.6	-99.0	5.01	17.0
Chile	-1.7	-2.3	5.5	-15.0	887	9.0
Colombia	-2.6	-6.5	12.7	78.0	3,579	19.8
Mexico	-0.5	-3.8	8.9	-72.0	17.3	16.3
Peru	2.0	-2.4	6.0	-58.0	3.39	10.0
Egypt	-4.5	-7.5	25.3	-96.0	52.4	-2.7
Israel	2.3	-4.9	4.0	-33.0	3.01	22.2
Saudi Arabia	-2.7	-5.3	na	na	3.75	nil
South Africa	-0.5	-4.2	8.4	-254	16.3	15.6

Source: Haver Analytics ^{§§}5-year yield ⁺⁺⁺Dollar-denominated bonds

Markets

In local currency	Index Apr 15th	% change on:	
		one week	Dec 31st 2025
United States S&P 500	7,023.0	3.5	2.6
United States NAS Comp	24,016.0	6.1	3.3
China Shanghai Comp	4,027.2	0.8	1.5
China Shenzhen Comp	2,685.3	2.2	6.1
Japan Nikkei 225	58,134.2	3.2	15.5
Japan Topix	3,770.3	-0.1	10.6
Britain FTSE 100	10,609.1	nil	6.8
Canada S&P TSX	34,156.0	1.6	7.7
Euro area EURO STOXX 50	5,984.5	1.2	3.3
France CAC 40	8,327.9	0.8	2.2
Germany DAX*	24,044.2	-0.2	-1.8
Italy FTSE/MIB	48,175.7	2.3	7.2
Netherlands AEX	1,019.8	1.7	7.2
Spain IBEX 35	18,286.1	0.8	5.7
Poland WIG	132,821.5	2.8	13.3
Russia RTS, \$ terms	1,147.5	3.2	3.5
Switzerland SMI	13,269.8	1.2	nil
Turkey BIST	14,202.2	4.9	26.1
Australia All Ord.	9,181.1	0.2	1.8
Hong Kong Hang Seng	25,947.3	0.2	1.2
India BSE	78,111.3	0.7	-8.3
Indonesia IDX	7,623.6	4.7	-11.8
Malaysia KLSE	1,683.4	-0.8	0.2
Pakistan KSE	168,519.9	1.6	-3.2
Singapore STI	5,021.2	0.5	8.1
South Korea KOSPI	6,091.4	3.7	44.5
Taiwan TWI	36,722.1	5.6	26.8
Thailand SET	1,506.8	1.5	19.6
Argentina MERV	2,917,953.6	-3.1	-4.4
Brazil BVSP*	197,737.6	2.9	22.7
Mexico IPC	69,634.7	-0.8	8.3
Egypt EGX 30	50,733.1	4.4	21.3
Israel TA-125	4,335.1	4.3	18.3
Saudi Arabia Tadawul	11,486.2	1.3	9.5
South Africa JSE AS	119,795.8	0.2	3.4
World, dev'd MSCI	4,563.7	2.4	3.0
Emerging markets MSCI	1,565.0	1.7	11.4

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 31st
		2025
Investment grade	93	93
High-yield	357	354

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Apr 7th	Apr 14th*	% change on	
			month	year
Dollar Index				
All items	149.2	152.1	-1.3	14.3
Food	143.5	145.1	1.5	-3.6
Industrials				
All	153.9	157.9	-3.2	33.2
Non-food agriculturals	145.8	146.1	-18.1	12.4
Metals	156.0	160.9	1.0	39.1
Sterling Index				
All items	144.7	143.8	-3.0	11.4
Euro Index				
All items	147.3	147.1	-3.6	9.7
Gold				
\$ per oz	4,642.1	4,795.0	-4.0	48.9
Brent				
\$ per barrel	109.4	95.0	-8.0	46.9

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

- [**Nick Pope investigated UFOs for the Ministry of Defence**](#)

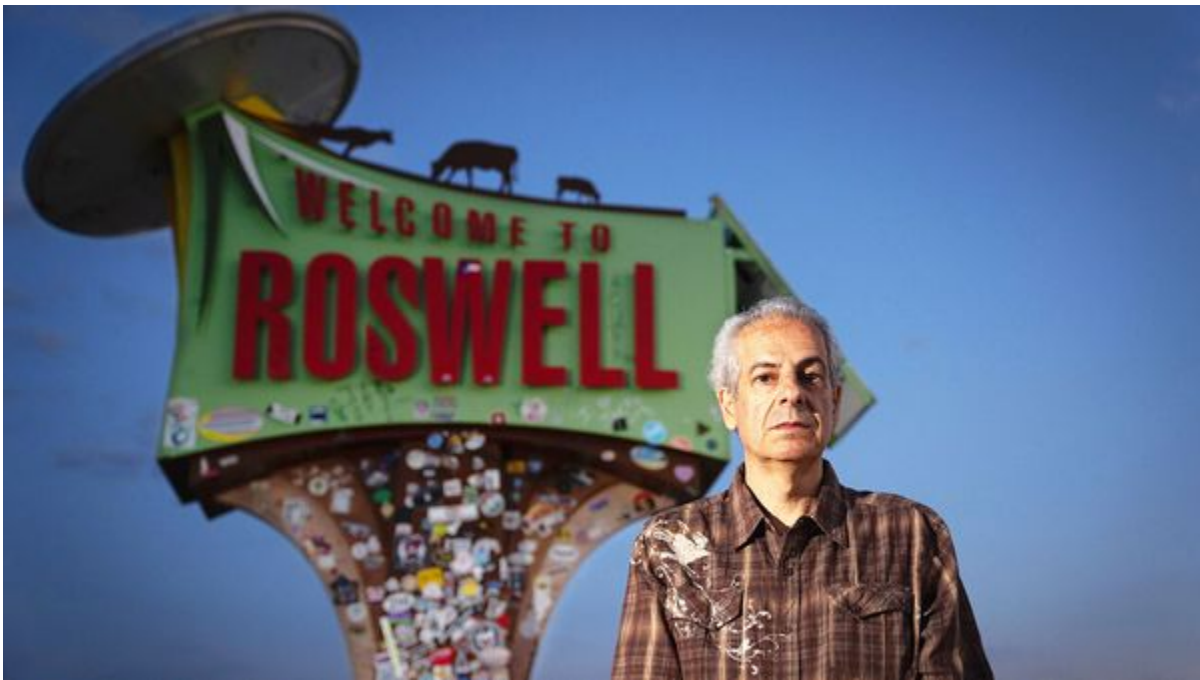
Analysing aliens :: The civil servant-turned celebrity died on April 6th, aged 60

Analysing aliens

Nick Pope investigated UFOs for the Ministry of Defence

The civil servant-turned celebrity died on April 6th, aged 60

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IT WAS NEITHER a project nor a programme, though sometimes, in his enthusiasm, Nick Pope said it was. Under Winston Churchill it was known as the Flying Saucer Working Party. When he arrived there in 1991 it was fundamentally a one-man band, himself, sitting at a desk in the Secretariat(Air Staff) Department 2A in the bowels of Britain’s Ministry of Defence. Colleagues called him “Spooky”, and in passing would sometimes whistle the theme from “Close Encounters of the Third Kind”. He didn’t mind, and positively liked

being known as the British equivalent of Fox Mulder, the FBI paranormal-expert of "The X Files".

His job, though, was rather less dramatic: examining the messages the public sent to the UFO "hotline", in case some suggested a threat to security. Two or three hundred sightings of strange events or objects arrived each year, reported in excited emails and blurry, bouncing videos. Here, strange lights played over Manchester; there, a triangular craft dodged among the clouds; a shining orb crossed a road in Wiltshire, and a shape like a giant black manta ray hovered over heads in Scunthorpe.

Some 80% of these sightings were false. He had suspected as much when he started the job (with no particular interest in matters extraterrestrial, just a father who worked in aeronautics). Most of his correspondents, he assumed, were ordinary folk out later than usual, perhaps taking the dog for a walk after a trip to the pub, who looked up at the night sky and were surprised by something. That often turned out to be aircraft lights, red, white and green: sometimes meteors, or effects of weather; closer to the ground, methane flares. Over cities (where UFOs were spotted just as often as in remote rural places), they might be large-scale CGI effects devised by film companies. Increasingly, too, they came from people playing with spacey home software. The intelligence behind them was not extraterrestrial, but Jim or Charlie in an attic with a pack of Stella.

Around 20% of the sightings, though, were not so easily dismissed. Perhaps 15% were too hard to be sure of. And the last 5% defied explanation, either by himself or by the physicists, astronomers and imagery-experts he could call in to help. To him, any unexplained invasion of Britain's airspace was well worth worrying about, but the MOD had quite enough explicable threats to cope with. Besides, it was becoming suspicious that this mild-mannered civilian was going native, and so he was, up to a point.

Looking back through the office archive he found a hard core of sightings, especially about the craft. At first they were spherical, later triangular. They liked to play cat-and-mouse, going from a virtual standstill to high Mach speeds in a second. At Rendlesham Forest in Suffolk in 1980 a metallic or glass craft had landed, accompanied by a glowing orange ball that bounded away through the trees. One witness dared to touch the craft; it gave him a massive shock, then a download of binary information.

At that juncture, Mr Pope began to laugh. But he believed the basic facts, because they were related by military pilots in retirement who had no interest in making up tales. It was frustrating that not even this convinced the MoD. In 1994 he was shuffled over to the finance-policy department, but stayed at the ministry for 12 more years to indulge his main preoccupation. The top brass even allowed him to publish two science-fiction thrillers and "Open Skies, Closed Minds", a rebuke to world leaders for ignoring UFOs, which they judged safe because it was nonsense. In 2009 the UFO desk was shut down, the MoD declaring that not a single plausible threat had been identified from his scrutiny, nor anyone else's.

Yet, with the utmost seriousness, he carried on. He would no longer be brushed aside by pop-culture baggage and talk of little green men. Even the term "UFO" (Unidentified Flying Objects) was a put-down, soon officially replaced by UAP (Unidentified Aerial/Anomalous Phenomena). In a field of wild speculation and fantasy he set himself up as a man of calm appraisals.

In both Britain and America, to which he moved in 2012, he was soon the go-to TV commentator for any "alien" occurrence. With an unblinking stare and a Home Counties voice of authority he debunked at will, but did not deny that something was going on which humans should take note of. Interest in UAPs had vacillated since the second world war, peaking in the 1950s after the "alien crash landing" at Roswell in New Mexico, and reaching another high plateau at the start of the 21st century. Then NASA seemed to get

more interested; incredible craft-manoeuving was recorded not only on radar but with infrared cameras on CF-18 Super-Hornets; satellites picked it up. Congress in 2023 even held hearings at which military men, in medals and under oath, told the world what they had seen and what they thought it meant.

What was it, exactly? Earlier in his career he thought that some distant civilisation intended to attack the Earth. Why else should so much information be kept secret by the authorities, as if it was too dark for the public to bear? If this was so, Earth's governments should order them to stop, following the usual paths of diplomacy. Dialling back from that, he thought these interlopers might be monitoring humanity's swift technical progress, even with concern. Yet it was also possible that these were not creatures at all, but something from other and hidden dimensions, the sort theoretical physicists had to posit to make their equations work. The universe itself might be playing tricks.

To all those who besieged him for the truth at his conferences and on his tours, he had to confess he did not know. It was all so changeable. A sighting or encounter of his own might have helped, but he had never had one. Like his dog-walking "witnesses", entranced and a little unsteady under the night sky, he was still essentially wondering, "Are we alone?" But that was one of the most profound, and most urgent, questions humans could ask. ■

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