

The Economist

China's global power play

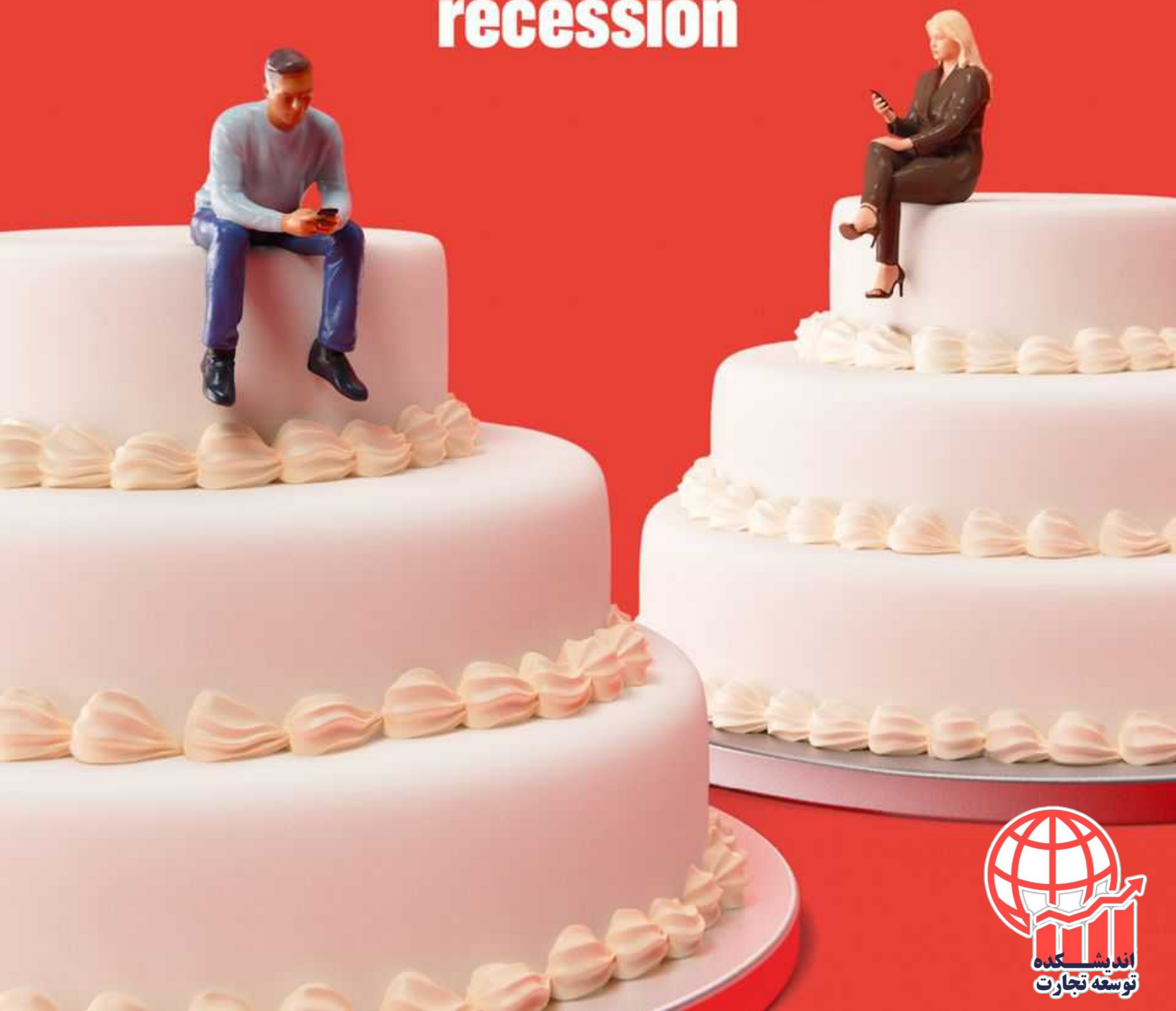
The meaning of Mamdani

Nigel Farage: Captain Sensible

Wake up, Airbnb

NOVEMBER 8TH-14TH 2025

The relationship recession

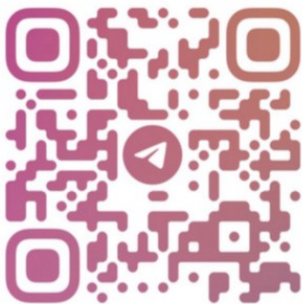


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The world this week

Politics

November 6th 2025



Zohran Mamdani, a self-described democratic socialist, [won New York's mayoral race](#), and will be the first Muslim to lead the city. Despite polls suggesting the race was tightening, Mr Mamdani took 50% of the vote, compared with 42% for his main challenger, Andrew Cuomo. Mr Mamdani campaigned on making New York a more affordable place to live for workers, extolling policies such as rent freezes and free universal child care. Turnout was high. He was the first candidate for mayor to win over a million votes since John Lindsay in 1969.

It was a [good night for Democrats elsewhere](#) in the smattering of elections that were held in America. Abigail Spanberger won the governor's race in Virginia, taking the office back from the Republicans (governors cannot serve consecutive terms in the state). She is the first woman to hold the job. And Mikie Sherrill chalked up a sizeable margin of victory to become New Jersey's governor, holding the office for the Democrats.

In California voters overwhelmingly approved Proposition 50, a proposal to redraw the state's congressional districts, which could see the Democrats gain five seats. Backed by the governor, Gavin Newsom, the blatantly partisan redistricting plan is intended to counter the Republicans' blatantly partisan efforts to redraw congressional boundaries to their advantage elsewhere in America. In Maine a ballot measure that would have required voter ID at voting stations and restricted early access to voting was roundly rejected.

The Trump administration warned that it would have to reduce air traffic by 10% at America's 40 busiest airports because the government shutdown has caused problems staffing traffic control. The shutdown passed the 35-day mark, making it the longest ever, breaking the previous record that had been set nearly seven years ago.

[Dick Cheney](#) died at the age of 84. Said to be the most powerful vice-president in American history, Mr Cheney was pivotal in helping to craft George W. Bush's national-security policies in the aftermath of September 11th 2001, and was an unrepentant defender of America's invasion of Iraq. He was defence secretary when Iraq invaded Kuwait in 1990. Often portrayed as a Machiavellian figure, Mr Cheney embraced his portrayal as the Darth Vader of the Bush government.

At least 142 people were killed as Typhoon Kalmaegi tore through the Philippines. Most of the deaths were due to drowning caused by the flooding that swept through towns in central Cebu province.

[Major General Yifat Tomer-Yerushalmi](#), the Israel Defence Forces' most senior lawyer, resigned and was then arrested after she took responsibility for the leaking of a video purporting to show the abuse by Israeli soldiers of a Palestinian detainee. Allies of Binyamin Netanyahu, the prime minister, seized on the scandal to renew their attack on Israel's legal establishment.

Donald Trump said that America's armed forces would take action in [Nigeria](#) to stop the "mass slaughter" of Christians by Islamist militants. His comments caused alarm in Nigeria, though it was unclear what any specific action would entail. Terrorist groups in Nigeria often target civilians, both Christians and Muslims. There is no evidence of a Christian genocide.

More reports emerged of [mass executions](#) in el-Fasher, a city in Sudan's Darfur region, carried out by the Rapid Support Forces, a rebel group that evolved from Arab militia. The World Health Organisation has condemned the reported killing of 460 people at one hospital alone. Other reports suggest men are being separated from women before being taken away to be shot.



Samia Suluhu Hassan was sworn into office for a second term as Tanzania's president, following an election in which her opponents were all but disqualified from running. The opposition has rejected the result. Early estimates suggest that many hundreds of people have been killed during post-election violence, a figure that the government claims has been exaggerated.

The European Union published a progress report on countries that aspire to join the bloc. Albania and Montenegro are "on track" to close accession negotiations, it said, and Moldova's reforms are "achievable". It praised Ukraine for its progress, but said the pace of reforms to stamp out corruption would have to quicken if it wanted to complete negotiations by late 2028. The report noted that more work was required on judicial reforms or stabilising politics in Bosnia, Kosovo, North Macedonia and Serbia if they want to join. It described Georgia as "a candidate country in name only".

Russia claimed it was close to [capturing Pokrovsk](#), a small city and transport hub in eastern Ukraine. Volodymyr Zelensky acknowledged that Ukrainian

forces were being pressed hard but denied that Russia had taken full control of the area. If Pokrovsk falls it would be Russia's biggest battlefield success since Avdiivka in February 2024.

Germany's chancellor, Friedrich Merz, said that Syrians should no longer claim asylum because their country's civil war is over, and that repatriations of Syrians should begin. At least 1m live in Germany after fleeing their home country. Mr Merz's comments are intended to counter the rise of the populist-right Alternative for Germany (AfD) ahead of state elections next year.

Peru suspended diplomatic relations with Mexico, after a former prime minister took refuge in the Mexican embassy in Lima and requested asylum. Betsy Chávez was briefly prime minister in late 2022 at the end of the presidency of Pedro Castillo. She faces criminal charges in relation to Mr Castillo's attempt to dissolve the legislature, which resulted in his ousting from office.

The minority Liberal government in Canada presented its first budget since Mark Carney became prime minister in March. The fiscal blueprint includes a big increase to investment in infrastructure that is intended in part to offset the economic damage from America's tariffs. Defence spending will rise to 2% of GDP this year, increasing to NATO's target of 5% by 2035. The budget deficit is set to balloon.



After two decades and at a cost of \$1bn the Grand Egyptian Museum opened in Giza. It is described as the world's largest archaeological collection. Among the 100,000 artefacts on display are the contents of the tomb of Tutankhamun.

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The world this week

Business

November 6th 2025



America’s Supreme Court heard arguments for and against the legality of Donald Trump’s [tariffs](#). The case focuses on levies that Mr Trump imposed using his emergency powers, such as duties in relation to fentanyl trafficking, reciprocal levies and punitive tariffs, including those imposed on Brazil. Duties levied on certain industries, including car parts and chips, are not part of the case. The justices seemed inclined to doubt the legality of the tariffs. They may rule later this year or next year.

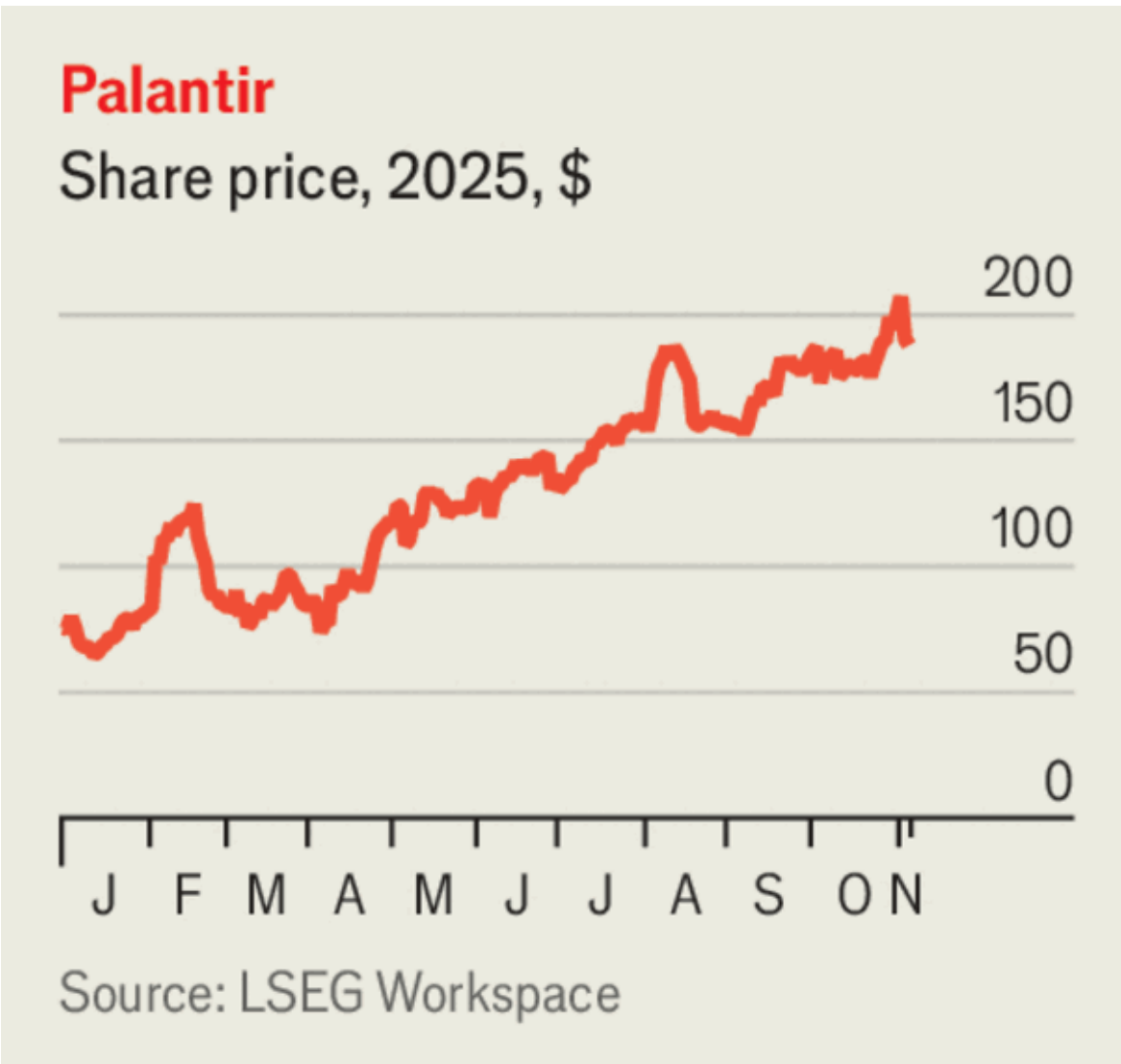
Mr Trump renominated Jared Isaacman to head NASA. The president withdrew his original nomination in May, the White House suggesting at the time that Mr Isaacman was not in “complete alignment” with Mr Trump’s agenda. In part that was because Mr Isaacman, a space entrepreneur, is close to Elon Musk, with whom Mr Trump fell out. It had also emerged that Mr Isaacman had donated to Democrats, though he describes himself as “relatively apolitical”.

The Bank of England kept its benchmark interest rate on hold at 4%, but noted that consumer-price inflation is “judged to have peaked” (at an annual rate of 3.8% in September). The vote to hold rates was 5-4, with four members of the policy committee opting for a quarter-percentage-point cut. It was the bank’s last decision before the government unveils a budget on November 26th that is expected to raise taxes. Markets think the bank will plump for a cut in December.

Unilever set December 8th as the date it will start selling shares in Magnum Ice Cream. The spin-off of the conglomerate’s ice-cream assets has been delayed by a month because of the government shutdown in America, which held up regulatory approval of the IPO. The stock will trade in a primary listing in Amsterdam and secondary listings in New York and London.

Orsted reported a quarterly net loss. The developer of offshore wind power blamed the “negative development” on tariffs and the Trump administration’s order to stop working on a big project off Connecticut and Rhode Island (a court has since reversed the order). Meanwhile, Orsted sold a 50% stake in the world’s largest wind farm, still under development off the coast of east England, to Apollo, a private-equity firm, for \$6.5bn.

More evidence emerged of the effect of Mr Trump’s decision to scrap tax credits for new sales of electric vehicles. The incentive ended on September 30th; Ford said its sales of EVs in October fell by 25% compared with October last year. Jim Farley, the company’s chief executive, has predicted that sales of EVs will drop from around 10-12% to 5% of America’s car market in October.



One of the main beneficiaries of the boom in artificial intelligence, [Palantir](#), reported a 63% year-on-year rise in quarterly revenue. The company develops data-analytics software and does a lot of military work. But Palantir's share price fell sharply after it emerged that Michael Burry, an investor based in Silicon Valley, had placed a bet against its stock. Mr Burry is best known for predicting and profiting from the collapse of the subprime-mortgage market.

Amazon's share price reached a record high after it announced a \$38bn deal to provide OpenAI with data-centre capacity through Amazon Web Services. Amazon had earlier reported a 20% rise in quarterly revenue, year on year, at its cloud-computing business. That helped push net profit up by nearly 40%, to \$21.2bn.

Struggling to compete against low-cost rivals in China, Starbucks decided to sell a majority stake in a new joint venture to Boyu Capital, a private-equity firm with headquarters in Hong Kong. Starbucks said the deal would help it expand in China, from today's 8,000 coffee shops to an eventual goal of 20,000.

Kimberly-Clark, a consumer-goods company best known for its Andrex, Huggies and Kleenex brands, agreed to buy Kenvue, the maker of Tylenol, in a deal valued at \$48.7bn. Kenvue's stock has struggled since being spun out of Johnson & Johnson in 2023. Its share price fell sharply in September when Donald Trump suggested that pregnant women shouldn't take Tylenol, a pain-relief medication, claiming without good evidence that it has links to autism.

As it battles to retain its market share in America for weight-loss treatments, Novo Nordisk reported a 37% increase in sales at its obesity-care business for the first nine months of the year, but lowered the range of its expected annual revenue and profit. The Danish company could get a boost from the Trump administration's ambition for Medicare and Medicaid to cover weight-loss medications for the first time.

The opening of Shein's shopping outlet in Paris, its first physical store in the world, was overshadowed by news that France is investigating it for selling childlike sex dolls on its website (the wider investigation includes other ultra-cheap shopping platforms that are mainly based in China). The government said it would block Shein's website for also selling weapons. The firm is cooperating. The news didn't stop shoppers from queuing for Shein's opening day, under the watchful eye of riot police.

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The world this week

The weekly cartoon

November 6th 2025



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

Why Wall Street won't see the next crash coming How much wealth would be destroyed by an AI stockmarket crash? [The stockmarket is fuelling America's economy.](#)

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

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Leaders

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- [America's plans for a Golden Dome are dangerously obscure](#)

Leaders | The great relationship recession

The rise of singlehood is reshaping the world

In good ways and bad

November 6th 2025



For most of human history, coupling up was not merely a norm; it was a necessity. Before reliable contraception, women could not control their fertility, and most were far too poor to raise children alone. Hence the centuries-old convention that, whereas a tragic play or saga ends in death, a happy one ends in marriage.

So the speed with which the norm of marriage—indeed, of relationships of any sort—is [being abandoned](#) is startling. Throughout the rich world, singlehood is on the rise. Among Americans aged 25-34, the proportion living without a spouse or partner has doubled in five decades, to 50% for men and 41% for women. Since 2010, the share of people living alone has risen in 26 out of 30 rich countries. By The Economist’s calculation, the world has at least 100m more single people today than if coupling rates were still as high as in 2017. A great relationship recession is under way.

For some, this is evidence of social and moral decay. As [we report](#), many in the “pro-natalist” movement believe that the failure of the young to settle down and procreate threatens to end Western civilisation. For others, it is evidence of admirable self-reliance. Vogue, a fashion magazine, recently suggested that for cool, ambitious young women, having a boyfriend is not merely unnecessary but “embarrassing”.

In fact, the rise of singlehood is neither straightforwardly good nor bad. Among heterosexuals (about whom there is the most research) it is largely a consequence of something clearly benign: as barriers to women in the workplace have fallen, their choices have expanded. They are far more able than in the past to live alone if they choose, and face less social stigma for doing so. The more they can support themselves financially, the less likely they are to put up with an inadequate or abusive partner. This shift has saved countless women from awful relationships, and forced many men to treat their mates better if they want to stay together.

However, it has also had unhappy knock-on effects. Flying solo can be liberating, but it can also be lonely. Plenty of singletons say they are content to remain so, especially women. But surveys in various countries suggest that 60-73% would rather be in a relationship. A poll in America in 2019 found that, although 50% of singles were not actively looking for a partner, only 27% said this was because they enjoyed being single. Many have given up, either because they despair of finding a mate, or because they don’t rate the mates on offer.

If lots of people want to couple up but don’t, something is amiss in the relationship “market”. One problem—widespread sex-selective abortion that has led to a shortage of women and a surplus of bachelors in parts of Asia—is fortunately diminishing fast. But experts see many other obstacles.

Some think social media and dating apps have fostered unrealistic expectations (other people's relationships look fabulous on Instagram) and excessive pickiness (most women on Bumble reportedly insist that a male must be six feet tall, thus filtering out 85% of potential matches). Another problem is the growing political gulf between young men and women, with the former leaning right and the latter leaning more to the left. Many singles insist that any partner must tick the same partisan boxes, which makes matching trickier.

Other experts point to a decline in social skills as people spend more of their lives gawping at screens. Americans of all ages socialise less in person than they did two decades ago, but the decline is especially steep among the young. Social media spread fears that women will be assaulted if they go out; and that men will be digitally shamed if a date goes badly.

Perhaps the most important factor is that, as living alone has become easier, women's standards have grown more exacting. For many, a mediocre partner no longer seems a better bet than remaining single. Women are more likely than men to say that they want their mate to be well educated and financially solid. More men are failing to clear this moving bar, as they fall behind women educationally and the less bookish ones flounder in the job market. Men with no college degree and low earnings struggle to attract a partner; doubly so if they do not share domestic chores, or if after frequent rejection they start to dislike women, a common vice in the online "manosphere".

Some of these problems may be self-correcting. One obvious idea is for men to grow up, do a little more housework, behave more responsibly and so turn themselves into more desirable partners. Cultural norms may impede this shift. But the prospect of avoiding lifelong loneliness and celibacy will surely serve as a powerful incentive for men to change. Many countries have been moving in this direction for years, with cleaning, cooking and child-minding more evenly split between men and women.

And yet, even in such enlightened spots as the Nordic countries, the trend towards singlehood shows no signs of abating. In Finland and Sweden roughly a third of adults live alone. At the very least, the shift is likely to exacerbate the already dramatic fall in global fertility, since single-parenting is hard and cultural taboos against it remain strong in many regions. Since young, single

men commit more violent crimes, a less-coupled world could be more dangerous.

It is also possible that the relationship recession will not correct itself. A striking 7% of young singles say they would consider a robo-romance with an [AI companion](#), and these lovebots will only get more sophisticated. AI, after all, is patient; AI is kind; it does not ask you to clean the bathroom or get a better job.

Many may worry that a world with fewer couples and children will be sadder and more atomised. Yet bemoaning the prospect will not avert it. And it is not the place of governments to overrule ordinary people's preferences—though they should certainly try to tackle male underperformance in school. A future with far more singletons is coming. Everyone, from construction firms to the taxman, had better prepare. ■

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Leaders | Power play

China's clean-energy revolution will reshape markets and politics

The world's biggest manufacturer now has an interest in the world decarbonising

November 6th 2025



The SCALE of the renewables revolution in China is almost too vast for the human mind to grasp. By the end of last year, the country had installed 887 gigawatts of solar-power capacity—close to double Europe’s and America’s combined total. The 22m tonnes of steel used to build new wind turbines and solar panels in 2024 would have been enough to build a Golden Gate Bridge on every working day of every week that year. China generated 1,826

terawatt-hours of wind and solar electricity in 2024, five times more than the energy contained in all 600 of its nuclear weapons.

In the context of the cold war, the distinctive measure of a “superpower” was the combination of a continental span and a world-threatening nuclear arsenal. The coming-together of China’s enormous manufacturing capacity and its ravenous appetite for copious, cheap, domestically produced electricity deserves to be seen in a similar world-changing light. They have made China a new type of superpower: one which deploys clean electricity on a planetary scale.

As a consequence, China is reshaping the world’s energy outlook, its geopolitics and its capacity to limit the catastrophic effects of climate change. The main reason countries have yet to decarbonise their economies is because they lack the means to do so. And that is what China is fixing. It is providing ever greater amounts of clean-energy capacity to the world at prices which are cheaper than any alternative, including coal and natural gas.

China can produce almost a terawatt of renewable-energy capacity in a year. That is enough to supply as much energy as more than 300 big nuclear-power plants. And the dynamic that created all this generating capacity is far from exhausted. China’s huge demand—it generates a third of the world’s electricity—is being met by ever more efficient production which makes the end product cheaper and cheaper. This, in turn, allows it to meet even more demand, and so on. The subsidies that started to turn this virtuous circle are increasingly beside the point; indeed, many are [being withdrawn](#).

Thanks to this capacity—and a tendency to set itself easy targets—China has exceeded, or is on course to exceed, most of the pledges it has made under the UN Framework Convention on Climate Change since signing the Paris agreement ten years ago. The politicians, negotiators, lobby groups and hangers-on gathering in Brazil for the 30th UNFCCC’s COP summit will do so in a context shaped by China’s latest pledges to more than double the country’s renewable-energy capacity and make a modest but quantified cut in emissions by 2035. (Both targets may well be exceeded.)

As important, China is exporting its revolution to the rest of the world. America’s current government rejects renewable technologies. In Europe industry is hollowing out and voters are rebelling against expensive green

policies. But it is in developing countries that the fight against climate change will be won or lost, and it is there that Chinese renewables will make the most difference.

China is now making more money from exporting green technology than America makes from exporting fossil fuels. This trend will continue simply because renewables are cheap; if you doubt the appeal, count the solar panels on Pakistani roofs. The work China does on cutting emissions at home—ever cheaper renewables, more abundant storage which makes those renewables more useful, better electricity markets, long transmission lines and all sorts of associated expertise—will thus be increasingly relevant, and sellable, beyond its borders.

This anti-emissions machine is powered by self-interest. More clean tech elsewhere lowers China's own climate risks by reducing global emissions. At the same time it brings economic benefits. For many years countries' economic and climate interests have often been thought to diverge, encouraging a free-rider problem in which they seek the benefits of slowing climate change while dodging its costs. Today the economic and climate incentives of the world's biggest manufacturer and many of its export markets are increasingly aligned.

The idea of a low-carbon future built on China's industrial capacity brings worries. For one thing, China still seems unwilling to give up coal as quickly as it might. If it committed itself more wholeheartedly to reshaping its grid infrastructure and its energy markets, and put a price on carbon emissions, it could move from renewables as an adjunct to the country's coal-based system to renewables as the means of its demise.

For the rest of the world, the concern is security. Single-party China, under the unfettered leadership of Xi Jinping, is repressive at home and ruthlessly self-serving abroad. The way in which it exploits its advantages, such as the ones it has built up in the supply of rare earths and other critical minerals, makes the prospect of relying on it for anything valuable a frightening one.

China can allay these worries by moving larger chunks of its manufacturing base and associated technology to companies it invests in elsewhere. Ensnaring poor countries in debt, as its [Belt and Road Initiative has done](#) in some places, only hurts its own commercial prospects. But the anxieties of the

fossil-fuel age—that someone, somewhere, will turn off the taps—do not apply to technologies which, once installed, produce power regardless of what their makers may have to say. Solar cells cannot be suborned in the way that silicon chips might be.

And the benefits could be enormous. Although the possibility of reducing greenhouse-gas emissions so dramatically as to limit the increase in global temperatures to just 1.5°C—endorsed in Paris—now lies firmly in the past, solar and wind offer the best hope of limiting further rises. And even if climate change is not your priority, you should be excited at the prospect of cheap, abundant clean energy and its promise to improve billions of lives in developing countries. The world needs what China has to offer. It should take it. ■

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Leaders | The meaning of Mamdani

Democrats risk drawing the wrong lessons from one good day

Moderate governors offer a better model than a charming socialist in New York

November 6th 2025



Voters have spoken, but what did they say? The elections held on November 4th have consequences for how Minneapolis, New Jersey, New York City and Virginia are run; for electricity prices in Georgia and for the Supreme Court of Pennsylvania. They were also the first real test of whether Donald Trump's second term is everything voters hoped for when they chose last November to send him back to the White House. Overall, [Democrats did even better than expected](#). Yet one good night has not solved the party's enduring problems.

Begin in New York, where a 34-year-old political novice will be handed a \$117bn budget when he takes office next year. Turnout was high, suggesting enthusiasm for Zohran Mamdani and his brand of socialism. This is a big win

for the oligarch-bashing left of the party. Democrats who think the answer to Mr Trump is left-wing economic populism now have a new champion. But Mr Mamdani's victory does not answer the question of how Democrats should [oppose Mr Trump](#), nor how they could win back power nationally. And that is because Democratic presidential candidates win New York City come what may. None has lost there since John Davis was defeated by Calvin Coolidge in 1924.

Virginia and New Jersey, which both held governors' elections, are better places for Democrats to look for inspiration. Abigail Spanberger won in Virginia. The result was no surprise: the last time a Republican won the governorship with a Republican in the White House was in 1973. But the 15-point margin was larger than expected. The same is true in New Jersey, where polls favoured Mikie Sherrill to beat a good Republican candidate, Jack Ciattarelli, within the margin of error. In the end she won easily. That broke a streak going back to 1961, the last time a candidate won the office after an incumbent from the same party had served two consecutive terms.

Some Democrats will look at all this and conclude that New York's mayoral election shows that voters are fired up by the policies associated with the party's far left; that the Democratic Party is in better shape than pundits think; and that next year's midterm elections are as good as won. They would be making a mistake.

What are the right lessons? The first is to focus on the economy and affordability, as Mr Mamdani, Ms Sherrill and Ms Spanberger all did. The second is to pick candidates who are a good fit for the places where they are running. Ms Spanberger worked for the CIA before she entered politics and Ms Sherrill served as a Navy helicopter pilot. Both are evidence of a patriotism that helps parry Republican attacks about America-hating Democrats. The third is not to run as a defender of the establishment in an era of upheaval. New Yorkers probably do not want socialism and Mr Mamdani will be [too constrained](#) by city and state law (as well as the laws of arithmetic) to give it to them. As a year ago, this election was less an endorsement of a programme than another expression of frustration.

Landing a blow on the president after a year of introspection will give Democrats relief as they look towards the midterms next year. But when that fades, they will still face the same problems. Their party is associated with

policies on immigration, climate change and race that are far from the views of the voters they need to win power nationwide. By choosing a democratic socialist as one of their standard-bearers, Democrats have just aggravated that problem. Mr Mamdani's joyful campaign made New Yorkers feel good, but his victory could make Republican strategists feel even better. ■

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Leaders | Too much of a good thing

America should not push other countries to adopt the dollar

More dollarisation would be a double-edged sword

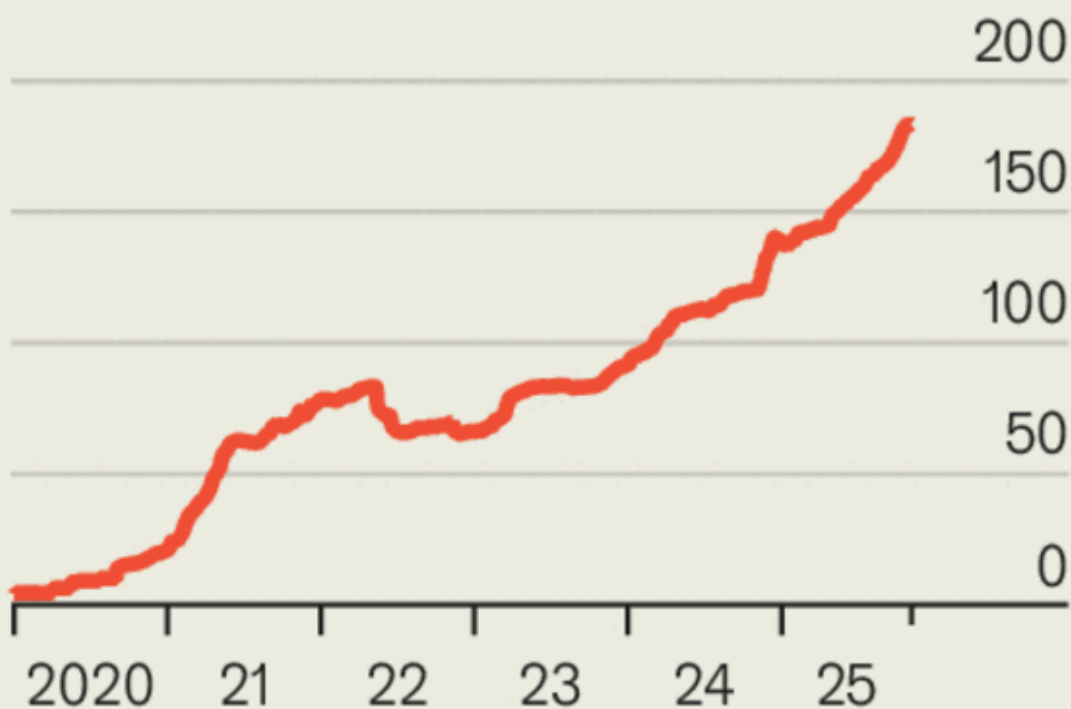
November 6th 2025



When DONALD TRUMP returned to the White House there was [widespread fear](#) that his administration would seek to undermine the international role of the dollar. Today that seems like a distant memory. The administration is hailing dollar stablecoins (a kind of cryptocurrency designed to maintain a stable value) as an opportunity to expand the currency's realm, because each coin is backed by a dollar-based safe asset. The White House is reportedly weighing whether to encourage other countries to switch to the greenback. The idea goes beyond deeply troubled economies like Argentina—the typical candidates for the policy. Even big, rich countries are becoming nervous. Officials at the Bank of England and the ECB have warned of the dangers of digital dollarisation.

Tether stablecoin

Market capitalisation, \$bn



Source: CoinMarketCap

The appeal to America is simple. More dollar users would reduce borrowing costs for its government and its businesses. The greenback's primacy already reduces the returns foreigners demand to invest in America by 1-2 percentage points per year. This "exorbitant privilege" would grow as more countries adopt the dollar or more foreigners hold dollar stablecoins.

Abroad, the possibility of dollarisation can be a useful source of discipline. The dollar offers a store of value for those fleeing inflation caused by lax economic policies, such as the many Argentines with mattresses stuffed full of hard currency. The more accessible that [stablecoins](#) make the dollar, the harder it will be for governments to control capital movement and to inflate away their debt. In some places dollarisation is the only route to long-term price

stability. Both Ecuador and El Salvador, which are dollarised, have enjoyed low inflation even when led by populist left-wingers.

Nevertheless, America should not pursue a pro-dollarisation agenda. In stable economies dollarisation is unnecessary; it also brings costs. Dollarised economies import the Federal Reserve's monetary policy rather than setting their own, making it tougher to fight recessions. Because they cannot create money, it is harder to support the financial system temporarily during a crisis. A transition to dollar stablecoins could be chaotic, involving bank runs and crashes. Countries are right to defend their monetary sovereignty; and it is not in America's interest to be blamed by its allies for turmoil.

Dollarisation also has a dark side for America. Ironically, the dollar's status is the main reason it can run a carefree fiscal policy, with net debts of 100% of GDP and a budget deficit of around 6%. If more of the world used dollars, it would delay the moment when a fiscal adjustment is necessary. That may sound like a good thing if you are sat in the Treasury today. However, the more debt America accumulates, the worse an eventual crisis might be. America itself could face the very thing others fear—a run on its currency—but on an epic scale.

Fixing the budget beats finding more buyers for American debt. It would avoid the danger of crisis and make America's reserve-currency status more likely to endure. It would also dodge a glaring contradiction in Mr Trump's agenda: that a model of high debt and global dollarisation almost certainly means bigger trade deficits, which [the president loathes](#). Inflows of capital are in large part the mirror image of the trade deficit. That is why the administration's trade hawks are suspicious of the dollar's global status.

It is a relief that the pro-dollar camp within the administration has prevailed. The greenback has not recovered much from the panic that followed Mr Trump's "Liberation Day" tariffs, and investors are wavier of unhedged dollar risk than they used to be. (At one point, taxes on foreign investors were on the cards.) Yet that does not mean the White House should overcorrect and seek dollarisation where it is unnecessary and unwanted. The best way to make your currency attractive is to run good economic policy at home. ■

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Leaders | Fiscal Farage

Nigel Farage's newfound fiscal prudence is welcome, if unproven

Britain's leading populist says he won't cut taxes dramatically after all

November 6th 2025



Two politicians tried to present themselves this week as the answer to Britain's economic malaise. One was Nigel Farage, leader of the populist-right Reform UK party, whose previous economic plans were so unrealistic that they would, *The Economist* calculated, be more expensive than Liz Truss's catastrophic mini-budget of 2022. The other was Rachel Reeves, the Labour chancellor, whose party was elected on a promise of bringing sense and competence, and which has struggled to supply much of either.

Both summoned the press to signal their U-turn. Mr Farage told his audience that the economy was in such straits that he could no longer promise to slash taxes. For a man whose pledges have included tax cuts worth an annual

£100bn (\$131bn), and by our calculations as much as £190bn (5% of GDP), that is a [near-perfect reversal](#).

Ms Reeves hinted that she would raise income tax at her budget on November 26th. This is defensible, but is something her government has sworn it would not do (it also swore not to raise VAT or National Insurance contributions). “Each of us must do our bit,” she said—but she gave no indication of doing certain hard things herself, such as breaking the triple-lock, an expensive escalator for state pensions, which would offset the need to tax working people.

For once, Mr Farage seems to be reckoning with hard truths. “We are being mature, we are being sensible, and we are not over-promising,” he told the audience with his most mature and sensible-looking face. He still wants to cut taxes, but only when the economy is ready. In questions, he even said he did not rule out breaking the triple-lock. Realising that voters are fed up with politicians who keep breaking promises, he promised no more promises.

Ms Reeves, by contrast, is paying a heavy price for failing to do in opposition what Mr Farage is now doing. Instead, as power came within its grasp, Labour promised voters the impossible: jam for almost everyone and no pain for “ordinary working people”. It is an approach to public finances that has [taken hold of the party](#). Only if growth had been unexpectedly strong, or if interest rates had tanked, could she have got away with it.

By contrast, Mr Farage’s change of tone is a welcome signal. There are still plenty of reasons to worry that a Reform government might damage Britain. But if the country is going to be run by populist right-wingers, then it is better to be run by populist right-wingers who are not spoiling for an unwinnable fight with the bond market.

Mr Farage has a long history of opportunism. If he wants voters to believe he is serious about his new role as Captain Sensible, he will now also strike through other daft economic ideas. These include threats by his deputy leader to tear up private contracts with renewable-energy suppliers and talk that Reform would erode the independence of the Bank of England and the Office for Budgetary Responsibility, a fiscal watchdog, as Donald Trump has tried with the Federal Reserve.

The lesson from this week is that Mr Farage is deadly serious about winning power. Asked to choose between fiscal credibility and fiscal populism, he has chosen credibility as the surer route to Downing Street. That shows something important about the electorate: Britons remember Ms Truss and her debacle. The fact that any leader who aspires to office must prove they will not repeat her mistakes says more about voters than about Reform. Given the state of the economy, that is something to be grateful for. ■

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Leaders | Star wars, the sequel

America's plans for a Golden Dome are dangerously obscure

Without clarity, the missile shield risks becoming a costly, destabilising white elephant

November 6th 2025



It has been almost a year since President Donald Trump signed an executive order promising to build what he then called an Iron Dome for America, to shield the country from drones and missiles. [The project](#), whose name has been gaudified to Golden Dome, is not as outlandish as it sounds. Missile threats are multiplying. In recent wars Ukraine, Israel and India have all demonstrated the value of robust anti-missile defences that save lives, protect infrastructure and buy time for leaders to make better decisions. But the scope of Mr Trump's shield remains dangerously vague. If that does not change, it could simply become a costly and destabilising white elephant.

What is known about the Golden Dome? It includes many things that already exist, such as anti-missile interceptors in Alaska and California, as well as Patriot batteries similar to the ones protecting Ukraine today. It also includes many things that were already in the works before Mr Trump returned to the White House, such as efforts to build sensors that can track missiles, interceptors that can destroy those projectiles and software to stitch all that together.

There are some new bits, too. The most important is the [commitment to build space-based interceptors](#) (SBIs), which are small missiles carried aboard satellites in low-Earth orbit. The idea is that a defender can destroy a missile as it is taking off, when its red-hot plume is easier to spot, rather than when a small warhead is streaking rapidly through space. Ronald Reagan and George H.W. Bush toyed with the idea as part of their missile defence initiatives in the 1980s, though the scheme fizzled out.

The problem with Mr Trump's plan is that it is still unclear what Golden Dome is supposed to do. Will it modestly improve America's ability to shoot down drones and handfuls of conventional cruise missiles fired by China towards military bases in the continental United States during a war over Taiwan? Will it parry small salvos of warheads launched by a second-tier nuclear power like North Korea? Or will it block hundreds of Russian and Chinese warheads in a full-blown nuclear exchange, neutralising their ability to threaten America's existence?

The answers to these questions matter greatly. Experts calculate that a smallish Golden Dome, focused on parrying small incoming salvos, might cost just over \$250bn over 20 years, a modest sum by the standards of America's annual defence spending. But a full-fat version with tens of thousands of SBIs in orbit—a key factor driving up cost—could run to \$3.6trn, a vast sum that would cannibalise America's armed forces. That would not only be wasteful, but it might also induce adversaries to expand their own arsenals more than they otherwise would. A degree of mutual vulnerability is an inherent part of stable nuclear deterrence.

Mr Trump needs to set out what he aims to achieve with Golden Dome in broad terms, beyond his airy promises of blanket protection on the cheap. He should choose a modest expansion in the number of ground-based interceptors already operating in Alaska and California, provided that the system gets

better at telling apart decoys from real warheads. That should occur alongside an investment in space-based sensors that can track cruise missiles and hypersonic gliders more effectively. There is bipartisan support in America for both steps. [Exotic SBIs to zap missiles](#) can wait.

Missile defence is always a balance. Too little and your country is dangerously vulnerable—more than ever in an age when even militia groups like the Houthis in Yemen can operate ballistic missiles of extraordinary range. Too much, and you provoke an arms race in which the attacker is likely to have a cost advantage. Mr Trump is right to shore up America's defences. But he should resist the temptation to gold-plate the Golden Dome. ■

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Letters

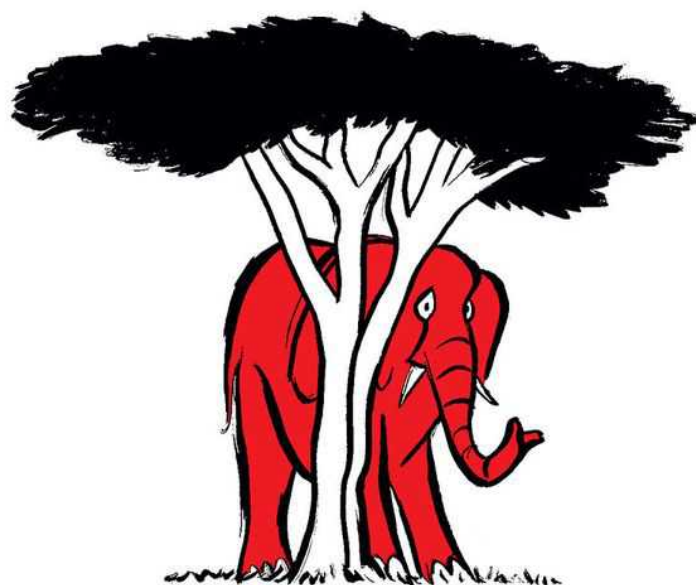
- [Can charity sustain conservation at scale?](#)

Letters | A selection of correspondence

Can charity sustain conservation at scale?

Also this week, green politics, public debt and taxation, the state of Britain's buses, Prince Andrew

November 6th 2025



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[Your article on African conservation was gloomy about the prospects for carbon markets](#), yet positive about philanthropically funded programmes (“Save a tree, make a mint”, October 25th). Charity cannot sustain conservation at scale. The only sustainable path forward is a credible market-based system that makes conservation a true financial proposition without depending on aid or philanthropy.

You mentioned concerns about greenwashing, yet dismissed the voluntary carbon market, which is actually the largest non-philanthropic financing

mechanism for protecting Africa's landscapes. True, there have been some struggles, but reforms are accelerating in transparency and integrity. Initiatives such as the Integrity Council for the Voluntary Carbon Market, the Coalition to Grow Carbon Markets and the Natural Climate Solutions Alliance are changing the game. High-integrity projects are multiplying beyond Democratic Republic of Congo, the focus of your article. Where quality standards apply we are seeing significantly higher prices and transaction volumes.

Governments have an essential role in policies that set fair pricing frameworks, secure land rights and establish rules, but they won't write cheques indefinitely. Markets can. Not as substitutes for corporate decarbonisation, but as complementary finance rewarding conservation and improving durability on the ground. COP30 in Brazil offers the perfect venue to align these systems.

Giulia Carbone
Director Nature for ClimateWorld Business Council for Sustainable Development
Geneva

[Luisa Neubauer made a strong case for urgent climate action](#), but she could have reflected on the criticisms of her own green movement (By Invitation, October 31st). To regain broad public consensus, climate activists must rethink their strategy. First, they should engage in political debate only when climate itself is at stake. Take Greta Thunberg's recent involvement in Gaza as an example. Such headlines dilute the green movement's message and allow opponents to frame climate action as partisan. To build durable, cross-party support for generations to come, climate advocacy should act more like serious institutions with long-term mandates, akin to central banks or sovereign-wealth funds.

Second, the movement must embrace pragmatism. Framing climate as the supreme issue above all others alienates voters who feel their immediate needs are being dismissed. Instead, activists should highlight synergies with current priorities, such as how climate policies can deliver affordable energy, enhance national security and reduce migration pressures. If climate activists do not tackle the evolving everyday concerns of citizens they may come to be seen as what Sahra Wagenknecht, a German politician, once called "lifestyle leftists".

Felix Sartorius
Copenhagen

The theory of [why the ultra-rich are giving up on luxury assets](#) and switching to exclusive services, such as a Michelin meal (“The parable of Château d’Yquem”, October 18th), was fully developed by Fred Hirsch in his “Social Limits to Growth”. The book came out in 1976 but was recently republished by Routledge. Hirsch came up with the concept of “positional goods”, the value of which was dependent on their relative position in granting status, prestige or advantage rather than intrinsic value. He was a finance editor at The Economist in the 1960s before working for the IMF and going into academia.

David Gordon Los Angeles

The analysis in [your special report on the rich world’s debt crisis was correct](#) (October 18th). One solution to this would be to cut tax loopholes, tax subsidies and so on. It is politics, not economics, that lies behind every country’s tax code. Donald Trump’s “big beautiful” act is a good example. It is full of tax giveaways that will cost trillions of dollars and shift wealth from the middle- and lower-economic classes to the top 10% and mostly the top 1%.

Money is a big influence in politics. Voters feel beleaguered, but they should demand sweeping changes that would make taxes simpler, more efficient and fairer. This could mean removing different tax rates for different kinds of income, eliminating the differences in tax treatment for various forms of organisation, stopping transfer pricing and requiring unitary accounting.

Eliminating classes of hidden tax expenditures could greatly help in cutting the deficit. But this will first entail a public-awareness campaign of what the specific provisions in the tax code are and who benefits from them.

Martin Lobel Chairman emeritus of Tax Analysts, the publisher of Tax Notes Chevy Chase, Maryland

[You credited Ronald Reagan and Margaret Thatcher](#) with establishing an orthodoxy for “justified and sustainable” public debt (“The coming debt emergency”, October 18th). Reagan did quite the opposite. At his inauguration in 1981 America’s public debt stood at a 50-year low of 31% of GDP. Under the 12 years of Reagan and George H.W. Bush, that ratio more than doubled, to 63%. In fact, the new orthodoxy that Reagan established in his party was

for tax cuts, with delirious projections of increased revenue through growth. Before Reagan's electoral victory, Bush memorably described this as "voodoo economics". Bush faithfully continued the policy. His son, George W. Bush, gleefully resumed it, shredding the budget surpluses attained under Bill Clinton's presidency.

Greg Price San Francisco

Belgium deserves a mention as a good example of curtailing debt. In the early 1990s Belgium's public debt reached about 135% of GDP. Determined to meet the Maastricht criteria for joining the euro, Jean-Luc Dehaene, the prime minister, led a disciplined consolidation drive. His governments curbed public-sector wage growth, co-ordinated federal and regional budgets and trimmed primary spending by roughly five percentage points of GDP while maintaining large primary surpluses.

By 2007 the debt ratio had fallen below 90%, which was achieved without relying on inflation or financial repression. That success, in a country with automatic wage-indexation and chronic political fragmentation, shows that democratic coalitions can still deliver sound finances when objectives are clear and shared.

Belgium's quiet technocratic achievement is often overlooked. Yet it offers a reminder that fiscal discipline, patiently applied, can work even in complex democracies, and that inflating away debt, however tempting, risks a far greater corrosion of growth, equity and public trust.

Louis-Philippe Broze Boute Brussels

[The game of conkers, where two players try to smash each others golf-ball-sized seed of the horse chestnut tree](#), is in decline in Britain, you say ("Bonkers conkers", October 18th). In a village not far from where we live in the north of Dordogne in France, a British-owned pub, l'Entente Cordiale, recently hosted the 33rd championnat de France de conkers. It was rained off. You can't get much more British than that.

Nicholas Wood La Chapelle Montmoreau, France



I read your article about [Britain's cap on bus fares](#) (“Whitehall takes the wheel”, October 18th). I was on a bus that arrived 20 minutes late, as it had for much of the previous week. I am drafting this letter sitting on the 90-minute return trip. The poor ventilation makes me grateful for my congestive cold. My fellow passengers are a rotating cast. The early riders are pensioners on morning errands. Gradually the bus repopulates with metropolitan types, business bags and noise-cancelling headphones. Capped and cheaper bus fares may curry favour with the pensioners, but the workers would gladly foot the bill for a spacious, punctual and preferably clean service.

Why persist? The alternatives are no better. A car would idle away in grinding traffic, a train requires three separate legs of a journey. A bus, for all its faults, at least gives me time to read.

JADE BROOKS Cambridge

As [he is no longer Prince Andrew](#), here are several alternative honorifics that he could consider: the Duke of Hazard, the Royal Flush, His Former Highness, Count No-Account, the Windsor Formerly Known as Prince (“Parliament versus the prince”, October 25th).

Paul Greenberg Brookline, Massachusetts

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By Invitation

- [The climate action that matters is in the global south, argues an architect of the Paris agreement](#)

By **Invitation** | Winds of change

The climate action that matters is in the global south, argues an architect of the Paris agreement

But, writes Christiana Figueres, innovation still has to outpace climate impacts

November 6th 2025



AS WE APPROACH COP30 in Belém, Brazil, we stand at a hinge in history. On the one hand, emissions are still rising, with devastating consequences, and national climate plans are woefully behind where they need to be. But these plans reflect political calculation rather than economic reality—because, on the other hand, the exponential curves of technology, economics and human ingenuity are bending towards a future where affordable, clean energy for all can finally be a reality. Even as the politics have stalled, it is the economy and the hope of people everywhere that keep pulling change forward.

Ten years ago in France, 195 countries stood together and chose a clear direction. Against long odds, in the Paris agreement—the negotiations which I led as executive secretary of the UN Framework Convention on Climate Change—they committed themselves to limit global heating, protect the most vulnerable and unleash an unprecedented economic transformation. That transformation is now unmistakably under way, despite a global pandemic, war, Brexit and two Trump presidencies.

In 2015 global CO₂ emissions were still rising by almost 2% per year; that growth has since slowed to 0.3%. Fossil-fuel demand has plateaued and is falling in several large economies, including China. Then, the world was on course for about 4°C of warming by 2100. Today, projections hover near 2.6°C—still dangerously high, but a profound course correction that must now deepen, and fast.

Even as the warnings from scientists grow more urgent, the economic transformation is accelerating—and shifting global power dynamics. The world's clean-energy future is no longer being decided in the boardrooms of the old energy powers, but in the bustling cities and industrial corridors of the global south. A new economy—a new kind of growth—is rising, powered by clean electricity, digital innovation and new energy technologies.

The Trump administration clearly sees this as a threat to the fossil-fuel sector and its own dominance, hence its attempts to quash the rise of renewables at home and aggressively intervene in multilateral climate talks. But the transformation is unstoppable. A new industrial sunbelt is fast being born, from Latin America to Australia through Africa and Asia. This sunbelt now hosts nearly half of investment-ready clean-industry projects outside China, sparking new industries—for green ammonia, fertiliser and clean fuels—creating skilled jobs, strengthening energy security and opening up new export markets.

The global south holds 70% of the world's wind and solar potential, and 50% of the minerals necessary for the energy transition. China sees the opportunity. Its solar exports to the global south have doubled in the past two years, surpassing sales to the global north for the first time since 2018. Shipments to Africa alone surged by 60% last year. These panels don't just generate electricity; they generate huge savings for people and businesses. In Nigeria,

for example, savings from avoiding expensive diesel can repay the cost of a solar panel within six months.

Pakistan, only recently almost entirely dependent on fossil fuels, now expects solar to supply 20% of its electricity by next year. Iran has just committed \$2.3bn to expand solar power as a “strategic necessity”. In Oman the share of renewables in electricity production more than doubled in a frenetic first five months of 2025, helping the country’s efforts to turn itself into a global green-steel hub, powered by locally produced green hydrogen.

Meanwhile, advances in battery storage for solar energy are rapidly displacing gas expansion, leaving the “bridge fuel” theory looking increasingly outdated. This is the “self-propelling global uptake with exponential growth of installed capacity” that Tim Lenton, a climate scientist, has identified as a positive tipping point. Each step forward in deployment accelerates the next.

Renewables are growing at record speed: the world installed 15 times more solar capacity in 2024 than the IEA had predicted it would in a forecast in 2015; wind has exceeded the forecast three-fold. Clean energy now employs more people than fossil fuels.

The oil-and-gas sector has underperformed the broader stockmarket for the past 15 years, measured by shareholder returns. Unable to compete in the electrotech revolution, it remains highly dependent on public subsidies and is now prioritising shareholder returns and debt reduction—a sign of structural retreat. When the Paris agreement was gavelled, heavy upstream investment in fossil fuels was the norm and energy security focused on boosting supply. Today, nearly 90% of upstream capital in the oil sector goes towards maintaining current production, not increasing supply.

The question now is whether this exponential curve of clean-energy innovation can outpace the exponential curve of climate impacts. Nowhere is this more urgent than in Africa—home to 60% of the world’s “best solar resources”, according to the World Solar Council, yet recipient of less than 3% of global clean-energy investment. It is also subject to some of the worst effects of climate change. By 2030 investment in cleaner energy must triple to around \$2trn annually in emerging and developing economies.

There is not time to leave this to the market alone. Governments must align public and private finance behind national climate plans that prioritise bankable projects with clear goals.

So as the world marks Paris+10, COP30 must be both a celebration and a reckoning: a moment to honour progress, and to recommit, with clear eyes and steady resolve, to the steeper climb ahead. The era when American politics could make or break global climate co-operation is over. The world is no longer waiting for Washington. This time the global south is leading the way.



Christiana Figueres is a Costa Rican diplomat and co-host of the Optimism + Outrage podcast on climate change.

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Briefing

- All over the rich world, fewer people are hooking up and shacking up

Briefing | Generation single

All over the rich world, fewer people are hooking up and shacking up

Social media, dating apps and political polarisation all play a part

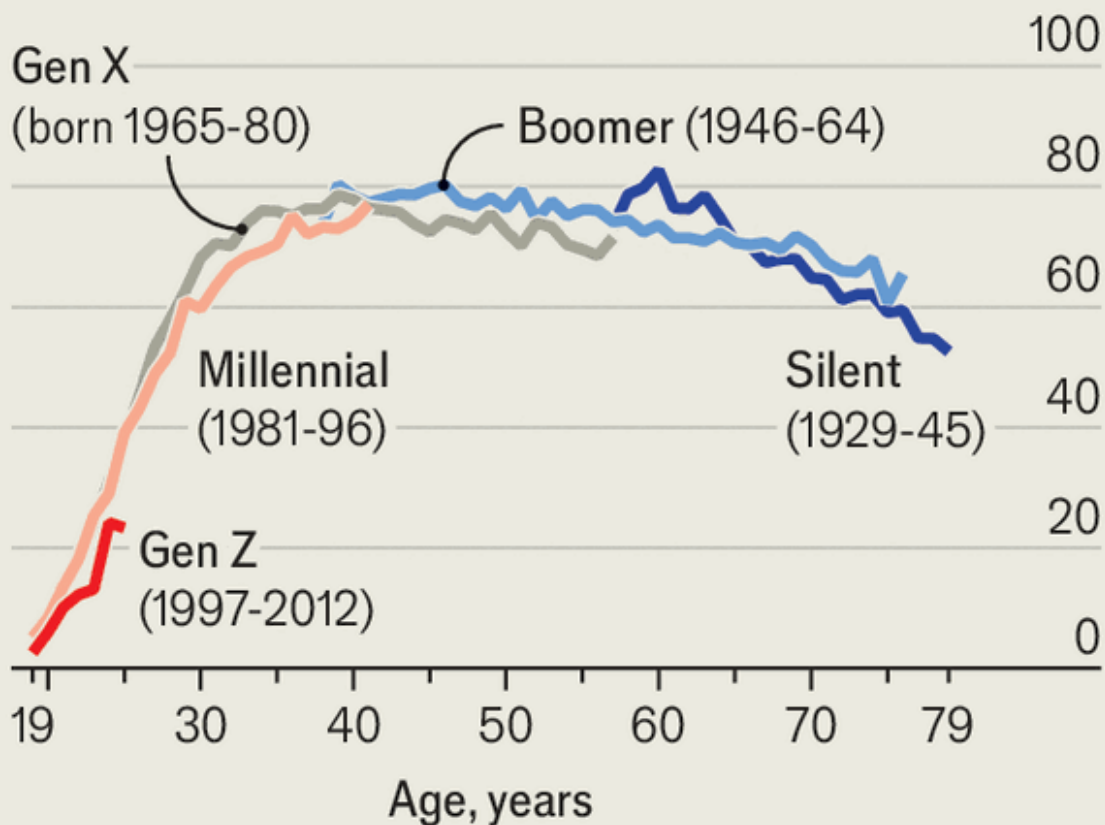
November 6th 2025



“I don’t date conservative or moderate men,” says Nancy Anteby, a 30-year-old New Yorker who works in social media. “I only date liberal men.” Politics is not her only concern. She is also looking for someone ambitious, with a stable career, who is Jewish and, perhaps most important, shares her desire to start a family. Finding dates who tick all of these boxes is not easy. “Very often a man will disappoint you,” she laments. Then again, she recently realised, “I don’t need to rely on a man to have the life that I dream of.”

Double trouble

Europe, people cohabiting with partner, by age and generation, 2002-22, %



Sources: European Social Survey; *The Economist*

Ms Anteby is far from unusual. Across America 41% of women and 50% of men in her age band (25-34) were single in 2023, a share that has doubled over the past five decades. Nor is America exceptional in this regard. Between 2010 and 2022 the share of people living alone (an admittedly imperfect measure of singlehood, but one for which data are more widely available) rose in 26 of the 30 members of the OECD, a club mostly of rich countries. Marriage rates are falling across much of Asia, including in China and India and especially Japan, South Korea and Taiwan. And singlehood is accelerating across different age cohorts. In Europe each new generation is less likely to be married or living with a partner than previous ones at the same age (see chart).

This relationship recession is hitting not just those wanting to marry or move in with a steady partner, but also those looking for a date or casual sex. Younger people are socialising less, dating less and starting to have sex later in life than previous generations. They are also having less sex in general (as, alas, are most of us).

Michael Rosenfeld, a sociologist at Stanford University, has found that the reduction in dating owing to the covid-19 pandemic produced 13.7m more singles in America in 2022 than if the singlehood rate (conservatively defined) had stayed at the level of 2017. To generate an estimate of the global increase in plus-ones, The Economist extrapolated from his data, while also taking into account sharp falls in marriage rates in a number of Asian countries, which predate the pandemic. We calculate that over the past decade such effects have swollen the ranks of single people around the world by at least 100m.

Dating, sex, marriage and divorce are all intensely personal choices, and their effects are felt most directly by those making them. The fact that more people feel able to choose to be single now than in the past, when there was far greater social and economic pressure to marry, could be considered one of the great emancipations of the past half century. Untold numbers have been liberated from unhappy unions.

But not all those who remain single have chosen to do so. A study of singles in 14 countries found that only 40% said they were “not interested in being in a relationship”. A smaller survey of single Americans by the Pew Research Centre in 2019 did find that 50% were not interested in dating. Yet only 27% said they were not dating because they enjoyed being single. The rest gave reasons including being too busy, too old, or because no one would want to date them. No less than 34% of singles in the 14-country study said they did not want to be alone but found it “difficult to attract a mate”, with 26% describing themselves as “between relationships”. In short, there are growing numbers of lonely hearts, pining for a partner but unable to secure one.

There is an alarming mismatch in this regard between women and men. In the Pew survey, 62% of single women did not want to date, whereas only 37% of single men felt the same way. America and South Korea, among other countries, have big, vocal movements of young men who feel they have been unfairly deprived of romantic opportunities. All over the world, a high

proportion of unmarried young men is strongly associated with elevated levels of violence and crime.

Even relatively small shifts in coupling rates, when multiplied across a whole population, can have far-reaching effects on society as a whole. The biggest impact will be on fertility rates, since married women tend to have more children than single ones. This will be especially marked in East Asian countries such as Japan and South Korea, where only 2-4% of babies are born to unmarried mothers. All the world over, however, the rise of singlehood will be a further drag on already slowing birth rates. The effects will also be felt in property markets (more demand for housing, since more people will be living alone) and government finances (less public spending on maternity wards and schools and, in time, more on care homes).

The fact that a large proportion of single people would rather be in a relationship (whether they are still looking for one or have given up hope) suggests that either there is some sort of dating-market failure that is preventing compatible people from finding one another, or that society is changing in ways that are making large numbers of singles incompatible. In practice, it seems to be a bit of both.

In Asia, where singlehood is growing fastest, a mix of structural and cultural changes is increasing incompatibility. Start with demography. China's one-child policy has created a huge imbalance in the ratio of men to women. When it comes to those of peak marriageable age, the country will have 119 men for every 100 women by 2027. In all, there may be 30m-50m "excess men" in China, reckons Xiaoling Shu of the University of California, Davis. Singlehood in China, like most places, is not evenly distributed. Instead, it is disproportionately concentrated among men who are poorer and poorly educated, and thus less attractive as mates, and among highly educated women (of which more later).

China's one-child policy makes it an outlier, but heterosexual men in other countries with a strong cultural preference for sons will also struggle to find partners. Sex-selective abortions resulted in 111 boys being born in India in 2011 for every 100 girls, according to census data. The natural ratio is about 105. Although the distortion has since become less extreme, we calculate that around 20m more boys than girls were born in India in 2000-15.

Improved opportunities for women to go to university and enter the workplace are also fuelling the growth in singlehood in East Asia, argues Wei-Jun Jean Yeung of the National University of Singapore. As women gain financial independence, they no longer need a husband to support them. They also have more to lose by getting married. “There’s still a culture of patriarchy in Asia where women carry most of the responsibilities of caring for children and domestic housework,” says Dr Yeung. “The opportunity cost of getting married may be high: women think that if they get married they may have to give up working to take care of their in-laws, parents and children, plus do housework.”

One result of this is that well-educated women are also disproportionately likely to be single in a number of Asian countries. “The best-educated, urban, college-educated women are becoming more egalitarian in their gender attitudes,” says Dr Shu of women in China. “Many college-educated men are hostile towards feminist ideas or even feminists...[they] think these women are hurting their prospects and interests at a personal level.”

In South Korea the gap between women’s opportunities and men’s sexist expectations is particularly wide. Around half of young Korean men think they are discriminated against (other than having to do military service, they are not). Some 60% complain that feminism demeans them. They also tend to be terrible slouches when it comes to housework. Little wonder, then, that ambitious young women are far less keen on marriage than they are.

A similar pattern of singlehood pertains in America and Europe, despite their less ingrained gender roles. Until roughly the middle of the 20th century, far more men went to university than women. As a result there were far more couples in which the man was better educated than the other way round. More recently, however, women have surpassed men in studiousness. Across the OECD on average 51% of women aged 25-34 had a university degree in 2019, compared with 39% of men. That makes the old pattern impossible to sustain. “Highly educated women who still want to marry up won’t find enough candidates,” says Albert Esteve, the director of the Centre for Demographic Studies in Barcelona. “So the question is, are they going to start marrying down?”

If mathematics were the only driving force, rather than cultural norms, there would have been a big rise in the share of couples where the woman is better

educated. Yet the expectation that women should marry up is hard to dispel. Researchers in Germany, for example, found that highly educated women over the age of 30 were more likely to remain single than settle for a man with less education.

There is some evidence that more women are beginning to marry down in terms of education, but it is not happening to nearly the degree that might have been expected. What is more, Mr Esteve has found that educated women are “picking the best non-educated men” by coupling with those who earn more than they do. In effect, they are simply switching from one form of marrying up to another.

Educated women’s hesitance to marry down is not wholly irrational. In a number of countries, men are not adapting well to changing times. In Australia, for example, those who earn less than their female partners are more likely to beat or berate them. But people can change. A study in America found that marriages where the woman is better educated than the man were more likely to break down among older cohorts, but not among younger ones.

Changes in relative levels of education explain some of the increase in singlehood in Western countries, but not all of it. Another part of the explanation lies in technology, and the huge shifts it has brought in how people meet their mates. For about 60 years after the end of the second world war, the most common way that heterosexual couples met was through friends, according to a study published in 2019 by Mr Rosenfeld and colleagues. But after the introduction of smartphones in the late 2000s, the proportion who met online surged. In 2013 that became the most common way for couples to get together.

Yet online dating is fundamentally different from the old-fashioned sort. When looking for a date, Kristian Del Rosario, a 27-year-old lawyer who lives in New York City, is able to winnow down matches on Hinge, a popular app, using all manner of criteria. She looks at a man’s age (no more than six years older than her, but “beggars can’t be choosers”), job, religion, political views, whether they smoke marijuana (“I cross them off”) and how tall they are, which is important to her. “I’m five-six and I’ve literally had men who were like five-five, who tried to match with me,” she says. “Well, that’s definitely not happening.”

People have always been finicky when choosing a long-term mate, at least when sober. But social media and online dating have turbo-charged pickiness, allowing people to filter candidates not just for the sorts of things that have always been important (age, religion, ethnicity and education), but also for all sorts of other attributes, such as their political views or narcotic preferences, not to mention their height and weight. One consequence is that many people now lie: researchers in Germany found that online daters claim to be a little taller and a little less overweight than the average person. Another is that many struggle to find dates.

Reporting in the Wall Street Journal suggests that most women on Bumble, an online dating app, screen out all men who are less than six feet tall. That rules out about 85% of men at a stroke. To be sure, women have long tended to prefer taller men—but not to such an extreme. Most young British women say that kindness, honesty and a sense of humour are far more important in a partner than looks, according to polling by Ipsos. So why do so many online daters write off all kind, honest, funny men of average height?

Part of the answer is found in online and social-media cultures that promote unrealistic ideals. In the “manosphere”, online communities united by the idea that men are oppressed, young “incels” (involuntarily celibate men) complain that women are selfish and manipulative for not sleeping with them. Misogynistic social-media influencers such as Andrew Tate advise them to become hyper-masculine and to dominate women.

Women have their own (less nasty) version of this echo chamber. Some vet potential dates on private social-media forums where others post the names and pictures of men they say have cheated on them or are abusive. That may help make dating safer, but some women use them simply to complain about bad dates or men who spurned them. This can be off-putting for the 41% of women who say they often come across videos or social-media posts in which women share negative dating experiences. It is also daunting for men, who are afraid of asking women out in case they are publicly shamed, says Daniel Cox of the Survey Centre on American Life, part of the American Enterprise Institute, a conservative think-tank.

Some social-media personalities with big followings create unrealistic expectations about courtship, says Sabrina Zohar, a dating coach based in Los Angeles with 1.3m followers on TikTok. She charges clients \$9,999 for a

three-month membership, during which she feels obliged to spell out such basic principles as, “If somebody doesn’t text you every day, it doesn’t mean that they don’t like you.”

Unrealistic expectations are probably as old as dating and relationships, but a generation of young people who have grown up with personalised music playlists and online entertainment may be less willing to set their preferences aside. “You can filter your news feeds, right? You can curate your online life,” says Mr Cox. “How easy is it to do that when you’re thinking about prospective relationships?” That also extends to ideology. As men have drifted to the right and women have become more liberal in America and parts of Europe, politics is getting in the way of pillow-talk, he says.

New technology not only fosters pickiness about whom to date, it also absorbs a lot of time, leaving less for socialising and group activities—tried-and-tested ways of meeting partners. In America the amount of time 15-to-24-year-olds spend hanging out face-to-face has fallen by more than a quarter over the past decade, whereas the amount of time spent gaming has increased by about half (and nearly doubled for young men).



Time spent streaming, surfing or gaming even seems to be displacing sex. Almost everywhere in the rich world people are having sex less often than before, and many more are having none at all. Brits aged 18-44, for instance,

have gone from copulating five times a month in 1990 to twice a month in 2021, notes Soazig Clifton of University College London. Researchers have posited, variously, that this is because they are too busy, more stressed, are watching porn instead, or are simply distracted by Netflix. As artificial intelligence (AI) becomes more adept, growing numbers of people are turning to it, rather than humans, for [intimate relationships](#).

People who spend their late teens and 20s watching television, playing computer games or chatting with AIs may be reducing their chances of ever finding a mate, since they are missing their best chance to hone their dating skills and learn how to weather the ups and downs of relationships. “Dating is really not like riding a bike,” says Mr Rosenfeld. “You need constant practice to be good at it and if you are out of practice for a while, it’s harder.”

In other words, singlehood, which is already reshaping Western society, is likely to keep growing for some time to come, with all the consequences—good and bad—that it entails. At some point it will surely plateau, but it shows no signs of doing so yet. Until recently, demographers had thought that, once men’s attitudes caught up with women’s emancipation, a new equilibrium would be reached. “Men would do a bit of cleaning and housework to be attractive, and happy families would be produced again,” says Mr Esteve. Yet even in egalitarian Scandinavia, he notes, “regardless of how beautiful are the men”, marriage and fertility rates are still falling. “Why is this happening?” he asks. It is the 100m plus-nones question. ■

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United States

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United States | Off-year, on it

A night of big wins for the Democrats

Having Donald Trump in the White House but not on the ballot is ideal for the party

November 6th 2025



Democrats were bound to have a good election night. The prevailing question on November 4th was more a matter of degree: would it be merely good, or would it be great? The results of the night's four big contests suggest an excellent one indeed for the opposition party.

Voters in two blue-ish states sent centrist, pragmatic Democrats to their governor's mansions: Mikie Sherrill in New Jersey and Abigail Spanberger in Virginia. New Yorkers turned out at in their highest numbers in nearly six decades to elect as mayor [Zohran Mamdani](#), a 34-year-old Democratic Socialist with ambitions to soak the rich, freeze rents and provide free services. Meanwhile a ballot initiative in California passed that will allow

Democrats there to redraw congressional districts in to suit them. That will have implications for next year's midterms.

Democrats were operating in a favourable national environment. Off-year elections usually mean a turnout advantage for the opposition party. Such races draw the most engaged voters, many of whom want nothing more than to punish the president. And Donald Trump is acutely unpopular with Democrats and left-leaning independents. The share of Americans who disapprove of the president is [19 points higher](#) than the share who approve. That marks a nadir for Mr Trump's second term, and is lower than almost any point in his first.

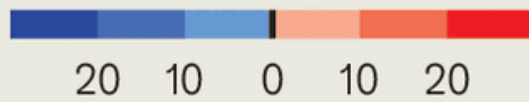
Added to the Democrats' advantage was a favourable electoral map. Both New Jersey and Virginia reliably vote Democratic in presidential races, although both also regularly elect Republican governors. Looking ahead to the midterms, the test was how Ms Spanberger's and Ms Sherrill's showing would compare with Kamala Harris's win in those states last year—whether they would beat her spread.

Jersey sure

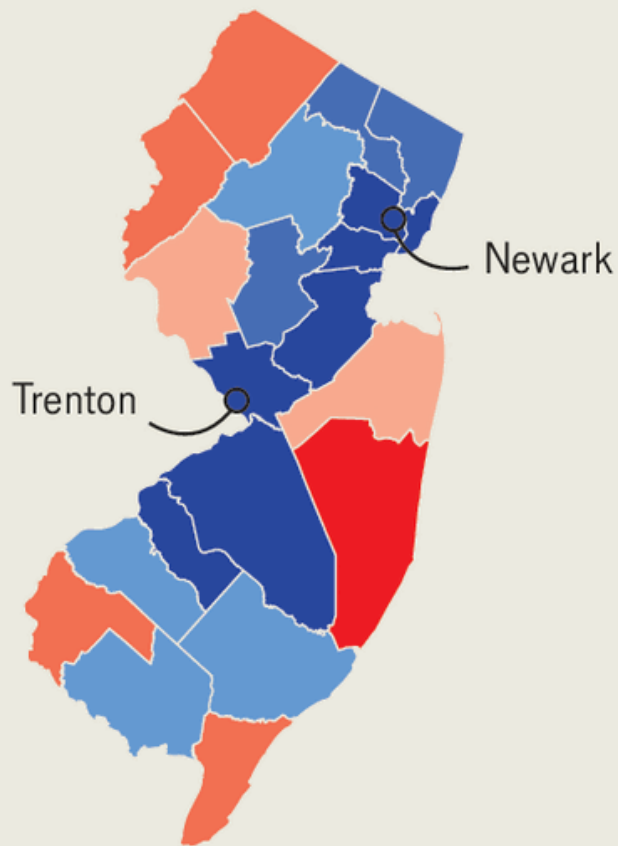
New Jersey Governor election results,
at 02.30 ET, November 5th 2025*

**Mikie
Sherrill**
Democrat

County vote margin, % points



**Jack
Ciattarelli**
Republican



Vote share, %

Sherrill 56.2

Ciattarelli 43.2

*Over 95% of votes counted

Source: Decision Desk HQ

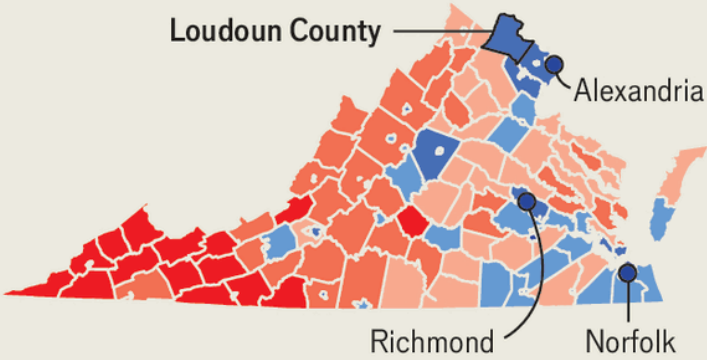
They did, decisively. Ms Spanberger outperformed Ms Harris's margin in Virginia by about nine percentage points, flipping the governor's office. Democratic enthusiasm ensured that even a scandal-ridden candidate for attorney-general, Jay Jones, claimed a more narrow victory.

Ms Sherrill faced a tougher race in New Jersey. In 2024 the state saw the second-largest swing towards Mr Trump. That Ms Sherrill was running to succeed an unpopular Democratic incumbent offered her no help; no candidate from a party seeking a third consecutive term had won since 1961. Ms Sherrill not only managed to beat Jack Ciattarelli, her MAGA-friendly challenger, whom Mr Trump endorsed, she also outperformed Ms Harris by seven points. Her victory marked a return to the double-digit margins enjoyed by Democratic presidential candidates in New Jersey between 2008 and 2020.

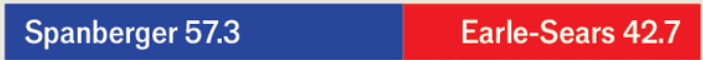
Rocking the suburbs

Virginia Governor election results,
at 03.55 ET, November 6th 2025*

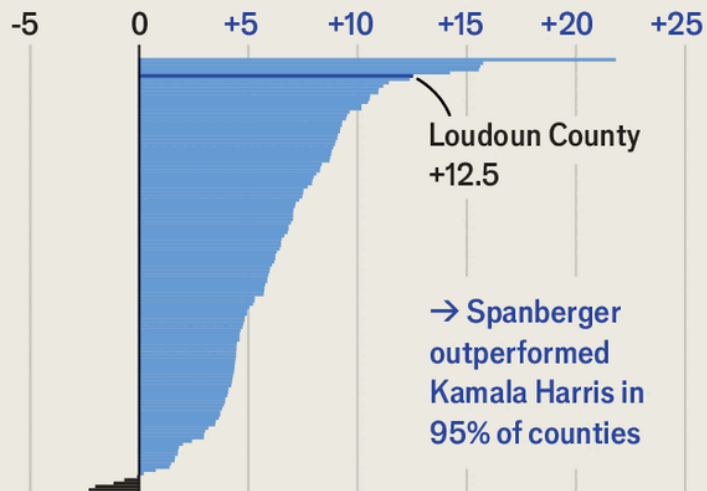
Abigail Spanberger Democrat
County vote margin, % points
Winsome Earle-Sears Republican



Vote share, %



Change in Democratic vote margin from the
2024 presidential election by county, % points



*Over 95% of votes counted
Sources: Decision Desk HQ; MIT Election Lab

Turnout powered the Democrats. In Georgia, they won landslide victories in two low-profile elections for the Public Service Commission, which attracted fewer than a third of the votes cast in last year's presidential election in the state. Overall, turnout was relatively high for off-year elections—Virginia saw a record number of people vote in a gubernatorial race.

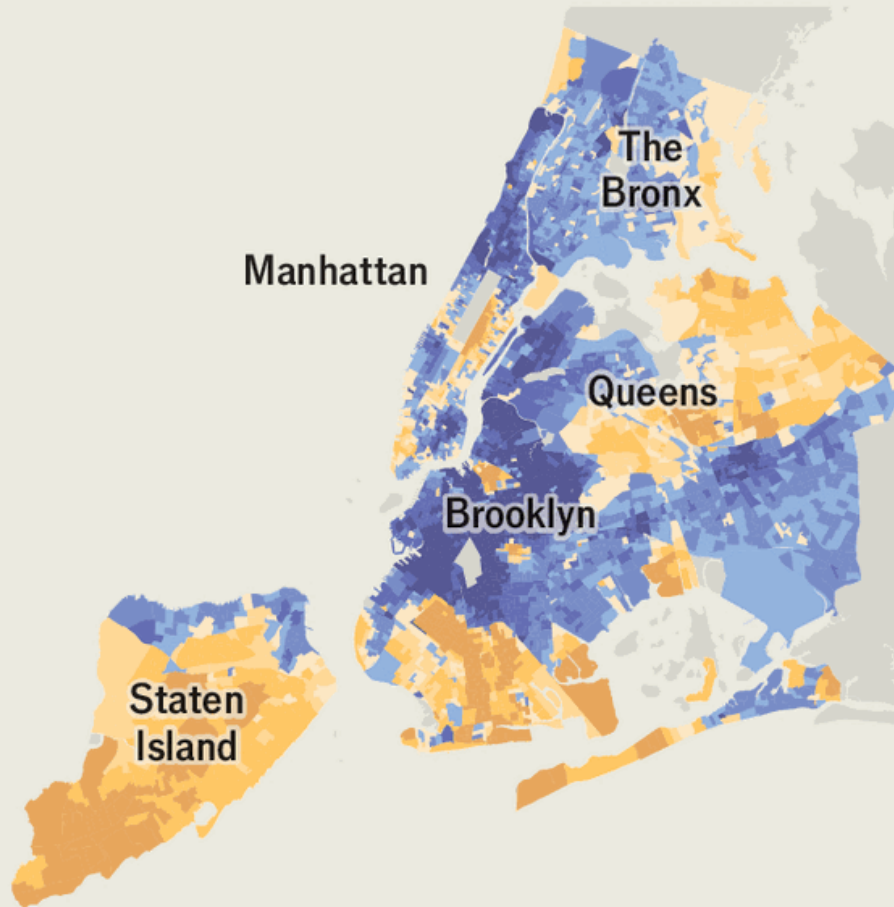
Along with favourable turnout, persuasion mattered, too. Exit polls indicate that Democrats converted a substantial number of last year's Trump voters. Indeed the geography of their victories suggests Democrats rebuilt the coalition that voted for Joe Biden in 2020. In New Jersey they made particularly pronounced gains in counties with large Hispanic populations, such as Passaic County and Hudson County, which swung 18 and 22 points, respectively. An exit poll conducted by CNN showed that 18% of Hispanic voters in New Jersey who supported Mr Trump in 2024 voted for Ms Sherrill this time around. In Loudoun county, an affluent and populous suburb of Washington, DC, Ms Spanberger exceeded Mr Biden's margin of victory by four points—a 13-point improvement over Ms Harris.

Ms Spanberger and Ms Sherrill are ex-congresswomen with backgrounds in national security: the former was a CIA officer, the latter a Navy helicopter pilot. Both steered clear of culture-war quagmires and said sensible things about their support for law enforcement. Their pitch was risk-averse competence. "We sent a message to the whole world that in 2025 Virginia chose pragmatism over partisanship," Ms Spanberger told cheering supporters.

Zohran's people

New York City mayoral election results,
at 01.30 ET, November 5th 2025*

Vote margin, % points



Vote share, %



*91% of votes counted
Source: *New York Times*

By contrast Mr Mamdani offered a light CV alongside heavy criticism of Israel and a history of impolitic comments about the police. The electorates of New Jersey and Virginia better resemble America writ large than that of deep-blue New York City, meaning Mr Mamdani's success says little about the appetite for progressivism among voters elsewhere. If his remarkable, lightning-quick rise contains a broader lesson, it is about the art of campaigning. Mr Mamdani focused relentlessly on affordability, which he did with vim, conviction and a gameness to make his case anywhere and everywhere, be it on Fox News or in numerous nightclubs. His nearest challenger, Andrew Cuomo, a former governor laden with baggage, was leaden and aloof on the campaign trail.

Mr Mamdani's policy prescriptions—government-run grocery stores, free buses and child care, and affordable housing—would be hugely expensive. His promise to freeze rents for a quarter of the city's housing stock would raise housing costs for everyone else. His ability to deliver on this agenda will depend on the willingness of Kathy Hochul, New York's governor, to increase taxes, which she seems disinclined to do. The result may well be a less ambitious tenure than many of his voters hope.

An equally pressing question for the city is how Mr Trump deals with Mr Mamdani: whether he punishes New York by withholding federal money or inflames it with an immigration crackdown. Before the election Mr Trump said a win by Mr Mamdani would make it “highly unlikely” that New York would get federal funds beyond “the very minimum as required”.

Democrats' rebound will reassure the party, offering a signal that last year's impressive Republican gains among young and minority working-class voters may not endure. Yet it would also be rash to read too much into a handful of races in which Democrats enjoy structural advantages. The midterm elections next year will be more consequential, with control of Congress up for grabs. There Democrats have a harder task owing to Republicans' gerrymandering schemes and their numbers advantage in the Senate. California's redistricting counter-attack, known as Proposition 50, will partially neutralise the Republican advantage in midterm House races. The passage of that measure means that Democrats enter 2026 with as much momentum as they could have hoped from these off-year elections. ■

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United States | Duty call

The Supreme Court seems sceptical of Donald Trump's tariffs

Some of his levies may soon be toast

November 6th 2025



NO SITTING PRESIDENT has ever attended an oral argument at the [Supreme Court](#). That is one precedent Donald Trump chose not to break after flirting with the idea of turning up for the arguments in *Learning Resources v Trump*—the case challenging the legality of his tariffs heard on November 5th.

On the eve of the hearing Mr Trump declared the case a matter of “LIFE OR DEATH”. He dispatched his commerce and treasury secretaries to watch. Arguing before the justices, John Sauer, the solicitor-general, echoed his boss’s conviction that tariffs are saving America from “the brink of an economic and national-security catastrophe”. He argued that the International Emergency Economic Powers Act (IEEPA), passed in 1977, “plainly

embraces” Mr Trump’s “trafficking” tariffs on China, Canada and Mexico to tackle the fentanyl crisis and “reciprocal” tariffs of up to 50% on most of America’s trading partners.

But Mr Trump’s position had a rough go in the nearly three-hour hearing. All three of the liberal justices expressed scepticism. Justice Ketanji Brown Jackson said that Congress enacted IEEPA “to constrain presidential authority” over trade policy, not to uncork it. Justice Sonia Sotomayor noted that the statute contains no reference to tariffs. Justice Elena Kagan surveyed the nine verbs in IEEPA that grant presidents emergency powers and concluded that the statute “just doesn’t have the one [power] you want”.

Three conservatives expressed doubts, too. Justice Amy Coney Barrett pressed Mr Sauer to name “any other time in history” when the salient phrase in IEEPA, allowing a president to “regulate...importation”, was understood to mean tariffs. John Roberts, the chief justice, referred to the court’s reluctance to bless consequential executive actions that have not been expressly authorised by Congress—an approach that doomed several of Joe Biden’s policies, including his plan to forgive student loans. The so-called major-questions doctrine, he said, “might be directly applicable” to Mr Trump’s claim under IEEPA. He added that it may be a stretch for a president to say the law lets him levy tariffs “on any product, from any country, in any amount, for any length of time”.

Justice Neil Gorsuch took on Mr Sauer’s argument that the major-questions doctrine does not apply in the context of foreign affairs. Well, he said incredulously, “what would prohibit Congress from just abdicating all responsibility to regulate foreign commerce”, or its constitutional responsibility to declare war, to the president? Such a principle would mean “the gradual but continual accretion of power in the executive branch and away from the people’s elected representatives”.

Three justices—Samuel Alito, Brett Kavanaugh and Clarence Thomas—seemed keen to find a way to save Mr Trump’s tariffs. Justice Kavanaugh noted Richard Nixon’s invocation of an earlier law to impose a 10% tariff in 1971 and a 1976 decision upholding import fees. In colloquy with Neal Katyal, the lawyer representing businesses opposed to the tariffs, Justice Alito mused that not all tariffs are designed to raise revenue; sometimes they are meant to change countries’ behaviour.

Before all the briefs were filed in Learning Resources, SCOTUSbot, our AI tool, predicted that Mr Trump's tariffs would be upheld in nine of ten run-throughs. After reading all the filings, the bot switched to the challengers' side in all ten simulations, but with rather low confidence. With the benefit of the oral-argument transcript, SCOTUSbot is even more persuaded that Mr Trump may have to rescind his tariffs and rejig them under different—and less expansive—legal authorities. ■

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United States | Why rot the sheriff?

How the sheriff of St Louis ended up in jail

And what it says about Democratic cities in Republican states

November 6th 2025



AS ACCUSATIONS go, one levelled at the sheriff of St Louis, the second-largest city in Missouri, in a lawsuit to remove him from office, was outlandish. In late June Andrew Bailey, then the attorney-general of the state, accused Alfred Montgomery of hiring his half-brother as a deputy. This, Mr Bailey alleged, constituted “an outright violation of the Missouri Constitution’s ban on nepotism”. Yet the deputy, Malik Taylor, was not his sibling. He was just a man Mr Montgomery, who is black, referred to as “brother” frequently. In August that charge was dropped.

Nonetheless Mr Montgomery is in jail, accused of more crimes by federal prosecutors, these based on somewhat more credible evidence (he denies the charges). The first indictment relates to an incident in which he handcuffed the acting head of the city jail. He was jailed after a second indictment, accusing

him of using a secret burner phone to threaten a witness in the first case. The saga is, to St Louis's Democratic leaders, a deep source of embarrassment. Yet it is also, in a way, evidence of [why American cities are so difficult to run](#), and why that is so hard to change, especially in Republican-led states.

The unasked question around the whole incident is why does St Louis even have an elected sheriff? Few cities in America have one of their own, and in St Louis the job is unusually limited in scope—the sheriff moves prisoners around, but he does not run the jail or do any real policing. What he can do is mess things up. Mr Montgomery's first action was to fire his predecessor's underlings, spending hundreds of thousands of dollars on severance payments. Then he splashed money around on gold-plated badges, surveillance robots and golf carts to transport equipment between buildings. Within a few months the department was facing a serious budget crisis.

To Republicans, who control the state government, it is all just more evidence that the city cannot run itself. Until recently St Louis had the highest murder rate of any in America. According to state tests just 15% of pupils in the city's school district are proficient in maths, and barely a fifth in English. Earlier this year Mike Kehoe, the Republican governor, signed a law taking over the police department from the city and handing it to an appointed board—not for the first time. The education system could well be next.

Yet according to Vincent Schoemehl, a former mayor, the problem is not exactly who is in charge. Rather it is that power is too diffuse to get anything done. St Louis has nine city-wide elected positions. New York City has just three. Residents also vote for aldermen, and the schools are run by an elected board of seven members.

Some of this dysfunction dates back to the civil war, when the city backed the union and the state governor the confederacy. In 1876 the city divorced itself from the neighbouring St Louis county. But white flight and suburbanisation has accentuated the problem—the city has lost two thirds of its population since the 1950s, mostly to the county. With local media now much diminished, factional politics tends to determine who wins elections. Turnout in the last mayoral election, in April, reached just 26%.

Merging local government agencies could both save money and improve accountability. Nowadays the county is a mess too, for similar reasons. It has

88 different municipalities and 23 school districts. The county's population is also now shrinking too. But, jokes Mr Schoemel, why would Republicans bother? It is easier to blame Democrats than to do anything to help the city fix its own problems. "It's like free entertainment," he says. ■

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United States | CAHOOTS is kaput

The rise and fall of America's model mobile crisis service

What went wrong with a scheme started by hippies and praised by Zohran Mamdani

November 6th 2025



DURING A New York mayoral debate in October the front-runner, Zohran Mamdani, said CAHOOTS, “a programme in Eugene, Oregon”, could be a model for how New York handles mental-health crises without using police. Many in Eugene were perplexed as, after 36 years, CAHOOTS ended all services in the city on April 7th. Its demise is a strange tale mixing hippies, policing, mental illness and plain mismanagement.

CAHOOTS is supposed to work as follows. When she was 15, Rebecca Hill ingested a large number of pills in a suicide attempt. A worker drove her home from the hospital so that her parents did not find out. “I was scared, and CAHOOTS was there for me when no other grown-ups were,” she says. More

than a decade later, Hill was preparing to jump off a parking deck when a stranger asked if she needed any help. “Not unless you’re going to push me,” Ms Hill replied. Instead, the stranger called CAHOOTS, who talked with Ms Hill for an hour before driving her to a treatment centre. “My life was saved by the kindness and calmness that CAHOOTS workers showed to me,” she says.

A handful of researchers at the University of Oregon, also in Eugene, have crunched 911 call data to quantify the programme’s value. Professor Rori Rohlf estimated that, because of CAHOOTS, police were dispatched to 23% fewer calls. Jonathan Davis, another Oregon professor, co-wrote a paper showing that CAHOOTS reduced the probability that a 911 call ends in an arrest by 76%. Each arrest costs taxpayers, so the service provided significant savings. “CAHOOTS is a low-cost way to expand the police force,” says Mr Davis.

It did not begin like that. In 1969 a handful of anarchist hippies founded the White Bird Clinic, which offered free mental-health services to all. “It was a classic Eugenic, anti-establishment, anti-authoritarian, throw-the-rules-out-the-window” solution, said Justin Madeira, now head of CAHOOTS. For the first two decades, White Bird worked informally with the police, who frequently dropped off people having bad acid trips at the clinic.

Despite concerns on both sides, the Eugene police and White Bird formalised their co-operation in 1989, creating CAHOOTS, a service where idealistic medics assisted the police on 911 calls. Officially, CAHOOTS stands for “Crisis Assistance Helping Out on the Streets,” but it is also an acknowledgment that hippies were uneasy working so closely with cops.

Yet, on the ground, signs of tension are few. “I absolutely love working with them,” Mr Madeira says. The police feel similarly. In Springfield, Eugene’s sister city, CAHOOTS continues to operate. “You can ask any of our officers, and they would all say that the value CAHOOTS brings is something the city should continue to prioritise,” says Lieutenant Justin Myers of the Springfield Police. Eugene police provided 40% of the funding for CAHOOTS to have 50 employees and four vans roaming the city, offering services 24 hours a day.

Then came national attention and the beginning of the end. In January 2021 the Daily Show described CAHOOTS as a “trial run” for defunding the police.

Portland and Denver created services modelled on it. Senator Ron Wyden of Oregon introduced the CAHOOTS Act in Congress.

But CAHOOTS was not ready for the CAHOOTS Act. The programme could bill Medicaid only if it collected data to measure effectiveness. Afraid that this would lessen trust among its many homeless clients, CAHOOTS resisted the new stipulations and missed out. White Bird also underwent internal turmoil. The freewheeling organisation attempted to embrace the org chart. In 2022 workers unionised.

Then, according to a lawsuit filed in federal court in January this year, one CAHOOTS medic alleged she was raped and later slapped by a co-worker. In February White Bird lost its director, and, in October, it settled the lawsuit for \$600,000. As New York is considering creating its own mobile crisis service, is there any chance that the original will be able to return to its hometown? “We remain open to the idea,” says Mr Madeira. ■

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United States | Medicine haul

America's health-care costs are shooting up

One big reason is that people are seeking more treatment

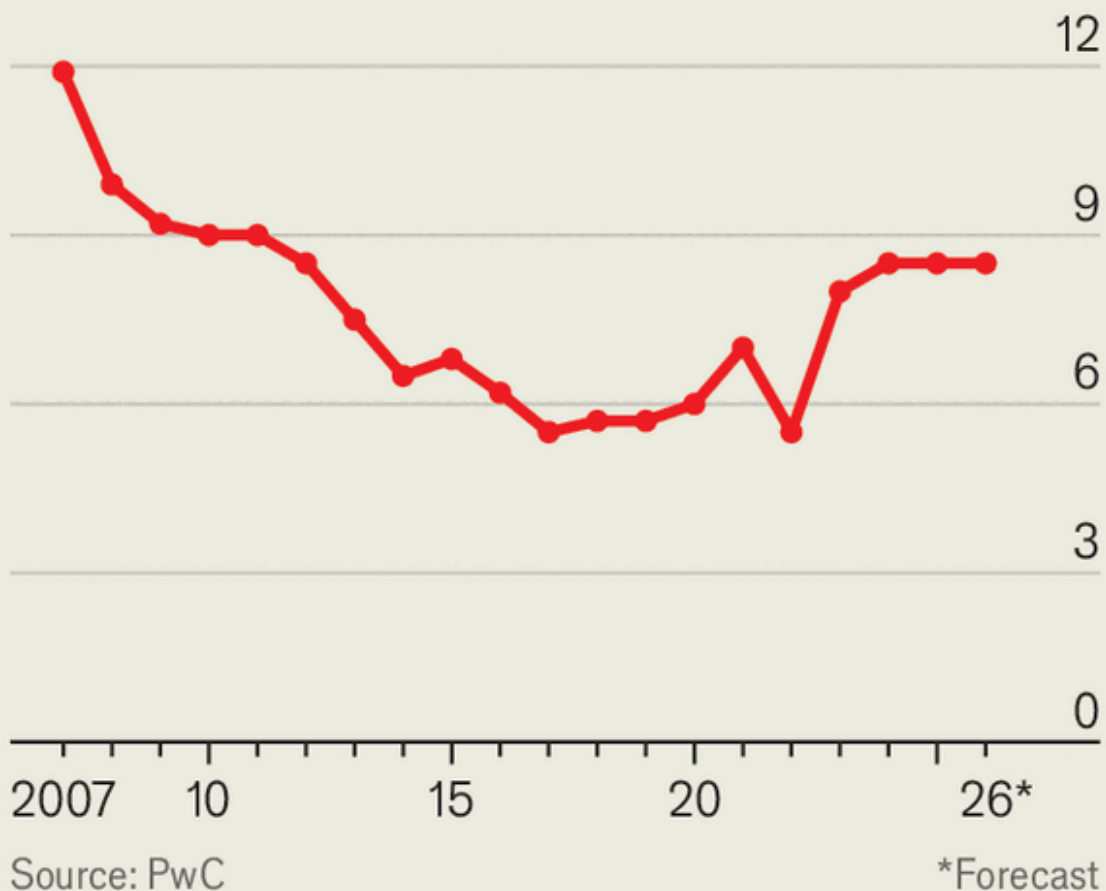
November 6th 2025



AMERICANS HAVE a deep-seated dedication to their autumnal rituals, whether apple-picking or tailgating (having a barbecue in a stadium parking lot) before American football games. But there is also a less-festive fall routine: open enrolment, the annual window when employees pick their health insurance plans. This year, the choices will deliver sticker shock. Medical costs for those on group insurance are set to go up by 8.5%, according to PWC, a consultancy (see chart).

Up and up

United States, group health-insurance plan costs, % increase on a year earlier



Other industry watchers predict similar price rises will soon hit. Costs for plans purchased through the Affordable Care Act marketplace will also shoot up in 2026 as enhanced pandemic-era subsidies expire, unless the subsidies are extended as part of negotiations to reopen the federal government, as Democrats are seeking.

Prices for group plans, mainstays of the employer-provided insurance a majority of Americans use, are rising for reasons also seen in the wider economy. A labour shortage in recent years has pushed up wages. Consolidation among hospitals and clinics has added to price pressures. But

there is also a trend specific to medicine: Americans are using more health care.

The change is seen in all sorts of ways. By late 2024, some common cancer screenings were up 60-80% compared to 2019. The use of prescription medications increased 14% in the same period. “Just across the board, people are engaging with the health system more,” says Michael Chernew, a professor of health policy at Harvard Medical School. A majority of the expected price rise in employer-sponsored plans comes from greater use, reckons Sunit Patel of Mercer, a consultancy. This is a change from before the pandemic, he says. Part of the recent increased use may have been catch-up from delayed care, but five years on from the pandemic, the greater use now seems to be baked-in.

It is not clear exactly what is behind the increase, but there are at least three big trends that seem to be at play: new medicines, an ageing population and a surge in mental-health treatment.

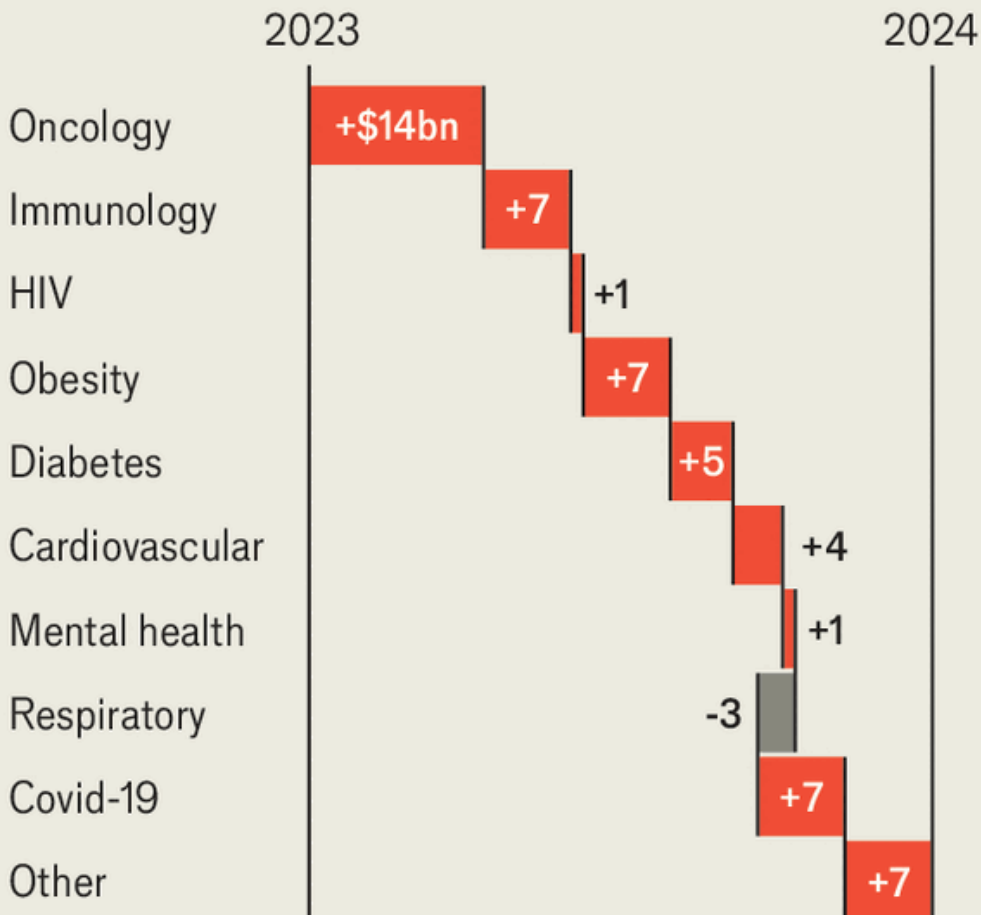
More of everything

United States, net spending on medicines, \$bn

2023 \$437bn

2024 \$487bn

Breakdown of spending increase, \$bn



Source: IQVIA Institute for Human Data Science

Net spending on medicines grew by 11.4% in 2024 alone (see chart), driven by a few particularly high-cost treatments. About one in eight Americans has now tried GLP-1s, the expensive weight-loss drugs. New and eye-wateringly expensive cancer and immunology drugs are also entering the market. The median annual cost of new cancer drugs approved is about \$200,000. “We learn how to treat things every day that we didn’t treat before, and that tends to cost money,” says Gary Claxton of KFF, a health-research outfit.

Additionally, baby boomers are getting ever more care as they grow older. Eventually, nearly all will migrate to Medicare, a government health insurance system for the over-65s, but in the meantime, many are still using employer-provided coverage.

For all workers, one area of medicine has seen claims shoot up. Between January 2023 and December 2024, inpatient mental-health claims grew by 80%, while outpatient claims were up 40%. The greatest increase was for claims due to anxiety, depression and developmental disorders.

In theory all this spending ought to mean healthier people. In practice, America spends more on health than other rich countries, but without better outcomes. ■

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United States | Strategic inanity

Donald Trump's alarming muddle about nuclear-weapons testing

An error-filled post increases nuclear dangers

November 6th 2025



“A HOUSE of Dynamite”, Kathryn Bigelow’s film about a nuclear strike on America, explores the terror and uncertainty of a nuclear crisis. An intercontinental ballistic missile (ICBM) is heading for Chicago, but no one can tell whether North Korea, China or Russia fired it. Within minutes the president is deciding whether to retaliate—picking from a menu of “rare”, “medium” and “well-done” thermonuclear options—knowing that any could lead to Armageddon.

This fictional fog of nuclear war is terrifying enough. But what of the real world in which Donald Trump, a mercurial president with sole authority to fire thousands of nukes, displays deep confusion about [nuclear weapons](#) and his national-security staff struggles to set him straight?

On October 29th Mr Trump unexpectedly announced on Truth Social that he was ordering the Pentagon to “start testing” nuclear weapons immediately. On the face of it, Mr Trump was announcing that America would resume underground nuclear explosions in Nevada for the first time since 1992. But his post was so riddled with errors and inconsistencies that perhaps, some suggested, Mr Trump was thinking not of nuclear warheads but rather the means to deliver them?

Some calculated ambiguity has always been part of deterrence, but America’s nuclear policy has never been like Mr Trump’s erratic approach to tariffs and diplomacy, where threats and bluffs can yield an advantage. In nuclear matters ambiguity can be dangerous, “when nobody knows what the president is talking about”, notes Eric Edelman, a former senior Pentagon official. It does not help that Mr Trump tossed his maybe policy as the globe is entering a new nuclear age marked by an alarming mix of deepening great-power rivalry, nuclear threats by Russia, China’s rapid build-up, pressure for more countries to go nuclear and the expiry next year of New START, a treaty that limits America’s and Russia’s long-range nuclear weapons.

Mr Trump’s social-media post was a muddle from the opening line claiming that “the United States has more Nuclear Weapons than any other country”. The best open-source estimate, by the Federation of American Scientists, assesses that America has a stockpile of 5,177 warheads, against Russia’s 5,459. Mr Trump claimed that China “will be even within five years”, even though the Pentagon reckons it will have more like 1,000 warheads by 2030 and possibly 1,500 by 2035.

His command was the biggest headscratcher. “Because of other countries testing programs, I have instructed the Department of War to start testing our Nuclear Weapons on an equal basis. That process will begin immediately,” he wrote. If he was thinking about warheads the accusation made no sense: the only country known to have conducted explosive tests this century is North Korea, the last time in 2017. If Mr Trump was thinking about delivery systems, then the order was redundant: America regularly tests its ICBMs—in fact it did so this week.

National-security officials have been at a loss to explain. Admiral Richard Correll, the nominee to lead Strategic Command, in charge of fighting any nuclear war, suggested Mr Trump might have been talking about delivery

systems. Chris Wright, the energy secretary in charge of warhead testing, spoke of “system tests” for new warheads with no nuclear explosion. But in an interview with CBS News, Mr Trump seemed fixated on underground explosions, insisting that other countries were conducting them and America should, too.

Mr Trump has a range of options before him. The best would be to confirm that he will not conduct explosive nuclear tests unless rivals do, but such backpedalling would be uncharacteristic. He could declare himself content with Mr Wright’s plan or with the latest test of a Minuteman II ICBM. A riskier step would be to order low-yield underground tests, though the benefit may not justify the blowback. The most dangerous would be to talk himself into full-scale explosive nuclear tests.

Most American nuclear experts, including Republican-leaning ones, argue that China has most to gain from a return to nuclear testing. That is because over the years it has conducted far fewer tests (45) than Russia (715) or America (1,030). Officials reckon they have the historical data, and the supercomputers, to model nuclear explosions and ensure the weapons are reliable. It could take years, and congressional funding, to resume full underground tests.

Two risks are apparent in Mr Trump’s nuclear fog. One is that China or Russia will seize on his ambiguity to resume nuclear testing. Vladimir Putin, Russia’s leader, ordered his staff to plan for a possible resumption of tests. A second danger is that American hardliners will now push for testing. His first administration toyed with the idea. It was endorsed last year by Mr Trump’s former national-security adviser, Robert O’Brien. Senator Tom Cotton, once regarded as a potential defence secretary, cited Mr Trump’s remarks while extolling “the obvious benefits of such testing to ensure the stockpile is fully prepared and ready” and to “send a strong message of resolve and deterrence”.

And yet, as the president in Ms Bigelow’s flawed film learns, being ready is not enough to avoid nuclear catastrophe; mistakes can be dangerous when, as he reflects, “we all built a house filled with dynamite [...] but we kept on living in it”. ■

Correction (November 4th 2025): A previous version of this story called Admiral Richard Correll a General. This has been updated.

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United States | Lexington

Gerrymandering is now the wind beneath Gavin Newsom's wings

His winning gamble to counter Donald Trump's brazen redistricting may make him the next Democratic nominee for president

November 6th 2025



When Willie Brown was running for mayor of San Francisco 30 years ago, he did not immediately detect a future politician in the wine merchant volunteering on his campaign, the young man with the improbable hair and teeth. "I saw him more as a movie star," Mr Brown says. When he asked what role the businessman would like in the administration, Gavin Newsom suggested he serve on the film commission, if there was one. "He didn't even know," Mr Brown recalls. By the time the mayor got around to offering Mr Newsom a position, the only spot left was on the decidedly less glamorous parking and traffic commission.

But after Mr Newsom accepted without complaint and got right to work, Mr Brown quickly concluded he had the discipline to go far. Now that California voters have backed Proposition 50, Governor Newsom's bid to redraw congressional districts to further favour Democratic candidates, he has jumped to the front of the campaign about the next presidential campaign, the contest ever murmuring among Democratic insiders about who will be the party's next nominee. Among the great mentionables, prediction markets rate Mr Newsom's chances at better than one in three, far ahead of other contenders.

Mr Brown, at 91 among the canniest of [Democrats](#), predicts half a dozen serious candidates will vie for the nomination, most running traditional campaigns. "There'll be only one that's independent of that, and unique," he says. "And it's going to be Newsom." Which may seem surprising, because based on résumé alone, Mr Newsom would appear a most conventional option. He eventually succeeded Mr Brown as mayor, then won the office of lieutenant-governor, then of governor. He has done politics for a living for 30 years, and he has never lived anywhere but California.

But he has shown a knack for getting a step ahead of his peers. As mayor in 2004 he began issuing marriage licences to same-sex couples, 11 years before the Supreme Court legalised gay marriage. As lieutenant-governor in 2016 he backed legalising marijuana. More recently, as he has positioned himself for a national run, he has sidled towards the centre, urging cities and counties to ban homeless encampments and calling it "deeply unfair" for male transgender athletes to compete with women and girls.

His leadership on Proposition 50 was another gamble, one that may sufficiently endear him to the party's leftists to grant him room to run towards the centre. Some observers, including Lexington, doubted the wisdom of this move, which could yield five seats for Democrats. Mr Newsom wanted to bluff Donald Trump into dropping his demand that Texas, where Republicans dominate the government, redraw its districts to favour themselves in five more seats. Mr Trump instead raised his bet, insisting that other Republican-dominated states also redraw their districts. That prompted Democrats nationally to rally behind Mr Newsom, and other Democratic state leaders to follow his lead. With Mr Trump barely lifting a finger to help Republicans in California, Mr Newsom outspent opponents of the proposition by two to one. He added more than 100,000 donors to his list of potential backers for a 2028 bid, Politico has calculated.

Mr Newsom's sophistication about the media-political complex most differentiates him from other potential candidates. He is Trumpian in his zeal for media ubiquity. Severe dyslexia makes him struggle with a prepared text, prompting him throughout [his career](#) to prepare intensely and maybe accounting now for his comfort in extemporising. He is at pains to counter what he sees as Democrats' image of weakness. "We're punchin', and we're punchin' back hard," he recently told a YouTube influencer who calls himself ConnorEatsPants while the two men played Fortnite together remotely on Twitch, a streaming platform (words that have not previously characterised a shadow presidential campaign). ConnorEatsPants had praised an amusing initiative by Mr Newsom to troll Mr Trump by mimicking his vainglorious all-caps social-media posts and kitschy AI-generated memes.

Early this year Mr Newsom started his own podcast, "This is Gavin Newsom", interviewing politicians and media figures, including, pointedly, from the right. In his first interview he solicited advice from Charlie Kirk, the founder of Turning Point USA who was later assassinated, on salvaging "the Democratic brand". It was in that conversation that Mr Newsom lamented the unfairness of transgender competitors in female sports, agreeing with Mr Kirk on the politics. "We're getting crushed on it," he said of the Democrats. "Crushed."

As that exchange suggests, Mr Newsom has Mr Trump's habit of providing his own political commentary, supplying a meta-narrative for his politicking that somehow can—in the same strange spirit as open, proud gerrymandering—pass as transparency and authenticity. Though Mr Newsom also talks about policy, on his podcast the medium itself is often the message. On October 30th he interviewed Ben Meiselas of MeidasTouch, "an independent news network". As Mr Meiselas gave the governor tips on how to make YouTube videos and boasted of his own success generating resistance to Mr Trump, a listener might have wondered: who was the politician, and who the journalist? Are the roles now the same?

America has elected two Republicans from California as president but never a Democrat. The state's troubles would haunt Mr Newsom, as a former governor, even more than they did the last Democratic nominee, another graduate of Willie Brown's political dojo in San Francisco. Mr Brown leaves no doubt which one he considers the stronger candidate. "I don't want to see

her hurt again,” he says of Kamala Harris. She would, he says, make a great chief justice of the Supreme Court. ■

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The Americas

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The Americas | Regime change, again

War looms in Venezuela as Trump tests an “Americas First” doctrine

A gathering armada risks repeating the mistakes of the “war on terror”

November 6th 2025



“WE HAVE deployed US assets and interests all over the planet, but when we do it in our own hemisphere... everyone sort of freaks out.” Thus Marco Rubio, the American secretary of state, dismissed alarm about the gathering military campaign against “narco-terrorists”. Since September American forces have repeatedly struck alleged drug-running boats. Now they are massing a formidable naval force in the Caribbean and threatening to bomb Venezuela. The effort to overthrow the country’s strongman, Nicolás Maduro, is scarcely disguised. Asked if Mr Maduro’s days are numbered, President Donald Trump told CBS News: “I would say yeah. I think so, yeah.”



An aircraft-carrier strike group is on its way to join the Caribbean force. A dormant base in Puerto Rico has been reopened. Bombers buzz Venezuela while marines rehearse amphibious landings. The CIA has been authorised to run covert operations.

America's gunboat diplomacy revives a dark history of military intervention and coup-mongering in Latin America, often motivated by fear of hostile powers, which abated after the cold war. Its return stems partly from worries that Iran, Russia and especially China are gaining influence. But it is mostly about Mr Trump's obsession with securing the homeland, coupled with his

urge to come across as a powerful statesman. Months earlier he worried about China taking over the Panama Canal and America's need to take Greenland. Now he turns to Venezuela, helped by a dubious new doctrine.



The Trump administration has redefined drug gangs as terrorists rather than criminals in an effort to justify the use of military force against them. It has linked Mr Maduro directly to the gangs to justify the pressure on his regime. Mr Rubio calls drug gangs the “al-Qaeda of the western hemisphere”. Like the “global war on terror”, the new war on narco-terror comes with the risk of costly military entanglement—this from a president who vowed to end America’s “forever wars”. A YouGov poll last month found a plurality of Americans opposed military action in Venezuela. (Another, by AtlasIntel, showed a majority of Latin Americans supported the idea.)

America’s actions are strangely contradictory. If Venezuela is a terrorist state, why has the United States ended the “temporary protected status” of some 600,000 Venezuelan asylum-seekers and sent some back to the narco-jihadists? Flights laden with deportees land in Venezuela twice a week, even as B-1s and B-52s threaten to bomb the place. Chevron-chartered tankers still sail from Lake Maracaibo, laden with oil bound for American refineries.

Earlier this year relations with Venezuela appeared to be improving. The country freed several Americans from prison. Chevron was allowed to resume

oil shipments in July. But almost immediately after that came the big about-turn. The Treasury labelled a shadowy outfit called Cartel de Los Soles (Cartel of the Suns), a drug-smuggling group linked to senior military officers, as a “Specially Designated Global Terrorist”. Mr Maduro was identified as its head. The cartel was accused of helping another Venezuelan gang, Tren de Aragua, which had already been designated as a “Foreign Terrorist Organisation” in February. In August the State Department doubled the bounty for information leading to the arrest or conviction of Mr Maduro to \$50m. Missiles began raining down on alleged drug-trafficking boats on September 2nd. More than 60 people have been killed so far. Charred body parts have washed up on the beaches of Trinidad & Tobago.



Officials say all this reflects Mr Trump’s evolution. The dealmaker gave diplomacy a chance, was disappointed by the results, then turned up the pressure. The shift also reflects the changing power balance among his aides. Ric Grenell, Mr Trump’s “special envoy for special missions”, led talks with Mr Maduro and is said to favour diplomacy. Mr Rubio, who also serves as national security adviser, pushes the hard line. A former senator of Cuban descent, he emphasises restoring America’s influence in its hemisphere.

Mr Rubio has thus fused his neoconservative instincts with Mr Trump’s America First nativism. He argues that many of America’s troubles, from

migration to drug-smuggling, come from the Americas. As domestic policy extends into foreign policy, America First becomes “Americas First”. He may spy a chance to remake the Caribbean to America’s liking. If Mr Maduro falls, then foes such as Cuba and Nicaragua will probably lose access to subsidised Venezuelan oil and be destabilised.

Yet the dominoes could fall the other way. A botched intervention could lead to chaos in Venezuela and beyond, fanning anti-Americanism and aggravating the drug and migration problems.

Optimists think intervention would be akin to the short, successful invasions of Grenada in 1983 and Panama in 1989. Critics charge that Venezuela is a bigger and more complex country, and that intervention could resemble debacles in Afghanistan, Iraq and Libya. Either way, there is little sign that the Trump administration has a coherent plan for ousting Mr Maduro, let alone for what happens after that.

America’s biggest asset is the unpopularity and illegitimacy of Mr Maduro and his regime. It has presided over political repression and economic meltdown, leading to one of the world’s biggest waves of refugees. Mr Maduro rigged the 2024 presidential election, banning the opposition leader, María Corina Machado, from running. Her stand-in, Edmundo González, still won, in a landslide, but the regime declared a fake result.

The best hope of ousting Mr Maduro is that loud sabre-rattling will crack his regime. The approach of the USS Gerald Ford, America’s largest and newest aircraft-carrier, may concentrate minds. “I assume that the CIA’s role is to deliver lots of messages to people in the regime and in the military, saying ‘Look, Maduro has to go. No reason for you to go down with him’,” says Elliott Abrams, special envoy to Venezuela in Mr Trump’s first term.

Concessions have been offered. One proposal, according to the Miami Herald, was to create a transitional government of senior chavistas minus Mr Maduro. Another, reported by the New York Times, offered privileged access to oil and mineral resources, and a reduced role for China, Russia and Iran. “He’s offered everything,” Mr Trump declared on October 17th. “You know why? Because he doesn’t want to fuck around with the United States.”

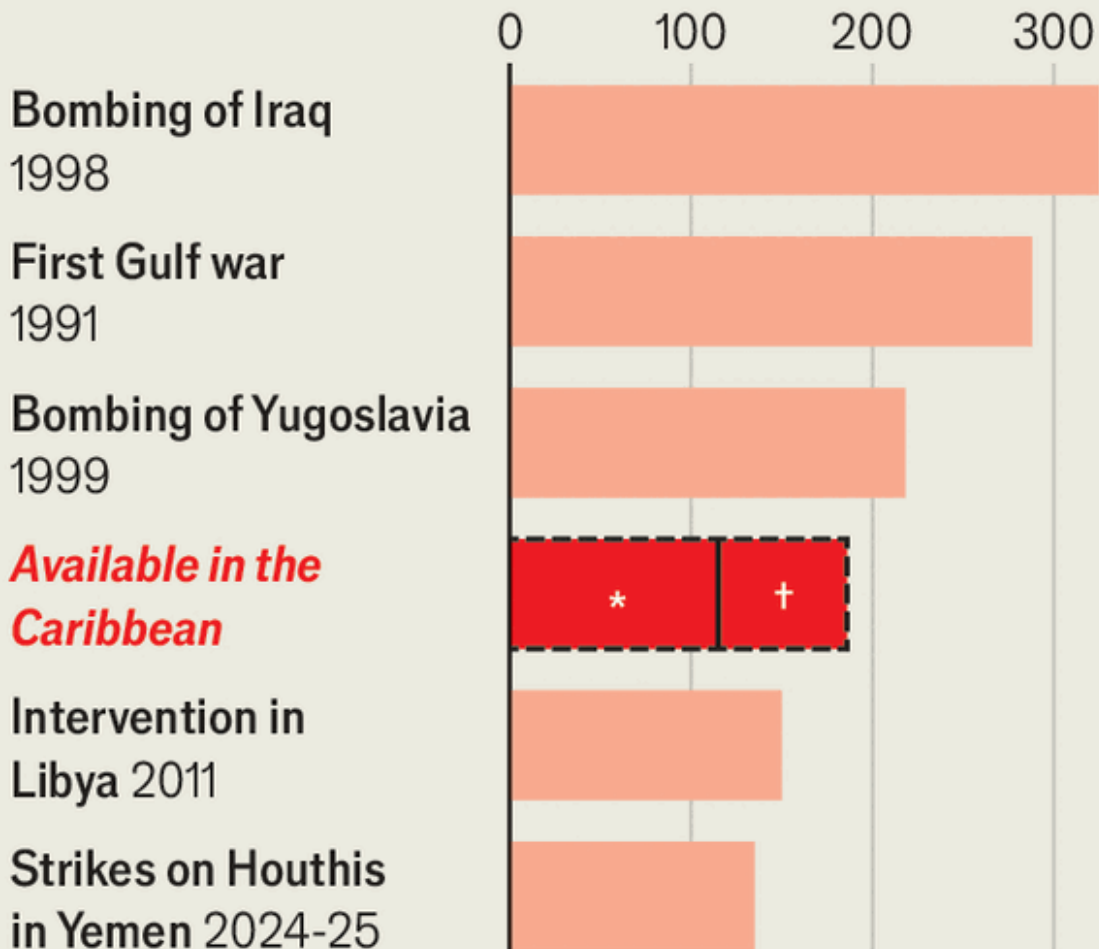


Yet Mr Maduro still controls the guns. With the help of Cuban intelligence, he is ramping up a purge of suspected opponents. Dozens of military officers deemed disloyal are in jail, many tortured, their families threatened and imprisoned too. Few will risk coming out against Mr Maduro until they are sure he is on his way out.

So Mr Trump may have to use force, not just threaten it. He prefers quick surprise attacks with little risk to American forces, like the bombing of Iran's nuclear sites in June. With Venezuela, though, Mr Trump seems to be telegraphing his moves to build pressure. Leaks suggest he may first target remote sites, perhaps airfields linked to drug networks. If it turns into a sustained air campaign against the regime, air defences will have to be destroyed.

The biggest war for a while

US Tomahawk missiles used in past campaigns



*Available at Oct 31st 2025 †Missiles on incoming Gerald R. Ford carrier strike group

Source: CSIS

But air power alone has rarely, if ever, succeeded in toppling a government without a friendly force on the ground—which appears absent in Venezuela. Perhaps the Trump administration thinks it can kill Mr Maduro from the skies (assuming it is prepared to reverse executive orders that have banned the assassination of foreign leaders since 1976). That is hard, too. Saddam Hussein, Iraq’s dictator, was captured only after American forces occupied

Iraq in 2003. Sending ground forces into Venezuela would be deeply unpopular.

Success for any intervention will turn on whether it improves the country, and whether that lasts. There are two crucial questions. First, can the opposition rule the mess that is Venezuela? Many of its leaders are in exile. Ms Machado, winner of this year's Nobel peace prize, is hiding in Venezuela, but can communicate. She backs Mr Trump, telling Bloomberg: "I believe the escalation that's taken place is the only way to force Maduro to understand that it's time to go." Not all opposition figures share that view. Still, Ms Machado says she has plans for the first 100 hours of a transition, and for the first 100 days.

It is also unclear whether any remnants of the regime—army units, the *colectivos* (armed militia-cum-community organisations) and state-security agents—not to mention criminal groups and Colombian insurgents operating in Venezuela, would choose to fight. If they did, a short war could turn into a long counter-insurgency.

Ryan Berg of the Centre for Strategic and International Studies, a think-tank in Washington, sees three scenarios: the Venezuelan army dumps Mr Maduro and seizes power; the United States negotiates a transition with him or part of his clique; or the regime collapses under America's military campaign. The first two, he says, offer stability but probably not much democracy. The third may bring the legitimate opposition to power, but is more volatile. It is also quite possible that Mr Trump loses interest and moves on, perhaps after declaring success following a superficial strike.

In January Mr Trump posted a meme of himself looking like a gangster next to a sign that read "FAFO"—short for "Fuck Around and Find Out". It was a warning to Colombia as it (briefly) refused to take deportees. It could apply elsewhere, too. Is Mr Trump ready to find out the consequences of intervention in Venezuela? ■

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The Americas | Santa Marta salsa

An EU-Mercosur trade deal looks close to ratification

In a hostile world, Europe and Latin America draw closer

November 6th 2025



Like the European Union, Latin America—or at least most of it—is a region of democracy, committed to multilateralism and international law. The two share ties of history, language, culture and trade. And yet the United States and China loom larger than Europe in Latin America and the Caribbean. Now that both regions have felt the rough edge of Donald Trump’s hand in the form of tariffs and other threats, they are making greater efforts to draw closer. On November 9th and 10th the EU will meet the 33 countries that make up the Community of Latin American and Caribbean States (CELAC) in a summit in the Colombian city of Santa Marta. And in coming weeks the Council of the EU and the European Parliament look likely to ratify a trade deal with Mercosur, a free-trade bloc centred on Argentina and Brazil.

The second development is more momentous than the first, for two reasons. The summit's timing and location have turned out to be inauspicious: many leaders from both regions now seem likely to stay away to avoid becoming entangled in Mr Trump's pressure campaign against Venezuela's Nicolás Maduro and his sanctions on [Colombia's Gustavo Petro](#), the summit's host, both of whom he accuses of involvement in drug-trafficking (which they deny). On the other hand, the trade agreement has been more than a quarter of a century in the making. In September the European Commission at last sent the text to the council, where it will be discussed by trade ministers from the 27 member states. Officials in Brussels are now optimistic that the national capitals and the parliament will approve the deal, paving the way for it to come into force by mid-2026.

The agreement has been slowed by protectionist lobbies on both sides of the Atlantic, and especially by European farmers who fear South American agribusiness. But two things have changed. First, the commission has adopted new guidelines to compensate farmers for any losses, and made a bigger effort to inform them of the safeguards in the agreement. Second, the Ukraine war, trade tensions with China and the return of Mr Trump have underlined the need for the EU to diversify its alliances. "If not Mercosur, who do you diversify with?" asks a diplomat in Brussels.

These arguments have gained ground. "A year ago, the council was divided," says a commission official. "Now the situation is more blurred." Germany, Italy, Portugal and Spain back the deal. Austria, France, Ireland and Poland have opposed it. In the end all except Poland may come round. And while there is opposition in the parliament, few expect its rejection there.

The full partnership agreement with Mercosur, which includes clauses on political co-operation, requires approval by 42 national and regional parliaments in Europe. But the trade part has been split off into an interim agreement which the council need pass only by a qualified majority of EU governments. It solidifies and expands an existing commercial relationship worth about \$150bn a year. The deal removes tariffs on around 90% of trade in goods on both sides, though mostly spread over 12 years. In a study published in July the commission calculates that the agreement will boost EU exports by €49bn (\$56bn) and those of Mercosur by €9bn.

European officials think the accord will halt China's encroachment on Europe's market share in Mercosur (which also includes Paraguay and Uruguay). For Mercosur, it is a breakthrough for a bloc that has remained fairly closed to the outside world. Brazil's president, Luis Inácio Lula da Silva, likes to stress Brazil's membership of the BRICS grouping with China, Russia and India, among others. The EU agreement "gives Brazil an alternative to the BRICS", says Matias Spektor of the Fundação Getulio Vargas, a university. Brazil will use it to promote a national brand tarnished in some quarters by association with Vladimir Putin, he adds. For Argentina's president, Javier Milei, who owed his election victory last month in part to [Mr Trump's financial support](#), agreement might make it harder for him to carry out his occasional threats to leave Mercosur.

The EU already has trade agreements with Chile, most Andean countries, Central America and the Caribbean Community, and has negotiated an update to one with Mexico. Sergio Díaz-Granados of CAF, a regional development bank, thinks the Mercosur agreement can strengthen region-wide value chains by harmonising rules of origin. That might eventually add more substance to Europe's ties with Latin America as a whole.

The relationship needs that. The Santa Marta summit, which is now likely to be attended mainly by ministers rather than leaders, will see worthy discussions on climate, digitalisation, and the fight against organised crime. It will also cover Global Gateway, the EU's infrastructure-financing programme, which has €45bn earmarked for Latin America. Projects under way include fighting sargasso weed in the Caribbean and boosting satellite-internet connectivity. These make less of a splash in the region than China's investments in ports and electricity grids.

Diplomats say the main value of the Santa Marta get-together is that it is happening at all. Far from an instrument of integration, CELAC is an advertisement for Latin America's divisions, which have deepened with the election of more extreme leaders of both right and left. Latin American disagreement over Venezuela's dictatorship meant that summits with the EU, conceived as biennial, did not happen between 2015 and 2023. It took a concerted effort by Spain, which held the EU's rotating presidency, and Josep Borrell, the Spanish former EU high representative for external affairs, to revive them.

In 2023 Nicaragua, another dictatorship, refused to sign a joint declaration because of a (watered-down) condemnation of Russia's war against Ukraine. This time there are further complications. Mr Trump's naval build-up in the Caribbean, sinking of drug boats and threats of military action to topple Mr Maduro's regime divide Latin America. Mr Petro is a volatile character and his foreign minister has no diplomatic experience. What might emerge from Santa Marta is a plan to hold annual ministerial meetings, while the EU is likely in practice to prioritise bilateral ties with bigger countries such as Brazil and Mexico. But whatever the difficulties, it is a relationship worth deepening.



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Asia

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Asia | Liquid front lines

South Asia's water wars

Climate change and rising energy demand could worsen conflict over rivers

November 6th 2025



RARELY CALM, the cross-border politics of South Asia's great rivers have been roiling of late. In late October Afghanistan revealed plans to build dams on the Kabul river, rankling Pakistan, with which it had skirmished on the border just days before. Also last month, thousands of Bangladeshis took to the streets to protest against India's influence over the flow of the Teesta river, a tributary of the Brahmaputra (known as the Jamuna in Bangladesh). India has yet to restore the Indus Water Treaty, a water-sharing deal with Pakistan since 1960 which it suspended in April following a terrorist attack in Kashmir. And Indian officials worry greatly about a new dam China plans to build 30km upstream from India's border on the Brahmaputra (called the Yarlung Tsangpo in Tibet). This dam, at a cost \$167bn, would be the world's largest if completed to plan. The consequences for downstream neighbours are bound to be huge, as will the dam's ecological impact in an area rich in biodiversity.

It all suggests that the region's water politics are getting more dangerous. Increasing demand for green baseload electricity is pushing countries across South Asia to expand investment in hydropower. At the same time, shrinking glaciers and erratic weather patterns caused by climate change are making river levels and water flows more unpredictable, with an impact on the livelihoods of some 2bn South Asians. To manage these risks and stop them sparking more conflict, countries in the region need to talk more and co-operate. But much stands in the way of that.

The politics of water in South Asia have long been fraught. The region's mightiest rivers—the Indus, Ganges and Brahmaputra—flow from glaciers in the Himalayas. The Indus rises in China and passes through India's Ladakh and disputed Kashmir, before running through Pakistan to empty into the Arabian sea. Though the Brahmaputra rises in China and runs through only India and Bangladesh, much of Nepal sits within the vast Ganges-Brahmaputra basin.

Sharing the waters is tricky in a region riven by distrust. India's and Pakistan's conflict over Kashmir is long-running. China and India fight over borders. Bangladesh and Nepal worry about undue influence from both India and China. That makes it tempting for countries to use water to exert pressure on their neighbours. Between 2019 and 2023, there were 191 water-related disputes in South Asia, according to the Pacific Institute, a research group in California. Barring the Middle East, no other region is as water-fraught.

Things will probably get worse. One problem is that, as well as for power generation, countries increasingly use the construction of dams to project strength, hammer down territory and coerce neighbours, says Hari Godara of O.P. Jindal Global University in Sonapat in India. China's dams in Tibet help it exert influence over a restive region. Pakistan's dam-building (increasingly helped by China) in the parts of Kashmir it controls serves to reinforce territorial claims and annoy India. In response to China's new dam on the Brahmaputra, India plans to build its own mega-dam downstream from the Chinese project. As it is, riparian Bangladeshis complain that India gives no warning when it releases torrents of water from existing dams, causing havoc downstream. Water tussles often overlap with other conflicts.

South Asia is one of the most water-stressed regions in the world, with water in short supply in many parts of it, at least for a good part of the year. A study

published this year by researchers at Ludong University in China confirms that regions where water scarcity is a problem are more likely to experience disputes.

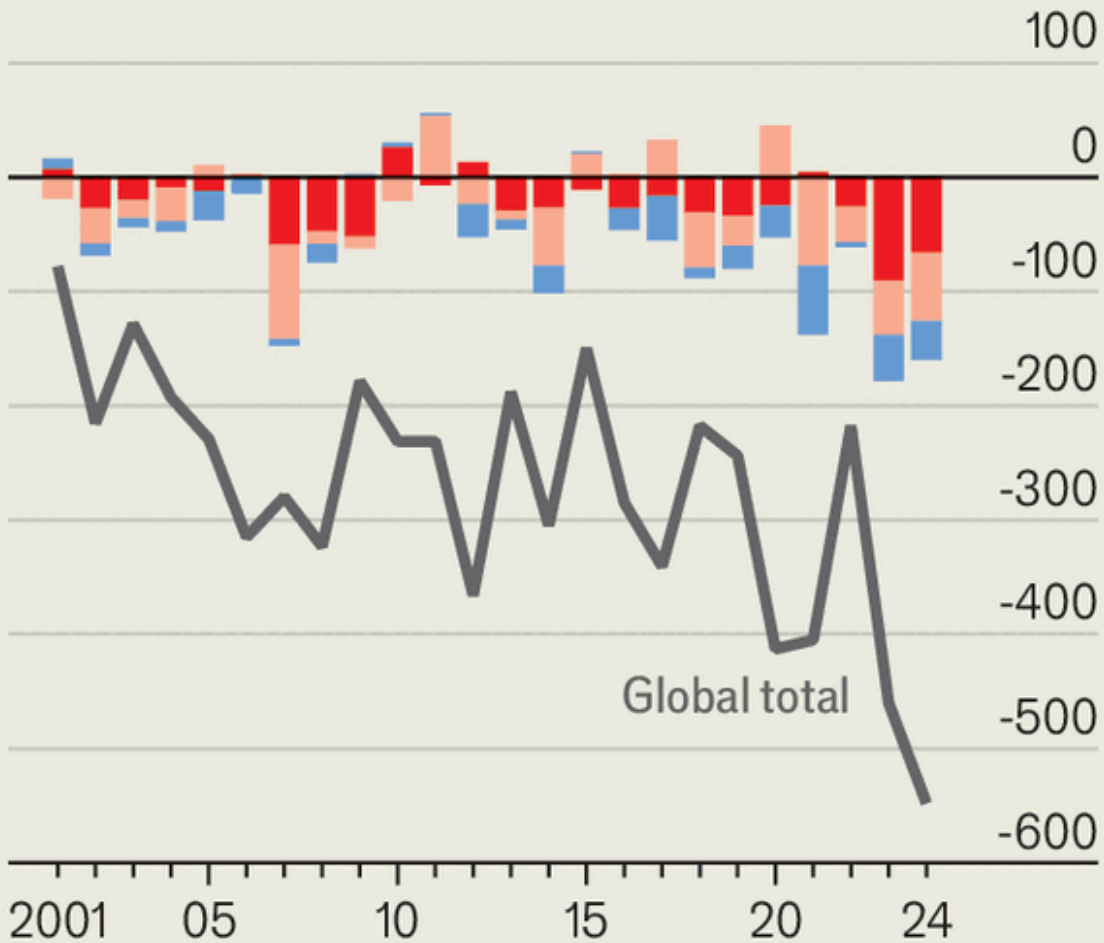
Greater demand for energy may make the situation worse. Growth, urbanisation and a boom in data centres have increased the need for reliable electricity. Hydropower, which does not suffer from the intermittence that ails solar and wind power, is an attractive renewable source. Pakistan already sources a fifth of its electricity from hydropower and aims to up that share. India wants to boost its hydropower capacity of 42GW by more than 50% by 2032, and perhaps build 200 new dams in the next decades. Nepal already produces more electricity from hydropower than it uses. But it continues to build capacity and hopes [to export the surplus](#). It has long supplied electricity to India and recently started selling power to Bangladesh too, using India's grid, though it took an age for everyone to agree.

To ward off outright conflict, diplomatic channels to manage the dams' impact are essential. One of the clearest predictors of water-based disputes is when a country builds a dam without a treaty in place, says Aaron Wolf, an expert on transboundary water agreements at Oregon State University in America. Ecological concerns also arise. Dams fragment rivers, destroy habitats and displace communities—harms that are exacerbated in the fragile terrain of the Himalayas. For these reasons, India's plans for the upcoming mega-dam attracted protests from communities in the area.

Disappearing act

Global glacier mass, change in gigatonnes

■ Asia ■ Antarctic & subantarctic ■ Russian Arctic



Source: World Glacier Monitoring Service

Increased diplomacy is all the more urgent because South Asia's environment is becoming more fragile. Glaciers are melting at an accelerating rate (see chart). That can make river flows more erratic, destabilise the rock on which dams and houses are built and increase the risk of flooding. Monsoon rains are becoming [less predictable](#). Rather than suspending or abandoning water accords, countries need to strengthen and update them to reflect this.

Some signs suggest that countries are aware of this. Despite the suspension in April of the Indus treaty, India still shared flood forecasts with Pakistan. No war has been fought directly over water in the past century, according to research by Mr Wolf. Yet water management in the region remains a messy patchwork of bilateral agreements that leaves countries free to treat rivers as bargaining chips, rather than as shared ecological systems. Closer co-operation would be a surer way to keep rivers flowing while keeping the peace. ■

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Asia | Hitting them for six

India's women win the cricket World Cup

Their victory is a welcome boost for women's sport—and for Indian women in general

November 6th 2025



Cricket IS INDIA'S passion, but for most of its history in the country it has been a one-sided love affair. Indians have obsessed over the fortunes of the men's team, but largely ignored the women. That changed on November 2nd, when the women's team won the World Cup for the first time.

Some 45,000 people in a packed Mumbai stadium witnessed victory over South Africa; another 200m watched on screens. Celebrations erupted all over India, which became the first non-Western country to be crowned as the women's world champions. For the cricketers, it vindicated life choices: many had to defy sceptical families to pursue the sport as a career.

The cricketers are the obvious heroes, though the Board of Control for Cricket in India (BCCI) deserves some credit too. The cricketing body is rarely considered an exemplar of good sporting governance. Yet in the women's arena the BCCI has performed increasingly well.

Three years ago it ordered gender parity in match fees between India's male and female cricketers. A year later came another game-changer: the launch of the Women's Premier League (WPL), the female version of the Indian Premier League, the sport's most lucrative franchise tournament. The WPL has brought a flood of cash into the game, luring the world's best cricketers to India and helping locals learn from top-class ones.

Victory in the men's World Cup in 1983 put Indian male cricket on the map. The women will be hoping to accomplish as much, only faster. It took 28 years for the men to win their next World Cup. Girls watching the women win will be inspired to take to the field. But fans will hope girls pick up racquets and hockey sticks as well as bats. India is a global cricket force but lags in other global games.

Even better should be the social effects. After losses in the early stages of the World Cup, the Indian women faced hate and misogyny online. Such abuse has been muted since the win. But fans can be fickle and patriarchy in the country is still well entrenched. One glorious triumph will not change that, but it might help. ■

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Asia | Dangerous grounds

America and China circle each other in the South China Sea

Naval tensions around Scarborough shoal are at their highest in years

November 6th 2025



IT HAS BEEN a tense final deployment for USS Nimitz, America's oldest aircraft-carrier and one of the world's largest. On October 26th one of its helicopters went down in the waters of the South China Sea. Half an hour later, an F-18 fighter jet launched from the Nimitz crashed, too. Military leaders are not saying what happened, but President Donald Trump, speaking to journalists, blamed it on "bad fuel". Whatever the cause, the loss of two aircraft in short order will have pulled at nerves already frayed by one of the tensest moments in the sea, a regional flashpoint, in recent years.

The presence of the Nimitz in the South China Sea comes amid tensions between China and the Philippines, an American ally, over Scarborough shoal. There coral reefs enclose a large lagoon about 135 nautical miles (250km)

west of Manila Bay, within the Philippines' exclusive economic zone; it is the only maritime feature for a good distance. In 2012 China pushed Philippine vessels away from Scarborough shoal and has controlled the area since with a constant presence of coastguard and fishing vessels. Between 2013 to 2015 it built seven military bases, three of them large air bases, by reclaiming the sea around specks of land farther south in the South China Sea. But it has till now stopped short of terraforming to build a base on the shoal. In 2016 Barack Obama supposedly told President Xi Jinping that doing so would cross an American red line. That line, at least until now, has held.



Earlier this year China began to treat the presence of Philippine vessels around Scarborough and other contested rocks and reefs more aggressively. And on

August 11th, while pursuing a Philippine coastguard vessel near the shoal, a Chinese coastguard vessel accidentally rammed one of its own naval ships. China has not acknowledged casualties, but the Centre for Strategic and International Studies, a think-tank in Washington, reports that two Chinese coastguards probably lost their lives in the accident. Philippine coastguards caught it all on video, greatly embarrassing China.

Tensions have since run high around Scarborough shoal. Aggressive vessel handling by China has persisted, raising the risk of Filipino lives being lost in another ramming incident. America has a difficult balancing act. It is bound by treaty to defend Philippine forces in the sea, a promise that the Trump administration repeats, signalling that it will come to the Philippines' defence. Yet doing so might raise tensions between America and China to perilous levels.

Throughout October, American and Philippine forces have been exercising in the South China Sea, along with ships from allies such as Australia, France and Japan. The Nimitz is the latest, hefty, addition to an increased naval presence. Chinese vessels have shadowed the fleet from not far away. CBS, an American broadcaster, reports that the Pentagon is considering launching HIMARS rockets towards the shoal. America has launched them in the South China Sea before, but only as part of routine exercises and not aimed at Scarborough. The Pentagon has not denied the CBS report.

At least the two powers are talking. On November 1st America's defence secretary, Pete Hegseth, met his Chinese counterpart, Admiral Dong Jun, on the sidelines of a security conference in Malaysia—a first meeting between the two men. And in an unusual step, they spoke again by phone the following day. As they did, satellite photographs showed the Nimitz just over 100 nautical miles south-east of Scarborough shoal. Tension over the reefs seems bound to continue. ■

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Asia | Budget shenanigans

Indonesia raids its rainy-day pot

And foreign investors head for the airport

November 6th 2025



JUST A YEAR in as Indonesia's president, Prabowo Subianto has faced waning popularity, civil unrest, a slowing jobs market and other setbacks to his campaign promises of economic growth and social change. Now Mr Prabowo and his sidemen are raiding what kitties they can. The new finance minister, Purbaya Yudhi Sadewa, has taken aim at a \$27bn cash hoard sitting in Indonesia's government coffers and known as the Saldo Anggaran Lebih or accumulated budget surplus (SAL).

The SAL is cash left over from past surpluses which Mr Purbaya's prudent predecessor, Sri Mulyani Indrawati, held chiefly as a rainy-day fund. Mr Purbaya takes a different tack. He plans to spend more than half of the SAL by the end of 2025—having injected \$12bn from the fund into Indonesia's underwhelming state-owned banks in September. Mr Purbaya argues that a

much smaller SAL is all the government needs for cash-management purposes. The money for the banks is intended, in effect, as a stimulus to the economy.

Mr Prabowo elevated the technocrat after sacking Sri Mulyani, whose house was trashed during anti-government protests in August. Mr Purbaya is seen as less fiscally judicious than Sri Mulyani, a former World Bank managing director, and more pliant. In pursuit of Mr Prabowo's fanciful goal of 8% growth, Mr Purbaya has pledged 6-7% growth next year, up from 5% now, in hopes of mollifying protesters "They'll be busy working and eating well instead of protesting," he said, soon after being sworn in.

Mr Purbaya is not wholly unorthodox, having last week defended central-bank independence, for instance. Meanwhile, the stockmarket has risen, and government bond yields are lower than at the start of the year.

For all that, the government's finances are heading for a crunch. The budget deficit has risen to just under the legally mandated cap of 3% of GDP. That is partly because the prices of the commodities (coal, nickel) on which Indonesia depends have fallen; a weak economy has not helped, either. Budget projections for 2026 look too rosy. Mr Prabowo insists on carrying on spending on his priorities, including free school lunches and a sprawling programme of village loan co-operatives.

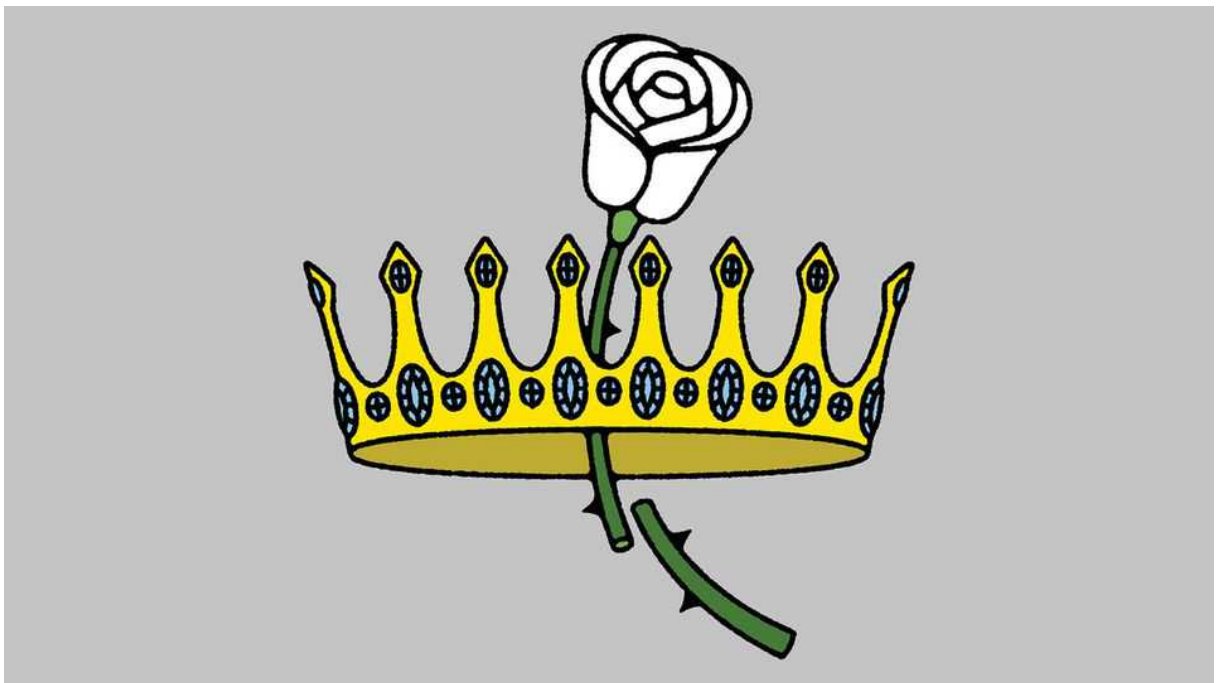
With fiscal guardrails undermined, foreign investors have sold \$6bn worth of government bonds since August, though they had begun pulling out long before. Foreign holdings have fallen from a pre-pandemic peak of 39% of the total to just 14%. The central bank has filled the gap and now owns a quarter of rupiah-denominated government bonds. Less reliance on foreign capital may mean less risk of financial panic. But once confidence is lost, it will not be easy to regain. ■

Asia | Banyan

Queen Sirikit's death shows changing Thai views of the monarchy

Her mercurial son, as king, does not help

November 6th 2025



BACK IN 1960 New York threw a ticker-tape parade for Thailand's young king, Bhumibol Adulyadej, an anti-communist ally of America's. New Yorkers turned out in droves to see Bhumibol go by. Yet bystanders noticed that he never smiled. When a reporter asked why, the king gestured to his consort, Queen Sirikit, a 27-year-old spirited beauty. "She", he said, "is my smile." The press called the young queen, who mixed Thai jewels with French couture, the Jackie Kennedy of Asia. Sirikit died on October 24th at the age of 93. She had been largely out of the public eye since a stroke in 2012; Bhumibol died in 2016.

Elderly Thais still remember the early years, when she charmed Western crowds. According to Thai tradition, a good king must model Buddha-like

equanimity. The counterpose to Bhumibol's stoicism was Sirikit's glamour. The combination made the royal couple wildly popular among their subjects during their seven-decade reign.

The two modelled a monarchy for Thailand's aspirational middle classes. To the rural poor, their charitable works made them appear to care, when politicians did not. Their popularity was not pre-ordained: on Bhumibol's accession in 1946 the monarchy had been consigned by the moderates and fascists vying to lead Thailand to being a remote symbol. The royal couple's winning personalities and charitable works—as well as aggressive public relations and strict laws against criticising them—meant the monarchy acquired unrivalled influence, an inseparable part of the Thai trinity of nation, religion and king.

Yet Thais also know Sirikit for something else: her interventions in the country's turbulent politics. The palace interfered constantly. The king frequently intervened to bless coups and discourage violence. By the 1970s Sirikit was even more active, aligning herself with right-wing coup-makers in her own army unit, the Queen's Guard. In 2008, when royalist demonstrations seeking to unseat the government of the day turned violent, Sirikit gave money to the movement and took the extraordinary step of attending the funeral of a protester killed by police. The government soon fell.

The desire for a politics free of the court's influence has only grown. Several popularly elected governments have been deposed by the generals or the royalist establishment, who then made a mess of governing. Many younger Thais believe a quasi-feudal monarchy stands between their country and a modern, democratic politics. They are at best indifferent to the royal nostalgia that the establishment expected with Sirikit's death.

When Bhumibol died, the then junta declared a full year of mourning. Thais earnestly complied, wearing black and white. Football matches were cancelled and television dramas taken off air. On Queen Sirikit's death, many expected an outpouring of support for the monarchy. That would have been helpful to the (royalist) prime minister, Anutin Charnvirakul. His Thai Pride Party is preparing to fight a tough election campaign next year against the People's Party, for whom reforms to the monarchy and army are central tenets. Yet even opposition politicians have been surprised at the muted reaction to Sirikit's death. Far fewer Thais are wearing mourning clothing than nine years

ago. Nor have popular events been cancelled: a South Korean pop group, Blackpink, which includes a Thai member, played at the national stadium the day after the queen mother's death (though the audience were asked to don black and white, which most did).

Though Sirikit was a consort, not the monarch, she was nearly as beloved. So the muted reaction suggests changed attitudes to the monarchy. Her 73-year-old son, Vajiralongkorn, who rules as Rama X, is a martinet playboy who has been married four times, taken an official mistress, disinherited offspring and lacks an obvious heir. His erratic behaviour has tarnished the monarchy.

The government may have worried about the economic fallout from a strict period of mourning for Sirikit, including a ban on popular entertainment. That would have harmed its electoral prospects more than the boost that royalist nostalgia might have brought.

Yet some interpretations of court customs would prohibit an election during a royal mourning period. If his popularity has not recovered by early next year, Mr Anutin could cite them as cause to delay the polls. Keeping a royalist party in power would be a last service to the monarchy, in death, from a queen who so defended it in life. ■

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China

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China | Buckle up

China's Belt and Road Initiative is booming again

In a Trump-troubled world, China's leader still sees opportunities in poor countries

November 6th 2025



CHINA'S LEADER, Xi Jinping, sees difficult times ahead. At a conclave of the Communist Party's most senior officials that ended on October 23rd he warned that over the next five years the task of ensuring China's development while maintaining its security would become "much harder" amid a "notable rise in uncertainties and unforeseen factors". Mr Xi's meeting a week later in South Korea with President Donald Trump produced an uneasy truce in the two countries' fight over trade. But it will not have eased Mr Xi's biggest headache. The cure for Trumpian instability, as he sees it, is an alternative order that draws the rest of the world a lot closer into China's orbit.

Enter the Belt and Road Initiative (BRI). Not so long ago, some analysts wondered whether China might wind down this colossal infrastructure-

building scheme, to which most of the 130 or so poor or developing countries collectively known as the global south have signed up. Mr Xi launched the project in 2013, aiming to boost growth and trade by building ports, railways, power plants and so on (and to land big deals for Chinese state firms, which got many of the contracts). The BRI was soon beset by claims that it was crippling countries with debt and damaging the environment. China began scaling back its loans. Yet though BRI activity ebbed during the pandemic, it has picked up sharply since 2023, reaching record levels. It is also helping stimulate trade between China and the global south, expanding markets for Chinese goods that Mr Trump's tariffs are pricing out of America.

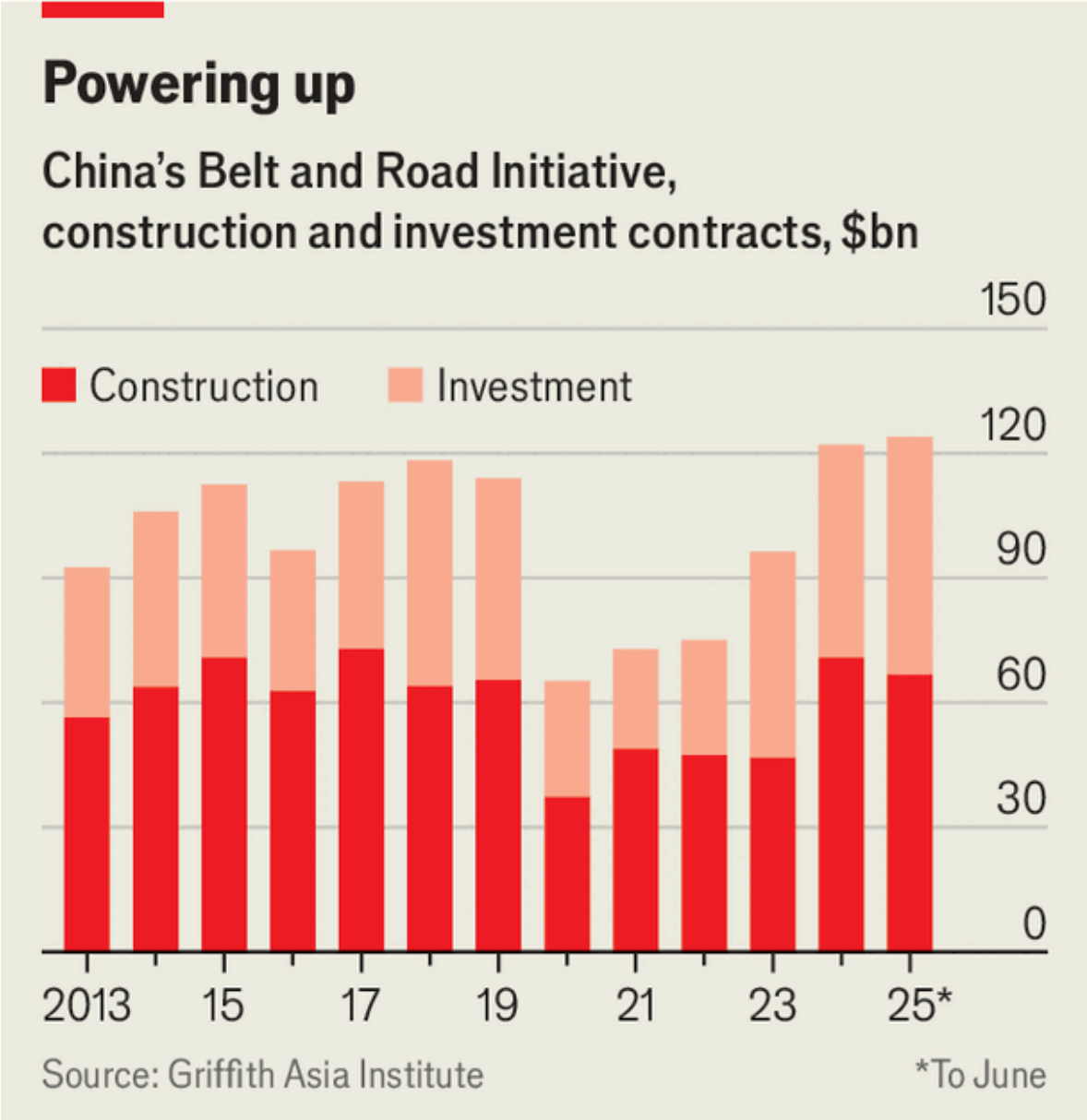
First, look at the trade numbers. America is still the single biggest destination for Chinese exports of goods. Yet its share of China's shipments has fallen sharply since trade tensions soared during Mr Trump's first term as president, from nearly 20% in the first nine months of 2018 to less than 12% in the same period this year. The global south is taking up the slack. Year-on-year exports to ten members of the Association of South-East Asian Nations (ASEAN) grew by 15% in September, as they did to countries in Latin America. China's exports to Africa jumped by nearly 57%. According to S&P Global, a financial-data firm, the global south took 44% of China's exports in 2024, up from 35% in 2015. This group of countries also accounts for more than half of China's global trade surplus. (America's share is 36%.)

Then consider BRI activities. These often involve projects that encourage trade. A Chinese factory built in a foreign country, for example, may rely on components or machinery shipped from China. It can thrive in local markets, or sometimes even in America's by making goods appear to originate from a country other than China and thus evading China-related tariffs. In 2023, the first full year after China abandoned its "zero-covid" policy, the total value of BRI investments and construction contracts was \$96.3bn, according to recently revised data compiled by Christoph Nedopil of Griffith University in Australia, working with the Green Finance and Development Centre at Fudan University in Shanghai (they count any Chinese state or private investment, as well as construction contracts, in countries that have joined the scheme as BRI "engagement"—China does not publish an official list of BRI projects).

This was still below pre-covid levels, but a big rebound from the pandemic era (up from \$75bn in 2022). In 2024 and 2025, BRI engagement surged. The rise of nearly 27% in 2024, to \$122bn, was one of the largest annual increases in a

single year in the history of the scheme. In the first half of this year the record was broken again, with more than \$124bn of engagement, more than double the amount in the same period of 2024, Mr Nedopil calculates.

In 2021, responding to widespread misgivings about the BRI, Mr Xi called for more emphasis on a “small but beautiful” approach: less splurging on concrete-consuming infrastructure, and more spending on projects relating to health care, green energy, telecommunications and more; there would be no new Chinese investment abroad in coal-fired power.

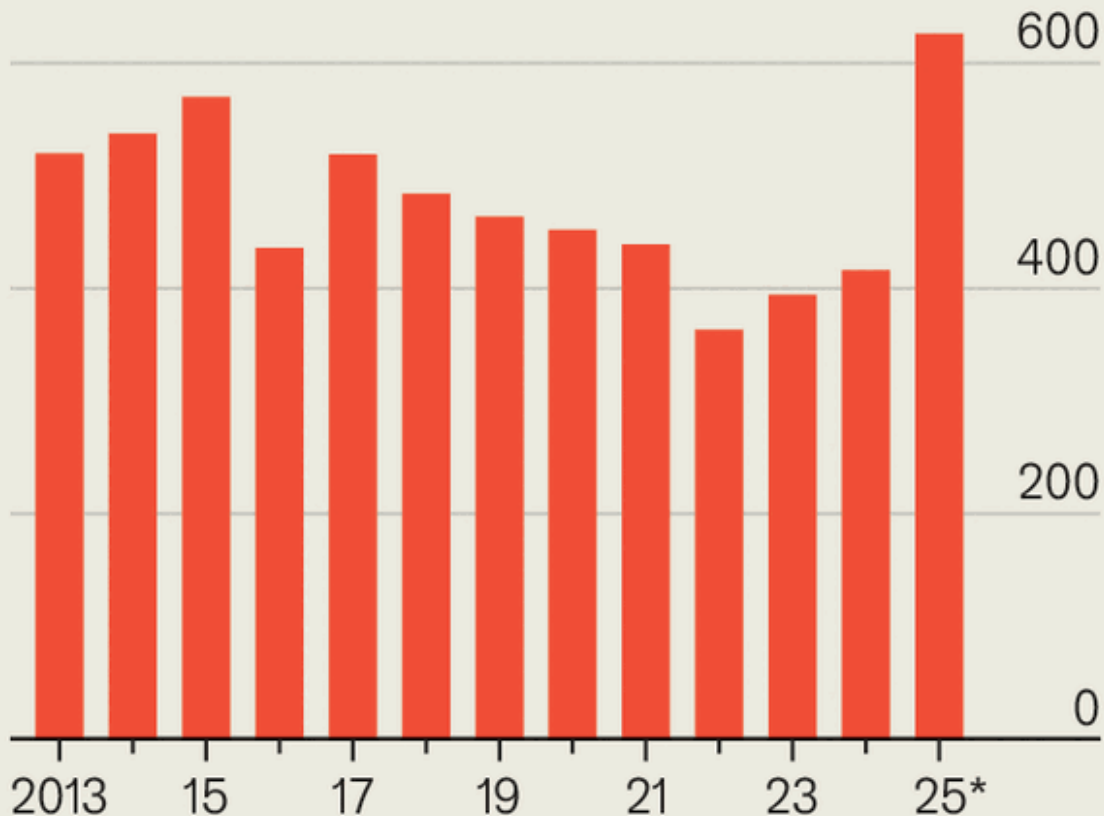


But large projects still dominate. Of \$40bn of BRI money directed to Africa in the first half of this year, a single deal accounted for nearly half: a \$20bn contract awarded to a Chinese state firm for building oil and gas facilities in Nigeria. By value, fossil-fuel projects take the lead in BRI-related energy ventures. Another big slice of BRI money has involved construction deals in Kazakhstan worth nearly \$20bn tied to copper and aluminium production.

Megadeals involving state-owned companies mask another, more welcome trend, however: a surge in BRI activity, sometimes led by non-state firms, in just the kinds of business Mr Xi promised to encourage. Last year Chinese companies' BRI engagements in solar, wind and waste-fuelled power amounted to \$11.1bn. This rise of about 50% made it the greenest year (excluding hydropower projects) in the BRI's history, says Mr Nedopil. Chinese firms poured another \$8.9bn into non-hydro green energy in the first half of 2025.

Big spenders

China's Belt and Road Initiative,
average deal value, \$m



Source: Griffith Asia Institute

*To June

All this is not just a fillip for Chinese firms facing turbulence from Mr Trump's tariffs. As Mr Xi sees it, the BRI pays geopolitical dividends too. Since 2013 it has involved more than \$1.3trn of Chinese investments and contracts in 150 countries. China hopes that this money will encourage governments to back it in multinational forums, starting with the UN. About 70 countries have already adopted language promoted by China declaring that "all efforts" should be made to achieve unification with Taiwan—implying that military force is acceptable. Most of these countries are signed up to the BRI.

There are also risks for China. Many BRI countries are seeing their trade deficits with China widen. Protectionist mutterings are growing louder in both Africa and South-East Asia. Reckless Chinese lending in earlier years leaves a sting, too. A report in May by the Lowy Institute, a think-tank in Sydney, said China had “transitioned from capital provider to net financial drain” on developing-country budgets, as debt-servicing costs on belt-and-road projects in the 2010s now “far outstrip new loan disbursements”. The institute warned of rising vulnerability to debt in many countries, especially in Africa.

Yet China knows these countries are a captive audience. Some may quietly grumble about trade imbalances or debt, but the technology and building skills offered by China are hard to find elsewhere. China hopes such countries see little choice other than to support it in its desire to be the architect of an alternative world order. As a Communist Party journal recently put it, the BRI will help create “a new paradigm of global governance”. In a Trump-troubled world, Mr Xi sees opportunities still. ■

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China | Behind the scenes

What a leaked transcript reveals about China's muscular statecraft

It is determined to protect pipelines and rare-earth mines in Myanmar

November 6th 2025



Four years have passed since Myanmar collapsed into civil war, sparked by a military coup. Since then, hundreds of rebel groups have fought the ruling junta—and sometimes each other—to a messy stalemate. Western powers have largely kept out of the conflict. But China, which shares a 2,000km border with Myanmar, has not. Its firms have billions invested there, including in ventures that exploit the country's rare earths and in a pipeline that brings China oil and gas from the Bay of Bengal. It has an incentive to mould whatever outcomes it thinks will best keep its interests secure.

To better understand how China wields its influence in the country, consider a transcript—recently acquired by The Economist—that purports to record a meeting last year between Chinese diplomats and leaders of the United Wa

State Army, one of Myanmar's most powerful rebel groups. Jason Tower, an expert on China and Myanmar, thinks it likely that the Wa produced the transcript and shared it with rebel allies, who leaked it more widely.



Verbatim accounts of Chinese diplomatic meetings are exceedingly rare. Neither the Wa nor China's foreign ministry took up an invitation to comment on the document. But Mr Tower thinks the transcript is authentic. Nan Lwin of ISP, a Myanmar think-tank, thinks so too. Reporting on the meeting that has already appeared in Myanmar media has not attracted denials from either side. The document paints an unvarnished picture of Chinese diplomacy in its most ruthless mode.

The meeting in question, said to have taken place in August 2024, followed a period in which rebel groups aligned against Myanmar's junta won a series of big battles in the north of the country. Their offensive—named Operation 1027, after its launch date of October 27th, 2023—was unusually well coordinated and effective. But the resultant changes in power and territory seem to have alarmed China.

The transcript provides details of China's response. In it Deng Xijun, China's special envoy for Asian affairs, orders the Wa to stop co-operating with another powerful rebel group, the Myanmar National Democratic Alliance Army (MNDAA). He says the MNDAA has been "two-faced". It has pretended to obey China while "sowing discord". Its capture of Lashio (an important city) from the junta has disrupted trade with China, he says. The culprits "cannot escape blame".

Mr Deng accuses the MNDAA of building alliances with pro-democracy groups in Myanmar which he says are backed by America and the West and "are spearheading efforts to topple the junta". By occupying Lashio, Mr Deng argues, the rebels have created space for America and the West to get involved, which could result in Myanmar slipping further into anarchy.

Mr Deng notes that China is disciplining the MNDAA through a punishment called the "five cuts". China, he says, will sever the MNDAA's access to electricity, cut off its water, restrict internet access, curb the movement of people and choke the flow of goods. (Nearly all the parties in Myanmar's civil war depend to some extent on trade with China.) He also warns that China may act against rebel leaders. If the Wa continues to help the MNDAA, he says, China will go after them too.

Ensuing events suggest these hardball tactics bring results. Not long after the alleged meeting Peng Deren, the MNDAA's leader, was reportedly detained while visiting China. Mr Peng reappeared this year after his group signed a ceasefire with the junta. China's foreign ministry said the two sides were grateful to China for "facilitating the successful outcome" of the talks. The MNDAA also withdrew from some of the territory it conquered during Operation 1027, including from Lashio.

These days the MNDAA looks focused on developing the areas it controls. In Laukkai, its stronghold, the group offers permanent residency to Chinese who

invest at least 500,000 yuan (\$70,000). It may be betting that this will deter attacks from Myanmar's junta, who might fear harming Chinese citizens or their interests. The Wa seem to have got the message, too. They have announced on social media that they will no longer support the MNDAA, for fear of China retaliating.

China's interventions have not only targeted the junta's enemies. The five cuts sound similar to a punishment China had previously imposed on the junta's own border guard for failing to act against scam centres in Myanmar. Broadly speaking, China cares less about who holds what territory in Myanmar than about keeping the border regions stable and trade flowing. But its actions are altering the course of the conflict—and not in ways that will necessarily hasten a peace that lasts. ■

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China | Against the tide

Hong Kongers support gay marriage. Their leaders, not so much

The city has rejected reform even as other places in Asia embrace it

November 6th 2025



In 2023 Hong Kong's highest court ordered the city's government to introduce rules offering a degree of legal recognition to unions between people of the same sex. That Hong Kong had no legal framework relating to civil partnerships, it argued, contravened freedoms enshrined in the city's Bill of Rights. The justices ruled that this problem had to be remedied by the end of October 2025. That deadline has just come and gone—and with much less effect than campaigners had hoped.

In September, as the deadline approached, Hong Kong's executive asked lawmakers to vote on a bill that would have granted limited rights to gay couples who got married or entered into civil partnerships abroad. Yet the proposal was roundly rejected, with 71 of 87 lawmakers voting against it. The

city's government now says that it will protect same-sex partnerships using "administrative measures". Hong Kongers are sceptical: "It's difficult to see how a mere administrative framework can deal with the legal inequalities," says Azan Marwah, a barrister.

The handful of lawmakers who supported the bill argued that greater recognition of same-sex marriages would help reinforce Hong Kong's claim to be an open and cosmopolitan world city. The dissenters pushed back; they argued that the bill could subvert "traditional values" and teach children that homosexuality is "normal". Some have framed homosexuality as a Western import. "It is all misleading information that [the public have] been receiving," says Donald, a gay man. "But unfortunately, we do not have a voice or a platform to let people know that these are all just lies."

Ordinary Hong Kongers are more supportive of gay rights than debates among their politicians might suggest. A survey in 2023 found that 60% of them support same-sex marriage, a big increase from only 38% a decade ago. Some of the city's insurance companies have started to let gay people register partners on their life-insurance policies. The territory has hosted LGBT-friendly events such as the Gay Games, a sporting event, and Pink Dot, a festival similar to gay-pride gatherings in the West.

Yet although most Hong Kongers are happy to know people from sexual minorities, says Priscilla, a trans woman, "if one of your family members is LGBT, this would be a disaster." Civil-society groups that have worked to change perceptions and to stand up for the rights of sexual minorities have found it much harder to operate since China forced Hong Kong to pass a sweeping national-security law in 2020 (China's Communist Party likes to promote "traditional" family values and is anyway deeply suspicious of any interest group that it cannot control). Activists say Hong Kong's government has recently withdrawn financial support for LGBT-friendly events and rejected requests to hold them in public spaces. Nowadays politicians "look up north" to decide what policies to support, says Tim, a gay Hong Konger. "They don't want to do anything progressive, because they don't know what Beijing would think."

Many Asian countries stigmatise or even criminalise same-sex relationships. But things have been improving in parts of the continent: in January Thailand became the third Asian country to legalise same-sex marriage, after Taiwan

and Nepal. All this amplifies frustration among Hong Kongers, who sense their lawmakers are growing less likely to take a similar step. Many LGBT people in the city think they are unlikely to see change within their lifetimes. But “you have to push with whatever freedom you have,” says Donald. “That is the only way we can get people to understand who we are, and accept us.” ■

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China | Chaguan

How a little Chinese island rose to global chemical dominance

A parable of China's industrial supremacy

November 6th 2025



TO CATCH A glimpse of China's industrial heft, visit Changxing Island in the country's north-east. There, jutting into the Bohai Sea, is one piece of the machine: a specialised petrochemical plant that opened in 2012 and has grown relentlessly ever since. It represents, in condensed form, the powerful mixture that has fuelled China's [dominance of global manufacturing](#): policy directives, state support, local incentives and restless entrepreneurs.

For the rest of the world it is also a cautionary tale. Hope springs eternal that China might rein in its excess capacity, perhaps as a result of its “anti-involution” campaign, the government's latest attempt to curb cut-throat competition among domestic producers. But Changxing Island shows it is

more realistic to expect another path—namely, that other countries will find it ever harder to displace China in global supply chains.

This story could be told about almost any kind of factory or locale in China, so sprawling is the country's manufacturing base. Changxing Island, however, brings clarity to the analysis as a small place that has gone from basically nothing to become an unheralded linchpin of global industry in little more than a decade.

Until the early 2000s Changxing was mostly farmland and fishing villages, administered by the nearby city of Dalian. But it had a big selling point as China's only underused deepwater shoreline. State planners wanted to kick-start it, so they designated it as a special development zone focused on chemicals, promising a variety of benefits, from streamlined approvals to subsidies, for companies that invested there.

What made these promises potent was how China's private sector responded. A thousand kilometres to the south was a polyester producer, Hengli. Its take-off began in 1994 when a husband and wife took a chance on buying a bankrupt government-owned textile-maker. By running it more efficiently, they did well. But margins were low, compressed by extreme competition with other Chinese textile firms. They spotted an opportunity in Changxing to move up the value chain: to produce purified terephthalic acid (PTA), a white powder used for making polyester. In 2010 Hengli broke ground on its first PTA factory in Changxing.

A few expansions later—Hengli's investment has reached about 25bn yuan (\$3.5bn)—the Changxing facility is now the world's biggest PTA producer. China, meanwhile, has gone from being a net importer of the stuff a decade ago to being the dominant supplier, accounting for more than 60% of global production. Faced with stiff competition, companies in Canada, Europe and Japan have all reduced their PTA output, or stopped making it.

The Changxing experience sheds light on how China did it. Hengli got big benefits from basing its PTA operations there. The development zone was listed as a priority project by the national government for the revitalisation of China's north-east, an economically depressed region. Such designation usually brings tax incentives, preferential land pricing, credit lines from state banks and regulatory fast-tracking. The government dredged and reclaimed

tidal flats in Changxing, and built top-notch port facilities. Economists with the IMF recently estimated that the fiscal cost of China's industrial policy is about 4.4% of GDP, much higher than elsewhere. That gives some idea of the financial support available to companies such as Hengli.

But China has not just thrown money at it. The state has also given the company direct access to [scientific expertise](#). Less than a ten-minute drive from Hengli's sprawling facilities is a campus of the Dalian Institute of Chemical Physics, an arm of the Chinese Academy of Sciences. Its researchers have, among other things, tried to devise more efficient ways of producing PTA. Hengli has boasted of the "rapid commercialisation of research outcomes" thanks to its collaboration with the institute. It is almost like having an extra R&D unit funded by the state.

The animating force in all this has been Hengli's relentless drive for profit in ultra-competitive markets. The same logic that pushed Hengli from polyester into PTA is now sending it into ever more valuable bits of the supply chain. In 2019, facing high costs for imported paraxylene (PX), a feedstock for making PTA, it started making that, too. A vital ingredient for PX is crude oil, which Hengli is not about to start drilling for. But it has created a unit to build supertankers, so that it can transport its own supplies.

This is not to say that all is perfect in Hengli's world. Ultimately its fortunes depend on polyester selling well. Recently the industry has slowed. Lorry drivers outside its Changxing facility wait under trees for orders to come in. "There are too many drivers now but demand is weaker," says one. As in much of the Chinese economy, there are also concerns about Hengli's debt.

Should the rest of the world care that China has become a PTA powerhouse? There is an argument that it does not matter. Control of the polyester supply chain is hardly a matter of national security. What is more, PTA is a commodity. Other countries could fire up their plants again if necessary. In the meantime, availing themselves of relatively inexpensive Chinese output frees them up to invest in more important domains.

Yet that is too glib. The chemicals sector is known as "the industry of industries" because its products feed into all manner of goods. PTA is just one chemical, but China's dominance spreads across many more. And it is only increasing. Officials from Washington to Brussels are focused on rare earths;

they overlook chemicals at their peril. Changxing, meanwhile, is moving ahead: a new government plan calls for the island to upgrade into more specialised chemical products. Catching up with China is hard enough—and it is not a stationary target. ■

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Middle East & Africa

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Will anything—or anyone—stop the slaughter in Sudan?

As a killing spree unfolds in Darfur, an end to the civil war looks remote

November 6th 2025



Thousands of refugees have been arriving in Tawila, a town in western Sudan, in recent days. They are fleeing el-Fasher, the capital of the Darfur region, which fell to the Rapid Support Forces (RSF), one party in Sudan's civil war, on October 27th after an 18-month siege. Those who have escaped since then tell of mass rape, abductions and streets lined with corpses. Many of the city's roughly 260,000 residents remain unaccounted for.

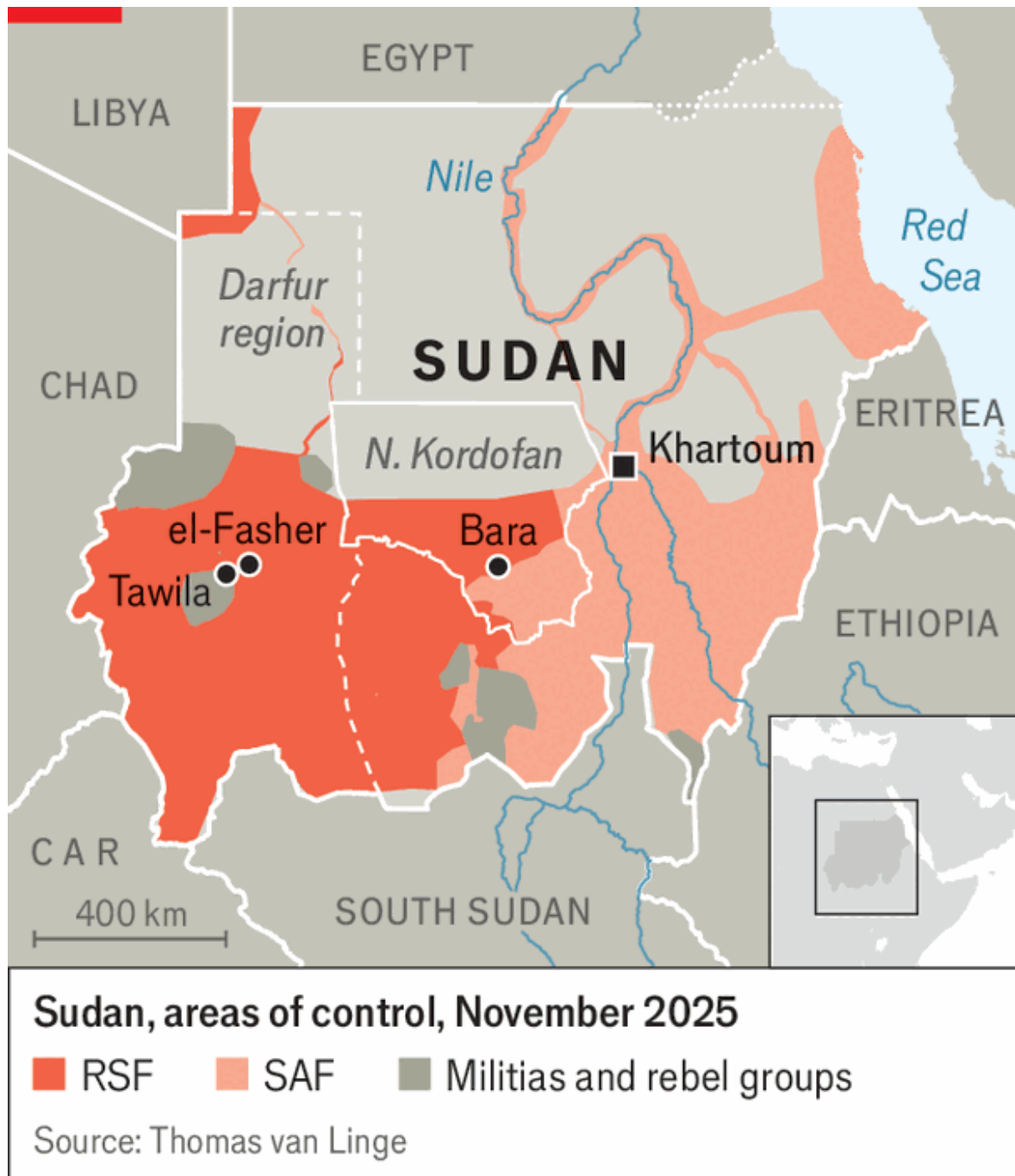
El-Fasher's bloody fall marks yet another turning point in Sudan's catastrophic civil war, in which fortunes have see-sawed since it began more than two and a half years ago. The RSF, which was ousted in March from the national capital, Khartoum, by the Sudanese Armed Forces (SAF), the national army, is back in contention in its fight to rule the country. Hopes for a

ceasefire have taken a knock. As evidence mounts of mass murder in el-Fasher, fears of further ethnic violence in Darfur and elsewhere in Sudan are intensifying.

Even by the standards of Sudan's war, the battle for el-Fasher was exceptionally grim. The city is totemic for the RSF, whose leaders—including Muhammad Hamdan Dagalo, a warlord known as Hemedti—largely hail from Darfur. The paramilitary group is descended from the mostly Arab Janjaweed militias that are notorious for the slaughter of black Africans in Darfur in the 2000s. During the past two years the fiercest resistance the RSF faced in Darfur came from self-defence militias drawn from the same ethnic groups that were targeted in the past, who allied themselves with the SAF to defend el-Fasher.

In response the RSF, kitted out with drones and other arms allegedly supplied by the United Arab Emirates (UAE), launched a campaign targeting civilians. (The UAE strenuously denies supporting the RSF.) In a refugee camp on the outskirts of el-Fasher, as many as 1,500 people may have been killed in a single RSF assault in April. The group erected earth walls around the city centre to prevent people from fleeing. By October local activists were reporting an average of 30 deaths a day from violence, hunger and disease.

Having overrun el-Fasher, the RSF embarked on a murderous rampage. Videos circulating online show its fighters executing unarmed men. The World Health Organisation says more than 460 patients and their companions were killed in a single massacre in a maternity hospital. Bodies lying in pools of blood around the city are visible from space. More recent satellite images suggest the corpses are starting to be moved into mass graves.



What could stop the slaughter? Neither party has a pressing reason to make peace. With the dry season ahead, the RSF may decide to build on its momentum in Darfur. It is expected to advance farther into North Kordofan, where it captured the town of Bara—and killed more civilians—on October 25th (see map). Meanwhile the SAF “do not see themselves as down and out”, says a well-informed source. Some of its political allies, including hard-line Islamists, look determined to keep fighting.

Two decades ago, violence in Darfur was quelled thanks to international pressure, including a celebrity-studded campaign to “Save Darfur” that eventually led to a UN arms embargo and the dispatch of African Union peacekeepers. Today, the only realistic way to stop the fighting is to persuade the parties’ regional sponsors to stop backing them. That is hardly simple. The UAE is thought to see the RSF as a bulwark against the Islamists in the SAF. Egypt and Saudi Arabia are keen on a regime in Khartoum led by the SAF.

But there are signs that compromise is possible. In September America, Saudi Arabia, Egypt and the UAE issued a statement calling for a ceasefire and a post-war settlement for Sudan involving neither the SAF nor the RSF. The countries, known as the Quad, explicitly acknowledged that external military support served to prolong the conflict. Shortly before el-Fasher fell, Massad Boulos, President Donald Trump’s Africa adviser, hosted officials from the three other countries at peace talks in Washington. Delegations from the SAF and the RSF, including Mr Dagalo’s brother, were there, too. That was a signal that for the first time both sides might be open to a ceasefire.

The bloodshed in el-Fasher, though humiliating for America’s diplomats, did not completely doom the talks. America is still negotiating with each side separately for a 90-day “humanitarian truce”. Mr Trump has in recent days appeared more exercised by alleged killings of [Christians in Nigeria](#). But he may yet turn his attention to Sudan, perhaps with an eye on a Nobel peace prize.

Much will depend on whether Mr Trump is willing to press allies, above all the UAE, to stop backing the belligerents. “Just a tweet condemning the UAE’s support for the RSF would send shockwaves through Abu Dhabi,” says a former American official. So far the Trump administration, like that of Joe Biden before it, looks loth to confront the Emiratis. Yet on November 2nd the UAE’s foreign minister reiterated the emirate’s commitment to the Quad statement and regretted his country’s inadequate past support for civilian governance. That suggests an opening to press the UAE to align actions with words. Mr Trump’s intervention would not ensure a peace deal. But it may force the warring parties to consider one. ■

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Tanzania has its Tiananmen moment

A post-election crackdown that killed hundreds has changed the country forever

November 6th 2025



The inauguration of Samia Suluhu Hassan as president of Tanzania on November 3rd was an incongruently unconfident event for someone who claims to have won 98% of the vote in an election on October 29th. The swearing-in was brought forward and moved from a stadium in the largest city, Dar es Salaam, to a military parade ground in Dodoma, the sleepy capital. The public was banned. Only four other African leaders turned up.

All this reflects how an event meant to show the post-election strength of the Chama Cha Mapinduzi (CCM), the ruling party, revealed instead how it was rattled by the largest protests Tanzania has ever seen. After the CCM rigged an election by banning opposition parties, jailing their leaders and seemingly fiddling the results, demonstrators rose up in numbers that smashed

expectations. Rather than make concessions, the CCM unleashed terror on an unprecedented scale. Tanzania will never be the same. A party that claims to run one of Africa's most peaceful countries has had its Tiananmen Square moment.

That Tanzania became the latest poor country to see youthful protests, after Nepal, Madagascar and others, is something of a surprise. The CCM, for all its authoritarianism, was the most popular party, at least according to pre-election polls by Afrobarometer, a pan-African research group. The country's economic growth rate, forecast to be 6% in 2025, is one of the highest on the continent.

But Tanzania's opposition movement "does not define itself in economic terms, it defines itself in democratic terms," notes Dan Paget, a British academic specialising in the country. Tundu Lissu, the jailed leader of Chadema, a banned opposition party, had called for a boycott of the election unless the political space was opened up; "no reforms, no election" was his slogan. Dozens of regime opponents may have been disappeared by security forces this year. The brutal intransigence of Mrs Samia, who became president only after the death of her predecessor, John Magufuli, caused her elevation from vice-president in 2021, added to tensions. And in an age of booming youthful populations, including record numbers of university graduates, there were more willing participants in street protests than ever before.

They had much to complain about. The internet was shut down and there were reports of manipulation of vote tallies. An observer mission from the Southern African Development Community (SADC), typically a meek body that has rubber-stamped dodgy ballots in Zimbabwe and elsewhere, said that "in most areas, voters could not express their democratic will."

What happened next was even more disturbing. Church groups and NGOs are still compiling death tolls, an exercise made harder by alleged efforts to hide bodies and remove CCTV footage from key sites. But early estimates suggest that many hundreds, and perhaps thousands, were killed. Such figures would make Tanzania's among the bloodiest elections in recent African history.

What happens now? Opposition movements seem to have been bludgeoned into quiescence. The internet has been turned back on and businesses have begun to re-open. In Tanzania and many other African countries the aftermath

of elections often sees a period of conciliation. Before the violence, Mr Lissu was expected to be released after the vote, maybe with a conviction that would bar him from standing for office. But the fear that the popular uprising has instilled in the regime may make it wary of making such a move.

In the medium term Tanzanian politics will be tumultuous. The CCM is, in effect, Africa's longest-ruling liberation party. Its tenure stems from the role of its precursor parties in the formation of Tanzania, its mix of repression and genuine development gains—and the way it has allowed enough internal dissent to renew itself. Already there is speculation that Mrs Samia will be elbowed aside by party bigwigs and security forces, especially in the army, who see her as a liability.

Mrs Samia, whom protesters call “Idi Amin Mama” after the late Ugandan dictator, will want to cling on, if only to protect herself and her family. The race to succeed her as party leader in 2030, if not before, will have begun. Whatever happens, the president has destroyed Tanzania's reputation as a relatively peaceful country in an often unstable region. ■

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Donald Trump says he may strike Nigeria to save Christians. Really?

The reality behind the American president's latest threats

November 6th 2025



“We are shocked that President Trump is mulling an invasion of our country,” a spokesperson for Bola Tinubu, Nigeria’s president, recently told CNN. And well they might be. Africa’s most populous country has done nothing to threaten America, its largest foreign investor. Nigerians are among the most pro-Trump people in the world: a poll earlier this year found that 79% of them had high confidence in America’s president to do “the right thing regarding world affairs”, the largest share of any of the 24 countries surveyed by the Pew Research Centre, a think-tank and pollster.

But Donald Trump has Nigeria in his sights. On October 31st, having reportedly watched a Fox News segment about the ostensible slaughter of Christians in the country, he posted that he would label Nigeria a “Country of

Particular Concern”, a designation for supposed hotbeds of religious persecution that can pave the way for American sanctions. A day later Mr Trump said America “may very well go into that now disgraced country, ‘guns-a-blazing’”, to wipe out “Islamic Terrorists”.

The idea of a “Christian genocide” in Nigeria has gained traction in conservative circles in America. There are parallels with the so-called “white genocide” in South Africa, another subject to have received Mr Trump’s attention via right-wing TV and lobbying in Washington by Africans with agendas at home. In both cases, although there is a kernel of truth, the specific claims are mostly wild exaggerations.

Nigeria, whose 230m people are broadly split between a Muslim-majority north and Christian-majority south, has three major security crises. First, terrorism by jihadist groups such as Boko Haram. Second, widespread banditry and kidnapping. Third, conflict between groups of herders and farmers. These crises, concentrated in the poor north, can involve Muslims murdering Christians. But they also involve Muslims (and Christians) killing Muslims. And the causes of the violence are often factors other than religion, like ethnicity, party politics or disputes over land.

“This is not religious violence, even if it has the semblance of it,” says the head of a Nigerian NGO. The Armed Conflict Location & Event Data (ACLED), an American monitor, estimates that since 2020 armed groups have targeted civilians on some 12,000 occasions, leading to nearly 21,000 deaths. Yet it reckons that there have been fewer than 400 cases that targeted Christians for their faith, with fewer than 500 reported deaths on these occasions. Massad Boulos, Mr Trump’s Africa adviser, said in October that “people of all religions and of all tribes are dying” in Nigeria.

And yet Mr Trump is right to imply that Nigerian governments have done far too little to tackle insecurity. Indeed they regularly make it worse. Human-rights groups have accused the army of killing civilians. Nigerian politicians hire thugs for elections. “The Americans didn’t invent our chaos—they merely licensed it,” argues Elnathan John, a Nigerian writer.

What will America do? Ted Cruz, a Republican senator, went to the White House on November 5th to discuss his bill that would sanction Nigerian politicians said to be abetting massacres. Other officials who must make sense

of Mr Trump's posts may be scrambling to think of potential targets. One possibility would be jihadists in the Lake Chad region. "But it's not like there is a terrorist lair or uranium facilities that we can bomb," says Matthew Page, a former Nigeria intelligence analyst for the American government, who now works at Chatham House, a think-tank in London.

For the moment Mr Trump is seeing what happens when he jolts the Nigerian government. It has pushed back on his characterisation while welcoming American help, as long as it is done in co-operation with Nigeria. Mr Tinubu will need to show an urgency that has been lacking in tackling Nigeria's security crises and in his foreign policy. After taking office in 2023 he recalled Nigeria's roughly 100 ambassadors—and has yet to appoint successors. Nigerian media suggest that some will be dispatched soon. Whoever goes to Washington will have work to do. ■

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Middle East & Africa | The Iraqi paradox

Iraq's election may ensure stability but leave militias in control

This may come at the cost of weakening civil society and wider freedoms

November 6th 2025



Outside one of Baghdad's top universities, throngs of young women in niqabs gather. The walls behind them are plastered with posters of militia fighters. Among them is Qais al-Khazali, who heads one of Iraq's toughest militias. His white turban and sharp eyes look down on the gossiping students, who are set to vote in the sixth general election since the American invasion of their country in 2002.

In the past few years under the coalition government of Muhammad Shia al-Sudani, Iraq has enjoyed a remarkable period of calm and economic growth, keeping out of the turmoil that has shaken the region. Some say the election will make little difference to the way Iraq is governed, whether or not Mr Sudani's bloc wins the most seats in the 329-member parliament. But it could

be a litmus test as to whether the country's Iran-backed militias can still pull the strings behind whatever government emerges.

Two decades ago Mr Khazali was one of America's most wanted: a leading light in the Shia Muslim insurgency against American-led coalition forces. He and his brother Laith were involved in numerous attacks on Western troops before being captured by British soldiers in 2007. Today Mr Khazali, still designated a terrorist by America, commands a militia that backs one of Iraq's biggest political blocs (in theory the parties do not have their own armed wings). Nobody knows for sure whether he will again support Mr Sudani's bloc. So Mr Khazali is a kingmaker in parliament. Whoever becomes prime minister will most probably have him to thank.

Last year, as Israel pulverised Iran's "axis of resistance" in Lebanon, Syria and Yemen, many Iraqis nervously wondered if they might be next. Yet as the bombs rained down across the region, Mr Khazali's militia, Asaib Ahl al-Haq (League of the Righteous), kept quiet. The group insisted it had no wish to drag Iraq into another war. This seems wise.

Mr Khazali's vision goes beyond armed resistance. In recent years his militia has turned to business and government, raking in a fortune through state procurement contracts and the energy industry. Corruption has flourished. As the cats grew fat, they became less inclined to fight Iran's battles; Iraq was rewarded with a fragile peace. Asaib was not the only militia to discover the rewards of commerce.

Lately, however, Asaib has gone a step further, taking control of Iraq's education ministry and those chattering students. Its record there hints at how it intends to use its influence more profoundly in Iraqi politics and society. The country's universities were once among the finest in the Middle East. For Mr Khazali, they are a jewel in the crown of his ambition to become Iraq's leader behind the scenes. Embedding a militia at the heart of government has probably contributed to Iraq's stability. But it also comes with costs for academic and wider freedoms.

Indeed, Asaib's foray into governance has already damaged the universities. The group has taken a nakedly partisan approach to education, turning campuses into ideological factories for its movement and a recruitment ground

for its militia. “We have become their HR office,” laments a secular-minded student activist.

Top engineering students are siphoned into Asaib’s drone programme. Pro-militia student unions get lavish funding. Higher grades are bought through connections to the party. Debate among Iraq’s gregarious youth is being stifled, faculty posts handed to loyalists. So the universities’ reputation has begun to sink fast. “If this continues, there will be very strong protests—and people will start speaking out,” warns Dhiaa al-Asadi, an academic and former MP from a movement led by Muqtada al-Sadr, a rival Shia firebrand.

“There’s often been an argument that it’s better to have them inside the state than outside it, because at least you avoid open or direct violence,” says Renad Mansour of Chatham House, a think-tank in London. “But as they take over the state, they become part of a system in which people continue to suffer from structural forms of violence”. If the coming election were to hinge on competence in government, Asaib’s record in education would not bring it votes. But the deeper question may be how successful Mr Khazali has already been in turning the higher-education ministry into a tool of party patronage. The consequences of what militia leaders have been doing to parts of the state may not be felt for years.

Aware of the benefit of keeping out of the region’s wars, most voters are not expected to plump for the more fiery of the militias that still promise to take the fight to Israel and America. There is a growing consensus that Iraq should welcome the return of big American firms and that a limited American security presence may even bolster the country’s recent stability. (Currently some 2,500 keep a low profile, mainly as trainers.) In any event, the actual results of the coming vote may matter less than the horse-trading that follows. Forming a new government could take six months or more. Alliances can still be made and broken quickly.

Meanwhile Iraq’s militias are jumpy. They fear suffering the same fate as Hizbullah in Lebanon or Hamas in Gaza if they anger America or Israel. For the moment, at least for Mr Khazali, control of the universities is a safer bet than threatening to take up arms. The country’s students will pay the price. ■

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Israel's politicians are taking on its lawyers once again

The arrest of the IDF's top lawyer will affect Israel's political future

November 6th 2025



The legal branch of the Israel Defence Forces (idf) claims to be investigating “hundreds” of allegations against Israeli troops of crimes committed during the war in Gaza. So far these have yielded only a handful of criminal charges. Major General Yifat Tomer-Yerushalmi, the military advocate-general, had overseen these investigations until she resigned on October 31st. Then, on November 2nd, she was arrested.

General Tomer-Yerushalmi's crime, to which she has admitted, was to leak to the press a video from July 2024 purportedly showing a group of idf soldiers sexually assaulting a member of Hamas held in Sde Teiman, a notorious detention centre in southern Israel. The investigation into the assault, which included the arrest of soldiers serving there as jailers, triggered riots by far-

right activists, including members of the government, who burst into Sde Teiman and another idf base. Five of the alleged perpetrators are now facing trial.

So far Binyamin Netanyahu, Israel's prime minister, seems far more worried about the leak than the alleged assault. In a statement to his cabinet he called it "the most serious reputational attack Israel has experienced since its foundation". For "attack" he used the Hebrew word used to describe terrorist attacks. His allies are calling for the charges against the assailants, and any other soldiers accused of crimes in Gaza, to be dropped.

They are also trying to use the investigation leak to attack the attorney-general, Gali Baharav-Miara, and the Supreme Court judges who have backed General Tomer-Yerushalmi throughout the war. They accuse Ms Baharav-Miara of being slow to arrest her for the leak, allowing her to vanish for hours in what was either a half-hearted or fake suicide attempt during which her phone disappeared in the sea.

This saga most immediately demonstrates Israel's inability to monitor and judge the war crimes alleged to have taken place during the two years of its war in Gaza. It will also have an impact on the country's political future.

By law the next election to the Knesset, the Israeli parliament, must take place by the end of October 2026. But the demands of the hard-right parties that Israel should return to war in Gaza, and of the ultra-Orthodox parties for legislation that will exempt seminary students from national service, are straining the coalition. If the government collapses, as expected, the poll would have to be brought forward.

The signs are that Mr Netanyahu intends to campaign at least in part by appealing to the animosity his supporters feel towards Israel's legal establishment. His coalition was lagging in the polls even before the disastrous war in Gaza because of its divisive reforms to limit the powers of the Supreme Court and attorney-general. But the accusations that General Tomer-Yerushalmi did not act alone in leaking the Sde Teiman video, but had allies in the judiciary and the media, are fuelling a co-ordinated assault by the far right on the "deep state" of Israel's old elites.

Since October 2023, Mr Netanyahu has been trying to shift the blame for the failure to anticipate Hamas's attacks onto the security chiefs, nearly all of whom have since resigned. This latest scandal is giving those efforts new life. He is also hoping to divert attention and perhaps end an investigation into three of his media advisers, who stand accused of leaking secret intelligence documents last year.

What is clear is that the focus in Israel is now squarely back on the domestic struggle between the Netanyahu government and the legal system. Any hope of a national reckoning over the failures of October 7th and what Israel has done in Gaza will have to wait until after the election. ■

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Europe

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Europe | France's populist right

Jordan Bardella starts to lay out his plans

The 30-year-old French populist who is preparing for power

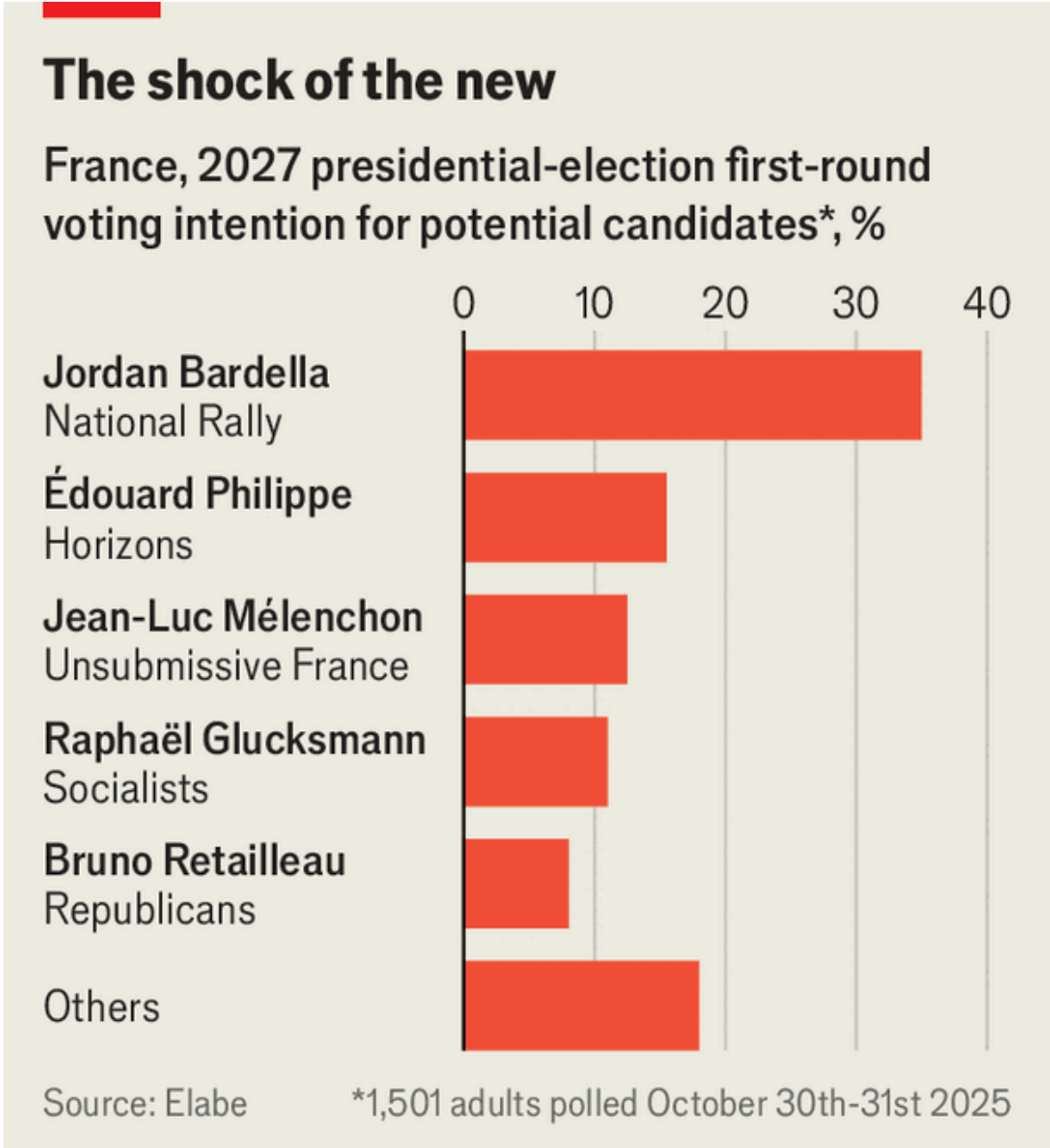
November 6th 2025



On the first evening of his book tour last week, in a small town in the mining basin of northern France, [Jordan Bardella](#) spent six hours signing copies for 1,300 people. Two days later, in a town in Burgundy, a long line of fans snaked along the pavement waiting to see him. Aged just 30, the protégé of Marine Le Pen and president of her populist-right party, National Rally (RN), is now France's most popular politician. His face is splashed across the front pages; his new book tops the best-seller lists, second only to the latest Astérix volume. Mr Bardella's fandom is not inconsequential. With French politics gridlocked, there is a chance that this young man could, in the near future, win power.

Mr Bardella is the overwhelming favourite to win the first round of voting in the presidential election due in 2027. A new poll gives him 35%, over twice

the 15.5% of his nearest rival, Edouard Philippe, a former centrist prime minister, though the poll does not test the run-off. Mr Bardella is currently the RN's pick to become prime minister, should President Emmanuel Macron hold snap legislative elections before then. If an appeals court next year confirms [a ban on Ms Le Pen](#) from running for elected office (over a European Parliament party-financing offence), the pair have agreed that he will be the RN presidential candidate.



It is quite an ascent for a geeky kid who grew up in social housing in a rough neighbourhood north of Paris. After joining the party as a teenager, then dropping out of university to become a full-time RN hack, Mr Bardella has risen at record speed under Ms Le Pen's wing. He was elected party leader in 2022. Like Ms Le Pen, Mr Bardella has sought to distance the party from its roots in xenophobia, antisemitism and the snarling indignation practised by Ms Le Pen's father, Jean-Marie. When Le Pen senior made it into the presidential run-off in 2002, Mr Bardella was just six years old.

This year he cancelled an appearance at a conservative event near Washington, DC, after Steve Bannon made a Nazi-like salute. He also, in an arresting shift, went to Israel, visiting Yad Vashem, the Holocaust memorial. Having last year cut the RN's ties to the extremist Alternative for Germany, Mr Bardella now speaks warmly of Giorgia Meloni, Italy's prime minister, who embodies a more moderate version of the populist right.

Unlike Ms Le Pen, however, Mr Bardella is a product of a young generation. With over 2m followers on TikTok, he periodically posts clips of himself in regular-guy mode—eating Haribo sweets, working out at the gym—or sets reels to Brazilian funk tracks. The RN president still plays identity politics and taps into nostalgia for a pre-immigrant past. But his breezy optimism, ready smile and upbeat talk of growth and AI make him a fearsome retail politician.

The party now deploys Mr Bardella as part of its [backroom charm-offensive](#) to reassure the French elite. He promises €100bn (\$115bn) of budget savings over five years, “pro-growth taxation”, and a simplification of rules that weigh down firms. He dismisses the left's tax plans as a recipe for “Venezuela without the oil”. The value of work runs through his new book, a series of encounters with French people struggling to make ends meet. “I'm trying to develop positions that are pro-business,” Mr Bardella argues, describing himself as “pragmatic on economics”: “If we don't create wealth, we won't be able to deal with the wall of debt.” Not all French bosses are convinced. One says he found Mr Bardella “very smart”. Another says he is deeply sceptical of the pledge on budget cuts, and rolls his eyes at the RN's support for a wealth tax.

Mr Bardella claims to have no political role model. He likes the way that Donald Trump “defends his country's interests” but adds that “he does it in a very American style that is not European and even less French.” Yet there is

something quite Trumpian about Mr Bardella's blend of anti-immigrant, tech-focused, green-sceptic nationalism. There is no talk of walls or swamps. Yet Mr Bardella, whose parents are of Italian origin, insists that the "European people" fear "disappearing" under pressure from "migratory waves". Supporters chant "This is our home" at RN rallies.

Behind Mr Bardella's thinking is a "France first" impulse. He wants preference in public orders for French firms that manufacture at home. He would pull France out of the EU electricity-pricing scheme, so it can benefit from its cheaper nuclear power ("We are being forced to pay for everyone else"). He wants a rebate on France's payments to the EU budget, which keep rising ("It's madness"). America should be a "partner, not a big brother".

What emerges is a radical plan that would challenge the principles that underpin the EU, built on the idea of collective strength through risk-sharing. Mr Bardella says he is "not in favour of leaving the EU", but for "a Europe of nations". Europe, he says "should stop regulating the noise of lawnmowers, and focus on major projects for the future that are vital for European civilisation: AI, digital technology, space, data...But it should leave it to us to tell our farmers what products they can use."

More controversially, Mr Bardella says that "we won't be able to avoid a discussion with the European Central Bank about French debt," which currently amounts to nearly 116% of GDP. He wants to raise the idea that "the ECB could do quantitative easing, as it did 12-15 years ago." During the euro-zone crisis of 2009-2012 the ECB bought sovereign debt for troubled countries. Such a scheme, he breezily reckons, accompanied by a credible five-year growth plan, could be in the common interest if it helped bring stability: "If the French economy cracks, the whole euro zone will crack."

Such ideas expose the contradictions in Mr Bardella's plans. He wants to unpick European policy, but also benefit from the institutions and alliances the continent has built (he calls France's contribution to defending NATO's eastern flank against the Russian threat "fundamental"). His ideas would set France, a founding member of the union, on a collision path with not only EU institutions but Germany. For Mr Bardella, this seems to be the point. "The EU is an association in defence of Germany's interests," he declares. It is said with a smile, but it is a thundering message that will dismay Europe's defenders and delight his fans in equal measure. ■

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Europe | Gradually, then suddenly

Ukraine's valiant defence of Pokrovsk is nearing its end

Russia suffers huge casualties, but its new drone-powered assault is working

November 6th 2025



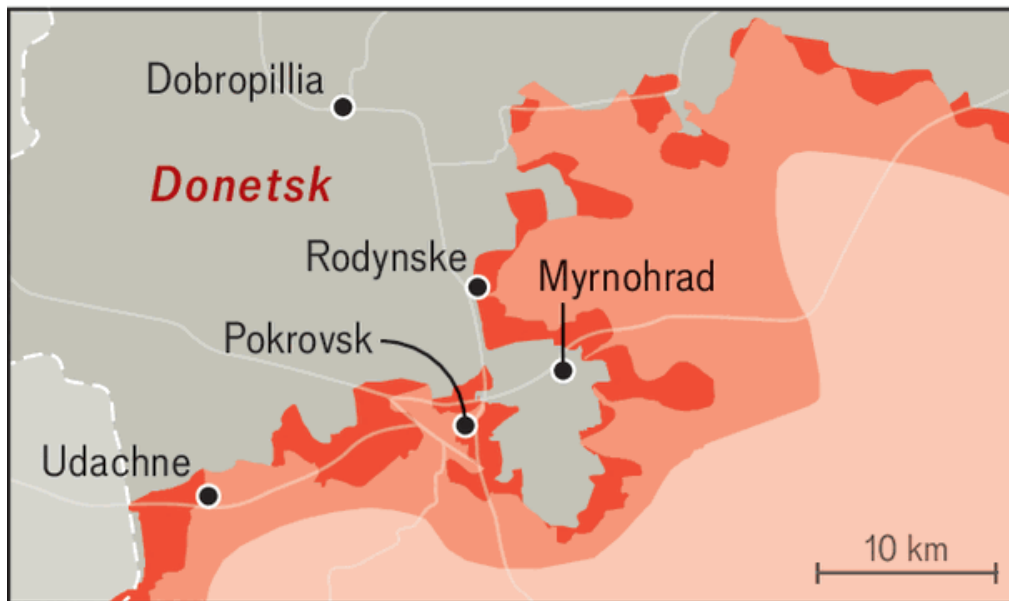
Twenty-one months after it began, Vladimir Putin's assault on the small Donbas city of Pokrovsk (pre-war population 60,000) is nearing its end. A bloody surge in late October made the situation in the city and in Myrhnograd, a satellite town, irretrievable for the Ukrainians. Now they are battling for position to extract their forces, some trapped in pockets. The loss of Pokrovsk, though long anticipated, would be a significant blow. Worse could come later: the city is a crossroads that offers Russia a base for further advances.

Ukraine's desperation showed with two daring helicopter raids on October 29th and 31st. Conducted by Ukrainian military intelligence (HUR) using American Black Hawk helicopters, and led personally by its commander Kyrylo Budanov, the missions slipped special forces into the contested zone at

the city's northern edge. The aim was to strengthen Ukrainian positions along an access road to the north. Russia promptly claimed to have destroyed the group, using obviously doctored footage as evidence. That Ukraine's helicopters returned intact was one success. But to what extent the operation achieved its aims is still unknown.

“Michael”, the commander of Taifun, a special-forces drone unit fighting in the area, says Russia fully controls at least 60% of Pokrovsk itself, with the rest contested. “The whole of the northern part is grey zone,” he says. But a Ukrainian intelligence source says the balance depends less on horizontal geography than on vertical dominance. “You need to understand who controls the high buildings,” the source says. “It doesn't matter so much what happens at ground level.” Ukraine is fighting to regain key heights to unblock units surrounded by the enemy further south.

The heights of northern Pokrovsk are the most pressing problem. “It looks like we will lose some of our units,” the officer says. But things do not look much better in Myrhnograd to the east, where Ukrainian forces risk being encircled. A corridor to the north began to close starting on October 26th, when Russian forces entered the urban area of Rodynske. They were pushed out at least once, with footage showing piles of Russian corpses, but have returned. The Ukrainians are holding off Russian attempts to close the gap in the ring, now only a few kilometres wide.



November 5th 2025

- Russian-controlled
- Russian advances
- Claimed Russian-controlled

Sources: Institute for the Study of War; AEI's Critical Threats Project

Russia's progress has been predicated on mass: men and weapons. "Sometimes it's one to six, one to eight, one to ten, they keep throwing bodies at it," says Taifun's Michael. "Clausewitz would be shocked if he saw some of the ratios." Just as crucially, however, Russia is edging ahead in the drone fight. Ukraine has deployed a record number of drone squads to the sector, but is struggling against a better-resourced enemy. Elite formations such as Rubikon, reporting directly to the defence ministry in Moscow, dominate the skies. Russian drones lurk along Ukraine's main supply routes. Rather than flying after a target, they are already hovering in the sky or waiting at a road's edge, ready to ambush. With more long-range drones, Russia's reach is several kilometres deeper. That means they are able to hunt Ukrainian drone operators with near impunity.

Whether Russia can sustain this level of attack is uncertain. Its gains, still relatively small, come at a huge cost in blood. Yet the long-delayed collapse of the defence of Pokrovsk suggests they have found a formula that, while gruesome, works. For its part, Ukraine suffers from a systemic malaise of poor planning and paralysis in the face of bad news. Military and political bosses have failed to start building new underground fortifications in response to Russia's war of mass and drones. Pokrovsk is not the end of the story, but should be a wake-up call. "Russia has gained a sense of courage," says the intelligence source. "It is time for everyone—at home and in the West—to stop messing around." ■

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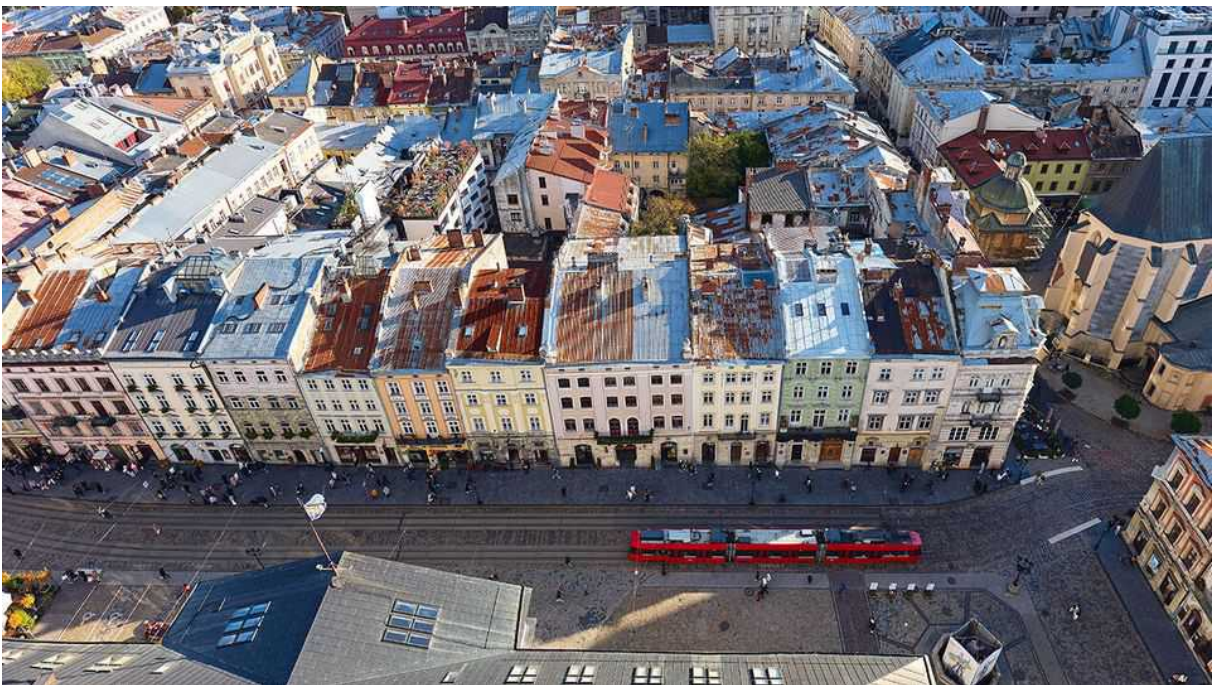
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Europe | Location, location, location

War is blasting Ukraine's border city of Kharkiv but boosting Lviv

A tale of two Ukrainian cities

November 6th 2025

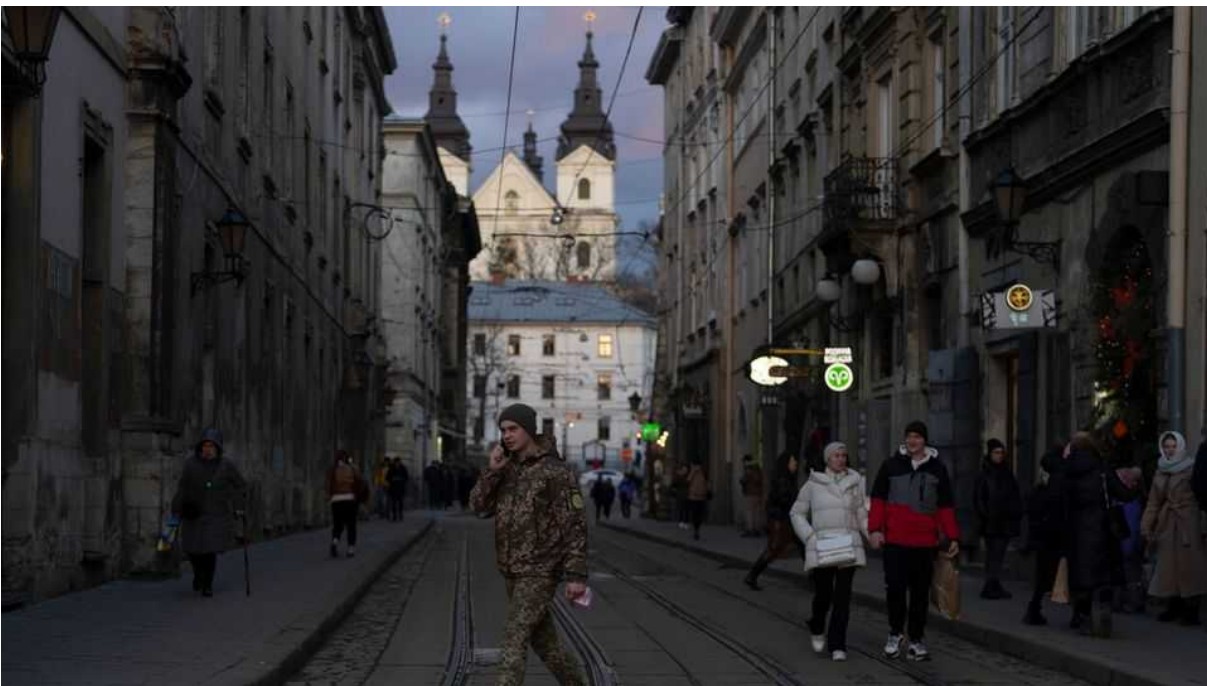


WAR IS PERMANENTLY changing Ukraine's geography. Nowhere is this illustrated more clearly than in the contrast between two of its great cities: Kharkiv in the east, and Lviv in the west. With combat raging to its north and east, Kharkiv, once an industrial powerhouse and Ukraine's second city, is struggling. Meanwhile Lviv is profiting as people, business and investment move to the centre and west of the country.

Location is everything. Kharkiv is just 40km (25 miles) from Russia, once a vital trading partner of Ukraine but now the country's bitterest enemy. Lviv sits 70km from prosperous Poland, gateway to the markets of the European Union. Many of the province's inhabitants work on the other side of the border.

Maksym Kozytskyi, the governor of Lviv province, has a bust in his office of Emperor Franz Joseph, who ruled the Austro-Hungarian Empire until his death in 1916. Lviv was one of that empire's biggest cities, Mr Kozytskyi recalls, but the Soviet conquest of Ukraine turned the country's focus eastward. When Russia launched its full-scale invasion in 2022, the European Union responded by making Ukraine a candidate for accession. Ukraine's growing integration with the EU since the war started has begun to return Lviv to its old place in central Europe.

Andriy Sadovyi, the city's mayor, bubbles with excitement when he describes the changes. Ukraine's population has been shrinking for decades, but Lviv has grown to a million inhabitants since 2022, thanks largely to the influx of 150,000 people from Kharkiv and other eastern areas. Some 280 companies have relocated to Lviv province, including 60 from Kharkiv. A major industrial park recently opened in the city's suburbs, along with a university. The EU plans to help make Lviv a railway hub by upgrading links to Poland and Romania. "We have a much better economic situation than before the Russian invasion," Mr Sadovyi says. The historic Austro-Hungarian city centre is packed and peaceful. Teachers shepherd groups of small children in high-visibility vests past crowds of tourists and students.



The centre of Kharkiv, meanwhile, is dominated by monumental buildings put up a century ago, when it was the capital of Soviet Ukraine. Its streets are much quieter. Until the invasion it was a major educational centre, home to some 270,000 university-level students. Now, because of frequent [drone and missile attacks](#), most education is online. Only half the old number of students are believed to remain.



Before the full-scale invasion, Kharkiv was home to about 1.6m people. Nataliya Zubar, who runs a human-rights organisation in the city, estimates it is now between 1.2m and 1.3m. In the first phase of Russia's war against Ukraine, starting in 2014, the city took in a wave of refugees from the occupied parts of Donetsk and Luhansk provinces. Since 2022 it has absorbed still more, from various war-ravaged areas in the east. Yet much of the city's middle class has left for safer regions in the west. Ms Zubar thinks the city will recover after the war, becoming an armed-forces hub housing many soldiers and their families and a centre for Ukraine's emerging military-technology industry.



Pavlo Kobzar is the co-founder of Logity, a freight-brokerage firm that employed 850 people in Kharkiv until 2022. Today only 185 of them remain there; Mr Kobzar now commutes between Kharkiv and Lviv. Kharkiv will take “at least a decade to recover”, he says. “The majority of my friends are not there any more.” How many will return will depend on how safe they feel he says. Russia, he notes, has said it wants to conquer all of Ukraine up to the Dnieper river, which would include Kharkiv.

Olga Shapoval, director of the Kharkiv IT Cluster, says that until 2022 there were some 50,000 IT professionals in the city. Perhaps half remain, she says, but it is hard to know for sure. Many remain registered as residents in Kharkiv while actually living in Lviv or abroad. One study found that the share of the country's IT workers who live in Kharkiv fell from 14% in 2021 to 4% last year. In Lviv it rose from 14% to 18%.

Sergii Fursa, deputy director of Dragon Capital, an investment firm, thinks Kharkiv [could recover](#) if the war is settled on a secure basis. But for now, he says, all the new private-equity investment is in western Ukraine: "We do not even look at any region on the left [east] bank of the Dnieper." Construction statistics do not signal much confidence in Kharkiv. In the first six months of this year builders started work on 15,559 new homes in Kyiv province, 6,956 in Lviv and only 199 in Kharkiv.

Analysts say redeveloping cities such as Kharkiv will require the government to offer tax breaks and other incentives graduated by risk, meaning proximity to Russia or Russian-occupied territory. Kyiv will continue to attract wealth, talent and people. Odessa's future is secure: it is Ukraine's main port. But much of the country's east could become a rust belt, perpetually threatened by war. Ivan Movchan is chief executive of USC, a company that once made industrial scales in Kharkiv. When its factory there was destroyed the company shifted production to central Ukraine. They want to return to Kharkiv, he says, "but it won't be easy." If companies like his do not manage to go home, he worries, the city will shrink to a shell of its former self, "like Detroit". ■

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Europe | Ukraine-bashing Babis

A Czech shift to the right is worrying news for Ukraine

But the new prime minister will probably not join Viktor Orbán's efforts to block aid

November 6th 2025



ANDREJ BABIS is back in power in the Czech Republic, this time heading a government that leans more to the right. Although Mr Babis (pictured), a billionaire who first served as prime minister from 2017-21, has always campaigned as a populist, his ANO party is ideologically centrist. But on November 3rd he sealed a coalition deal with two smaller, more radical parties. The nationalist Freedom and Direct Democracy (SPD) party, headed by Tomio Okamura, a wise-cracking Japanese-Czech entrepreneur, wants a referendum on leaving the European Union and NATO, while Motorists for Themselves, an auto-owners' party, is dead set against the EU's Green Deal.

Mr Babis agrees with the Motorists on scaling back climate measures, though he will not give the SPD its referendums. But another big question is where he will come down on aid to Ukraine. During the campaign he criticised the previous government's generosity, and said a Czech-run programme to buy ammunition for Ukraine would be handed over to NATO. Apart from that, his views are largely in line with the EU's pro-Ukrainian consensus. But the SPD parrots the Russian line. And Viktor Orbán, Hungary's prime minister, would like to recruit the Czechs as part of an anti-Ukrainian alliance in central Europe.

For years, Mr Orbán has been fanning Hungarians' resentment over the costs of helping Ukraine defend itself against Russia. "We cannot allow Hungarians' money to be sent to Ukraine," he wrote on November 3rd on X, citing *The Economist's* estimate that doing so would cost Europe around \$400bn over four years. This is partly about domestic politics. Polls show Fidesz, his populist-right party, well behind Respect and Freedom (Tisza), a conservative party led by Peter Magyar, a charismatic former Fidesz member who has spent the past two years blasting the government for corruption.

Mr Orbán's search for partners focuses on his fellow members of the Visegrad Four countries: the Czech Republic, Poland and Slovakia. In fact, Hungary has always done less for Ukraine than the others. The Czech Republic, for instance, hosted more Ukrainian refugees per head than any other country (up to 600,000 in a country of 11m). Poland says it is spending around 5% of its GDP on help for Ukraine and its refugees in Poland. Mr Orbán, for his part, has repeatedly blocked EU aid to Ukraine, often as a bargaining chip to get the bloc to release funding for Hungary frozen over rule-of-law violations. He is also vetoing progress on Ukraine's accession to the EU.

Poland is among the EU's staunchest backers of Ukraine's war effort; even its populist opposition wants nothing to do with Hungary's line. Mr Orbán hopes for better luck with the other two Visegrad members. Robert Fico, Slovakia's populist prime minister, opposes the EU's sanctions on Russia. But he has a pragmatic attitude towards Ukraine, says Milan Nic of the German Council on Foreign Relations. Slovakia exports lots of ammunition to its armed forces, and its businesses hope to profit from the country's reconstruction.

"Orbán is isolated on Ukraine," says Armida van Rij of the Centre for European Reform, a think-tank in Brussels. For the first time in 15 years, he is

the underdog in an election campaign. On November 7th he will meet Donald Trump in Washington, and try to get an exemption to American sanctions on Russian oil. He is organising a nationwide “anti-war tour” starting on November 15th, beginning in Győr in western Hungary, to counter huge opposition rallies in recent months. But as in the Czech Republic, abandoning Ukraine may not be the political winner he hopes for. ■

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Europe | The woke pope

Pope Leo XIV is infuriating MAGA Catholics

Concern for the poor and the planet rubs some the wrong way

November 6th 2025



On October 25th Raymond Burke, an American cardinal, celebrated an ornate Latin-rite mass at St Peter's Basilica in the Vatican, thick with incense and nostalgia. A year ago the spectacle would have been unthinkable: the late Pope Francis, who died in April, tightly restricted mass in Latin. Cardinal Burke, who headed a traditionalist revolt against Francis's liberal reforms, was stripped of any significant position.

For some conservative Catholics, who have been pushing the Latin mass ever since the church made it optional in the 1960s, it was a vindication. But others saw it as a sop meant to pacify them. Pope Leo XIV, who authorised the mass, seems content to let the incense waft while taking Francis's line on issues such as poverty, inequality and climate change. His first major text, *Dilexi Te*, describes protecting the climate, welcoming migrants and pursuing economic

justice as sacred obligations. To admirers he is a compassionate reformer; to critics, the “commie” or “woke pope”.

Benjamin Harnwell, a correspondent for WarRoom, a MAGA podcast, said the traditionalists had been “bought off”. America’s conservative Catholics, many of whom voted for Donald Trump, had hoped for a pope who would keep quiet about migrants and capitalism, and lure back wealthy right-wing donors whom Francis had alienated.

Instead, Leo has deplored America’s “inhuman” deportation policies. At a meeting with American bishops in October he urged them to speak out on such issues. Shortly after Mr Trump called climate change “a con-job”, the pope berated leaders who “ridicule global warming” and proceeded to bless a chunk of ice from Greenland. Conservatives called the gesture paganism.

The shrillest reaction came after Leo said that supporters of the death penalty could not call themselves pro-life. Joseph Strickland, a bishop from Texas, wrote in an open letter that “the Church I love is being dismantled.” John Yep, head of Catholics for Catholics, a conservative group, noted that traditionalists were grateful Leo allowed the mass, but his stances on migrants suggest he is “not getting what is happening” in America.

Where Francis often acted brashly, Leo’s style is slow and careful. Leo is “more intelligent, more subtle than Francis and therefore more dangerous”, said Mr Harnwell. Although the new pope supports more input on policy and doctrine from lay people and women, he will probably disappoint progressives on abortion and gender. Yet overall, Pope Leo’s Vatican is clearly tilting further left. The conservatives got their mass, but not their man. ■

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Europe | Charlemagne

Why moderates are reclaiming Europe's national flags

Populists and nativists have usurped them

November 6th 2025



To be a European is to have learned from history that what starts off as patriotic fervour can, under the wrong kind of pressure, curdle into something far uglier. Most Europeans thus treat the flags of their respective countries—the most potent symbol of the national collective id—with something akin to polite restraint, as if to temper the passions they might suddenly unleash. Americans unabashedly flutter their star-spangled banner in front yards and on pickup trucks; no car dealership is complete without a sea of red, white and blue. Europeans on the whole are more circumspect. The French tricolore, Spanish Rojigualda or assorted Scandinavian crosses fly proudly atop parliaments, schools, war memorials and other patches of officialdom. But across much of the continent, for an individual to be seen waving a national

flag, or to hang one outside his or her home, is to invite questions. Is there a football championship under way? Is there some other cause for celebration? Or are you...one of those patriotic types?

Europe is a continent divided by flag-waving habits. Danes use theirs, the oldest in continued existence, as a crutch for even the most mundane of celebrations: visitors are greeted at the airport with plastic pennants, and no birthday cake is complete unless adorned by the Dannebrog. When ordinary Germans, uniquely mindful of where a surfeit of nationalism might lead, eagerly brandished their flag during the football World Cup of 2006, many felt a page had been turned. In 2022 struggling Dutch farmers took to flying their national emblem upside-down, a recognised sign of distress. In Belgium and Spain, displaying the national colours can indicate a desire for the country to remain united amid regional clamourings for secession. Across the European Union, politicians can show their affection for ever-closer union by draping themselves in the club's 12-starred flag, as France's president, Emmanuel Macron, has done. But in the absence of a national crisis, celebration or sporting triumph, public displays of affection for the flag are rare. Visit a European city and Ukrainian or Palestinian banners are more likely to adorn balconies than national ones.

Jingoistic types have knowingly stepped into this vexillological vacuum. Parties on the populist right have played an adept game of "capture the flag". In the hands of these self-appointed defenders of the homeland, banners created to unite have been weaponised into symbols that divide. Marches held for the National Rally in France, the Alternative for Germany or the Brothers of Italy and fellow nativists across Europe brim with national colours. In part this is done to needle liberals, who feel unable to criticise reverence for the flag—even if they associate it with fuddy-duddy ideas harking back to the past, such as uncritical reverence for empire or militarism. But the main targets of the flag-wavers are immigrants. This flag, they are to be reminded, was ours before you lot arrived; dare you brandish it with the performative verve of the native-born? A sea of eagerly waved fabric is meant to intimidate outsiders, not bring them in. A recent campaign poster for Chega, a xenophobic Portuguese party, depicted the red-and-green national flag with the slogan "This is not Bangladesh."

What was once confined to marches and rallies has taken a more public turn. National colours have appeared in unexpected places of late. Last month more

than 20 black, red and gold German flags surreptitiously appeared in Nachrodt-Wiblingwerde, a small town near Dortmund. A banner explaining that “national pride is not a crime” left useful hints as to the purpose of the flag-hanging. A few days earlier Uithoorn, a town near Amsterdam, had found itself plastered in Dutch flags also of unclear provenance, but seemingly linked to a proposed asylum-processing centre. Similar outbreaks of spontaneous flag-flashing have been spotted in France and Ireland. The inspiration seems to have been a nativist British campaign, Operation Raise the Colours, that flourished last summer—the least welcome British export to the continent since Marmite.

Mindful of the provocation, moderates are striking back. Sir Keir Starmer has draped himself in the Union Jack to the point of Churchillian excess. On October 29th the unexpected winner of the Dutch elections, Rob Jetten, made his victory speech in front of an oversize national banner, after a campaign featuring what some Dutch found unseemly orgies of flag-waving. A young, cosmopolitan liberal from a pro-European party, Mr Jetten might have been expected to flaunt the EU emblem. By brandishing the Dutch flag that his adversaries on the populist right have tried to monopolise, his aim has been to “reclaim” what should be an inclusive emblem, he says. The subtext is that progressives need not leave patriotism to the demagogic fringes. It is not just Mr Jetten who wants to ensure the flag remains a national symbol, not a factional one. One placard at a French demo last year read “Don’t let fascists steal our flag”. Frank-Walter Steinmeier, the social-democratic German president, has beseeched his countrymen not to allow the flag “to be hijacked and abused by those who want to foment new nationalist hatred”.

Europeans may never rival Americans in flag-flying fervour, but they can at least aspire to a dignified half-mast of enthusiasm. There is something endearingly continental about fretting over whether hoisting a national emblem might accidentally summon goose-stepping zealots. The very idea that patriotism is something that should aim to exclude rather than include should strike most Europeans as daft. As Mr Jetten suggests, if centrists could manage to wave their banners without wincing, they might just remind voters that affection for one’s country need not come wrapped in menace. A little pride, unfurled politely and at the right moment, could yet prove Europe’s most unifying fabric. ■

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Britain

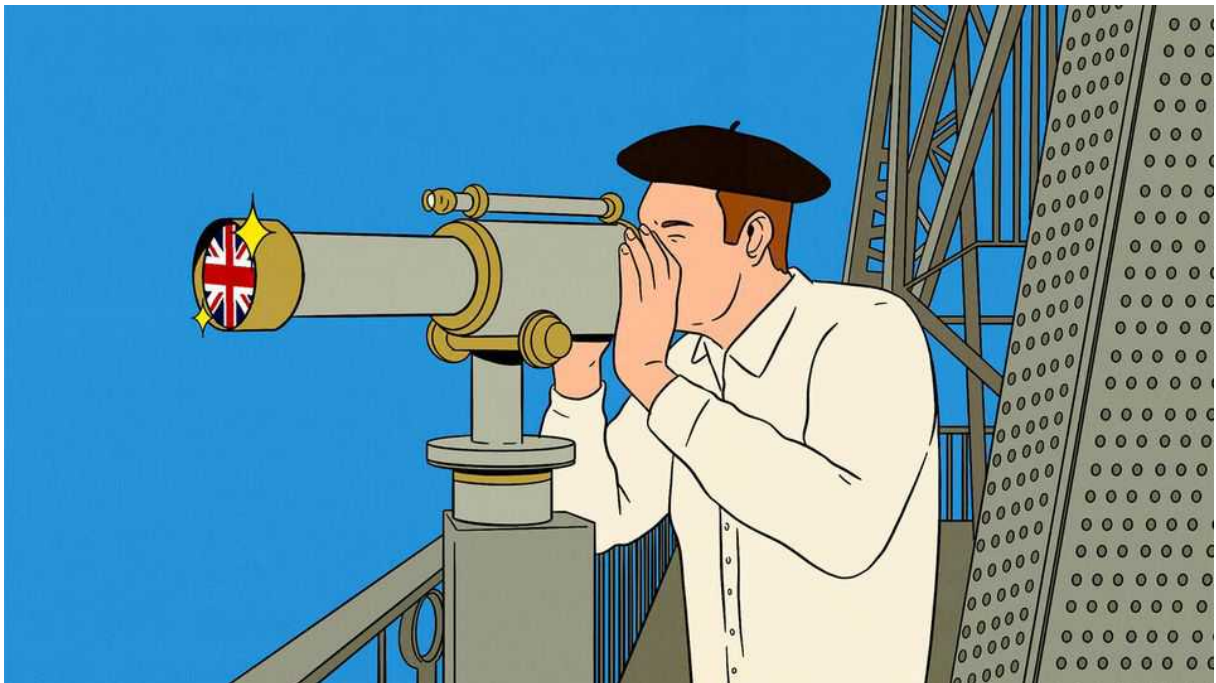
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Britain | Unbroken Britain

Brand Britain has bounced back

Despite all the gloom at home, the country's reputation is surprisingly bright

November 6th 2025

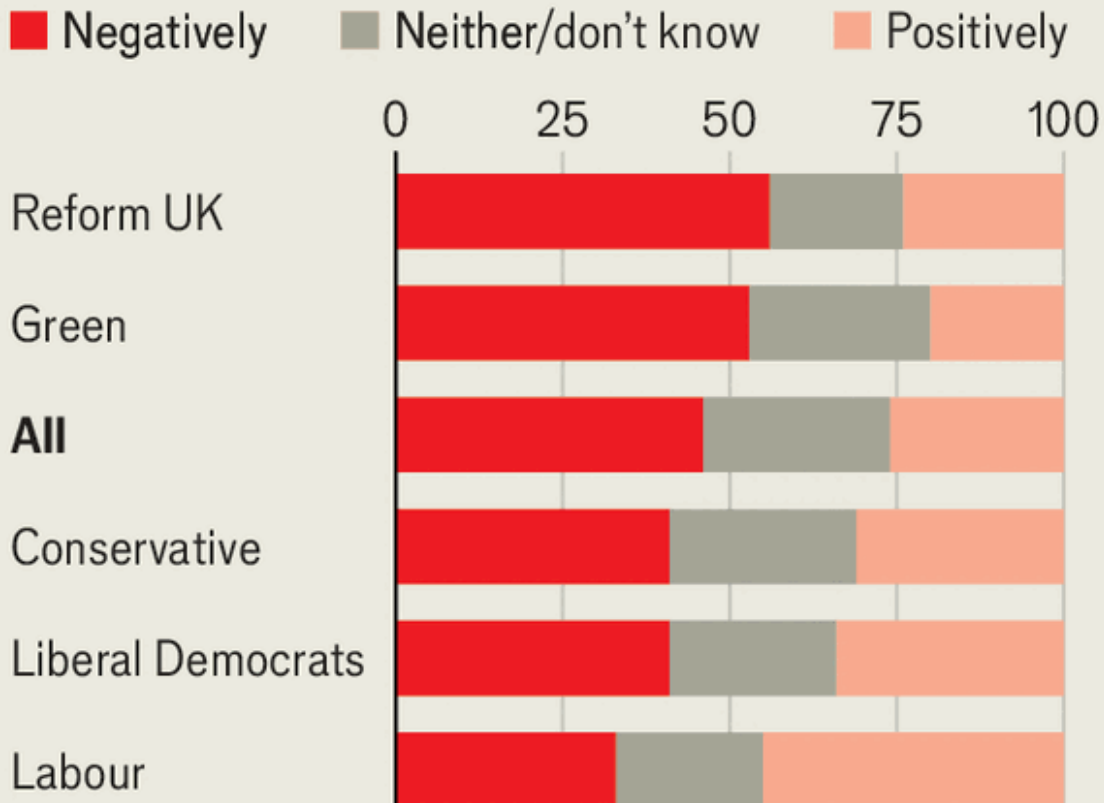


MARGARET THATCHER worried a lot about Britain's reputation. "As I travel the world", she said in a fiery speech in 1976, three years before she became prime minister, "I find people asking again and again: 'What has happened to Britain?'" Britain held the undisputed title as "sick man of Europe", crippled by industrial unrest, sky-high interest rates, economic decline and diplomatic impotence.

Inside out

1

“How is the UK perceived by the rest of the world?”,
% responding*, by 2024 general-election vote
Britain, September 2025



Source: More in Common

*2,037 respondents

Ask Britons how they feel about the country today and you could be forgiven for thinking you had teleported back to 1976. Newspaper headlines suggest the country is on the cusp of an IMF bail-out, crime is out of control and public services are close to collapse. “We are living through a period of economic and social decline,” bemoans Nigel Farage, whose right-wing populist Reform UK leads in polls. “Our great country is heading in the wrong direction.” Nearly three-quarters of Britons agree, according to a recent survey

by Ipsos, a pollster. Almost half of Britons also say that Britain is perceived negatively by the rest of the world (see chart 1).

Some high-profile foreigners delight in Britain-bashing, too. America's vice-president, J.D. Vance, has worried aloud about threats to free speech in Britain. And the world's richest man, Elon Musk, told his 229m followers on X on October 29th that "Civil war in Britain is inevitable."

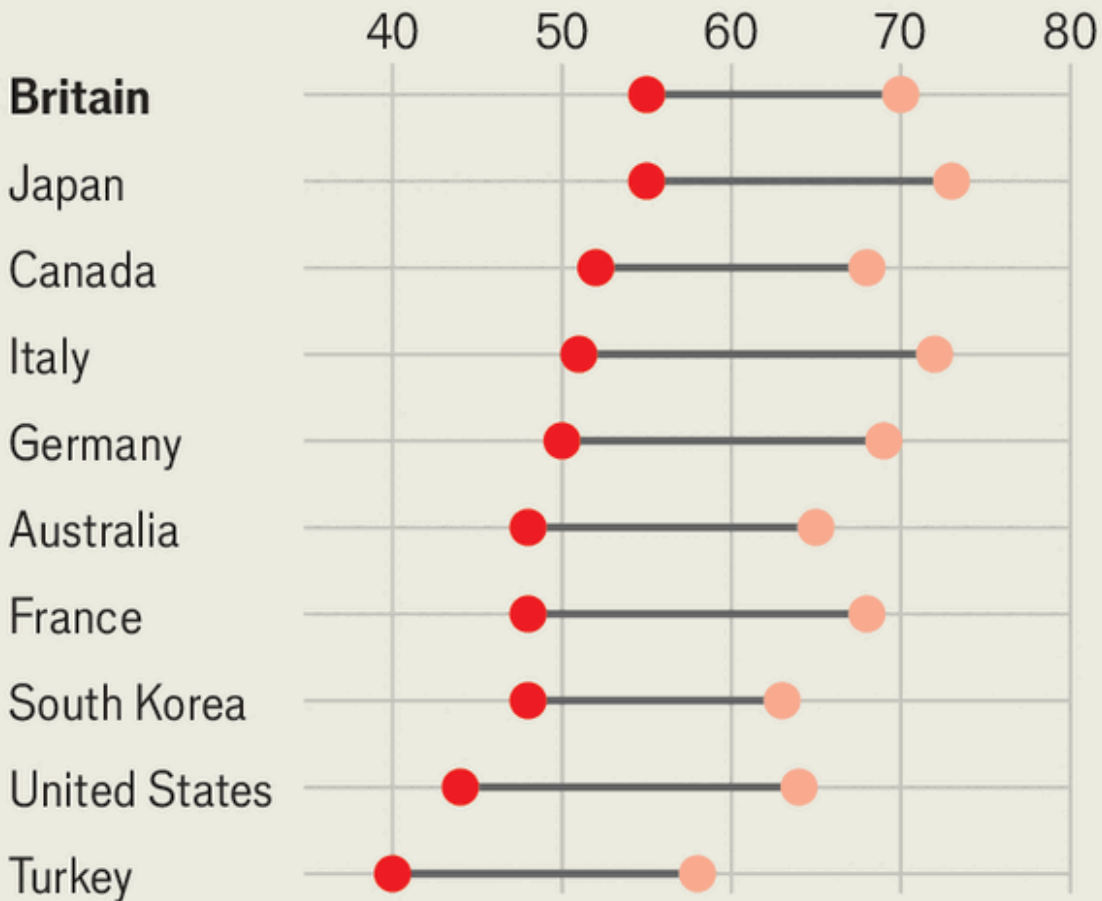
Outside in

2

G20 countries, % of young people* responding positively, 2025

● Trust in government

● Attractiveness[†]



*Aged 18-34, excluding Russia. Not asked about their own country

[†]Based on trust in government, people and institutions

Sources: British Council; Savanta

But the wider view from abroad tells a different story. This year's survey data from the British Council on global perceptions of Britain show that the country's international reputation is holding up remarkably well (see chart 2). Among 18- to 34-year-olds, Britain ranked as the third-most-attractive country

in the G20 group of big economies. Trust in the British government scored highest, and trust in the country's institutions second only to Japan. "If you look at classic soft-power measures—culture, institutions, people and values—then the UK is holding really steady," says Christine Wilson of the council.

Other gauges point the same way. Every year Brand Finance, a consultancy, asks 100,000 respondents worldwide what they think of different countries and their influence. The results put Britain's "brand" third, behind America and China. Polling by Anholt-Ipsos placed Britain's "nation-brand", a proxy for global reputation, fifth out of 50 countries surveyed. At home, Britain-bashing is a national pastime. But across four broad areas—foreign policy, business, culture and technology—Britain's international stock is in fact rising.

First, foreign policy. Britain has quietly rebuilt some of the diplomatic influence it squandered in the Brexit years. It can do little to alter the structural decline in power relative to America and China. But it can still aspire to punch above its weight.

Defence's rise in the West's agenda has helped. Britain is one of the five nuclear-armed states with a permanent seat on the UN Security Council. It is a muscular member of NATO and its signals-intelligence service, GCHQ, makes it a pillar of the "Five Eyes" intelligence-sharing elite, with America, Australia, Canada and New Zealand. Sir Keir Starmer, the prime minister, has impressed European leaders with his ability to convene allies and stake out tricky positions, like his early call to boost defence spending at the cost of aid. Restored trust has helped Britain's "reset" with the EU and smoothed the way to bilateral deals with France and Germany.



France's president, Emmanuel Macron, speaks privately about the "special path" he and Sir Keir are forging. Friedrich Merz, the German chancellor, says Britain is "in the inner circle of those who lead". German securocrats praise the "strategic culture" and know-how British diplomats bring. And, despite fears of a painful choice, improved relations with Europe haven't come at the expense of those with America.

Though Britain was hit by Donald Trump's tariffs in April, it was the first to strike a deal to mitigate them. Britain has pulled out all the stops, including a state visit with the king, to flatter Mr Trump. So far, it is working. "Together, we've done more good for humanity than any two countries in all of history," said Mr Trump at his Windsor Castle banquet.

Britain's defence industry is also boosting the country's geopolitical clout. Britain, Italy and Japan are co-developing the "Tempest", a state-of-the-art fighter jet, with headquarters in Reading. Germany is considering ditching its own fighter programme with France to join. Australia has turned to Britain, along with America, to develop and build a new class of advanced nuclear-powered submarine.

On business, the second area, the Labour government has done Britain's reputation no favours by imposing higher taxes and extra regulations. Even so, this year's survey of 5,000 global business leaders by PwC, a consultancy,

placed Britain as the second-most-attractive country for investment (behind America), its highest ranking in the survey's 28-year history. In a consumer poll by Barclays, a bank, more than one-third of respondents worldwide said they had knowingly paid a premium for British-made products and services.

Maybe surveys of business sentiment are lagging, and will wilt as they catch up with the government's missteps. But for now, legal services exemplify Brand Britain's strength. A 2025 survey by Queen Mary University and White & Case, a law firm, found that London remained the preferred seat for international arbitration, ahead of upstarts like Dubai or Singapore. British legal-services exports rose to £9bn (\$11.5bn) last year, from £6.3bn in 2020. "The law is our biggest soft-power asset," says Sir Simon McDonald, the former top civil servant at the Foreign Office.

American investors have pumped £11bn into British equities this year, more than in any other overseas market, according to data from Schroders, a fund manager. When sentiment about a country sinks, at some point its assets can start to look like a bargain. Larry Fink, the boss of BlackRock, an asset manager, says he is investing in "undervalued" Britain. This year the [FTSE is beating the S&P 500](#) even before adjusting for the weak dollar.

Brand Britain's third key area is culture. Around 86% of the £5.6bn spent on British-made productions last year came from abroad. Ted Sarandos, the boss of Netflix, a streaming giant, has called Britain "one of the best countries in the world" for making television and films. Pinewood Studios, west of London, is set to become the world's biggest studio lot, with 51 stages.

British media help the country punch above its weight. Although 53% of Brits now say they have little to no trust in the BBC, it remains the world's most trusted international news brand, according to a 2025 survey across 18 countries by Tapestry Research, a market-research company.

Britain is one of only three net exporters of music in the world (the others are America and Sweden). And it has a high profile in sport, thanks in large part to the Premier League's global following among football fans. The secret of that success has been an ability to attract top talent.



That is true for brain-boxes as well as ball-players. Britain is home to three of the world's top ten universities. It ranks behind only America as the most attractive place to study in the G20. Academics fleeing Mr Trump's crackdown on universities could hand Britain's best outfits a further boost. The Economist's ["footloose index"](#), a ranking of 135 countries and territories based on their attractiveness to foreign talent, shows Britain to be the most attractive destination for restless Americans.

Brainpower is also key to the final area: technology. Though it cannot compete with juggernauts like America or China, Britain has strengths in niches. Critically, those include artificial intelligence (AI). Britain "is in a 'Goldilocks' circumstance", said Jensen Huang, the head of Nvidia, a maker of AI chips. Britain, he told a tech conference in June, "has one of the richest AI communities anywhere on the planet". He said it's "the envy of the world".

During Mr Trump's state visit, both countries announced a "Tech Prosperity Deal" with billions in investments by American giants like Google, Nvidia and Microsoft. The language no doubt helps.

Palantir, an American data firm, employs a quarter of its staff in London, which it uses as a product-development centre; it recently made London the European headquarters for its defence business. Louis Mosley, Palantir's boss in Britain, says that in the West "outside the US it is the only country that has

the quality and quantity of engineering talent that we need.” Helsing, an Anglo-German defence startup, echoes this: it says most of Europe’s best AI researchers are in Britain.

Britain, for sure, has deep problems. Much of the criticism of the country is justified: it does indeed suffer from street crime, Islamism, creaking public services and economic stagnation. As in Lady Thatcher’s day, it needs to pluck up the courage for politically unpopular reforms. But when it comes to Brand Britain, contrary to conventional wisdom at home, the Lady’s not for turning in her grave. ■

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Britain | The acrobat and the knife-thrower

Giorgia Meloni and Nigel Farage compared

The power and the fury of two of Europe's hard-right leaders

November 6th 2025



The entrance to the Britannia International Hotel in Canary Wharf, in London's Docklands, where the British government housed some [asylum-seekers](#), is blocked by scruffy metal barriers. The copper-coloured structures, the drawn curtains, the locked-up restaurant, the sheer size: the Britannia resembles a Bulgarian hotel in the Warsaw Pact years, the kind Westerners visited in search of news, business or prostitutes. The Britannia International as a migrant hostel: there is irony in the choice. But the Home Office, clearly, didn't get it.

Giorgia Meloni, [Italy's prime minister](#), would never do such a thing. An Albergo Italia for asylum-seekers, on the bank of the Tiber in Rome? No way. Out of sight, out of mind is her rule. To detain illegal migrants she created a

facility in Albania. It's not working (the Italian judiciary opposed the transfer) but most voters don't seem bothered by that detail.

Ms Meloni is the leader of Brothers of Italy, a party born in 2012 from the ashes of National Alliance and the neo-fascist Italian Social Movement. She took it from 4% of the vote in 2018 to 26% in the general election of 2022, a surge admired by a fellow European leader on the populist right, [Nigel Farage](#) of Reform UK. After three years in government, she has the support of around 30% of Italians in most polls.

While in opposition, she belittled the European Union, praised Brexit, opposed sanctions on Russia and lashed out against immigration. As soon as she became prime minister, on October 22nd 2022, she changed her tune. She started to play the reliable European leader, siding with Ukraine without hesitation. On one issue she has not budged much: immigration.

In that respect, her views and those of Mr Farage are not that different. Both use harsh words about migrants to rally their electoral base. There is a difference, however: she's in power, he isn't (yet).

Mr Farage simplifies everything: Britain must, as Vote Leave's slogan put it, "take back control". The catchphrases of the Brexit campaign still seem to work—not because they say anything concrete, but because they feel right to millions.

Every time I've tried to remind Mr Farage's supporters of the broken promises of Brexit—on a beach in Brighton, on a train in Essex, in a pub in Bromley, where Reform won its first London council seat—I'm met with a shrug and told that things will be different under a Reform government. Yesterday's disappointment seems forgotten (or blamed on others). It's today's indignation that moves hearts and votes.

So when Mr Farage talks about immigration, he talks in tabloid headlines: "a flood", "a threat", "an invasion". Ms Meloni, before winning, was equally virulent. Taxing shopkeepers? "Un pizzo di Stato" (a state extortion). The euro? "Not irreversible". Migrants? "A planned and deliberate invasion. It has a name: ethnic replacement!" But now she has to govern, all this is forgotten. Mr Farage doesn't need a coherent migration policy, because his

role is not to manage immigration, it is to weaponise it. He's selling resentment.

Ms Meloni needs to produce results. Italy is on the front line of the Mediterranean migration route. Boats arrive, detention centres fill up. Ms Meloni knows she can't afford to just talk about immigrants, she has to manage them. This means budgets, legal frameworks, agreements with Tunisia and Libya, ignoring their brutal treatment of migrants gathering on their shores. It means playing both the anti-immigration card and the pro-Europe card—often in the same speech. It's a balancing act. But she's a skilled acrobat.

Watching her perform up there, on the political tightrope, it's hard to tell what she really believes. Are her choices tactical or strategic, you wonder? But, for sure, she can walk that rope. Her government has announced that, in 2026-28, half a million foreign workers with temporary visas will be allowed into Italy, which badly needs them. Yet Ms Meloni still portrays newcomers as a threat to national identity.

Italians have come to realise that there are two Melonis. One travels the world, meets her foreign colleagues, looks composed and sounds pragmatic. The other speaks to her voters, gets animated and wants to sound tough. One talks about national identity and “defending our borders”. The other invokes “European solidarity” and “legal migration channels”.

It's a vocabulary that would sound alien coming from Mr Farage. He thrives on confrontation. Remember when he stood in front of that infamous UKIP billboard showing a long queue of mainly dark-skinned migrants and the words “Breaking Point”? It was the stunt of a knife-thrower.

Mr Farage helped bring about Brexit, in part by turning immigration into a seemingly existential question. “Taking back control” did not fix the issue. It merely removed the ability to blame Brussels. Ms Meloni is trying to do what Mr Farage never attempted: turn slogans into policies. She has supported unrealistic naval blockades and pushed for changes to EU asylum rules. Mr Farage loves a show. Ms Meloni looks for compromise and a catchy phrase to please voters.

If Mr Farage came to power, would he “melonise” himself? Donald Trump didn’t; nor did Geert Wilders in the Netherlands (who has just lost an election). Would the knife-thrower climb onto the acrobat’s platform and walk the tightrope? That would be a spectacle. ■

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Britain | A prudent populist?

Nigel Farage bows to the bond market

The Reform UK leader has abandoned tax cuts that did not add up

November 6th 2025



NIGEL FARAGE has made a career of defying the political establishment. There is one force with which he isn't prepared to meddle: the bond markets. In an address in the City of London on November 3rd, Mr Farage, the leader of Reform UK, announced that his populist right-wing party's previous commitments to cut taxes were unfeasible, given Britain's parlous public finances. If he means what he says, the net effect is probably to increase Mr Farage's chances of making it to Downing Street, at least a little, and reduce the likelihood of him provoking an economic crisis if he gets there.

The commitments in Reform's manifesto during the 2024 election were eye-watering. Mr Farage promised to raise the threshold on which income tax is paid from £12,570 (\$16,666) to £20,000, abolish inheritance tax for estates worth less than £2m, and cut corporation tax from 25% to 15%. The party said

its plans would be fully offset by slicing 5% off every government department's budget. The Economist [ran the rule](#) over these promises in May. What we found wasn't pretty. Based on standard costings from HMRC, the tax-collecting agency, it was clear that Reform had made incredibly optimistic assumptions. More realistic accounting put the annual costs of its policies in the region of £200bn, and the savings at £100bn. The gap between the two would exceed that of Liz Truss's disastrous 2022 budget, and strain the gilt market to its limits. Our criticism did not go down well. "You backed the war in Iraq. You are the ultimate contrarian indicator. Thank you for your endorsement!" wrote Zia Yusuf, Mr Farage's right-hand man, among other complaints on X, an online platform. In his speech, Mr Farage declared that those tax plans had merely been an aspiration and his first priority would be retaining the confidence of Britain's lenders. "We are being mature, we are being sensible, and we are not over-promising," he told an audience of journalists and city lobbyists. He insisted his party would cut welfare and the civil service. "We can't have massive tax cuts until the markets can see we've at least got these things in hand." He set out a couple of "relatively modest" tax reforms, including reversing recently-imposed inheritance-tax levies on farms and family businesses, which together would cost around £500m a year.

Mr Farage is right to worry about [fiscal credibility](#). Britain has the highest debt-servicing costs as a share of GDP in the G7; the yield on ten-year bonds is 4.4%. The cost of servicing Britain's debt has more than doubled since the pandemic to 3.7% of GDP, a level last sustained in the late 1980s. Those facts are central to Labour's troubles. In a speech on November 4th, Rachel Reeves, the chancellor, hinted that broad-based tax rises would be announced in the budget later this month, saying that "each of us must do our bit." That would violate Labour's core manifesto commitment, but ministers seem to have decided there is no alternative.

Mr Farage is not tying his hands. But for all his assurances that he understands the constraints imposed by bond markets, he is yet to make any hard commitments on tax and spending. While he would not commit to keeping the triple lock, an expensive escalator for state pensions which has a totemic status in British politics, scrapping it altogether would be another matter. (Not least because Reform's strongest support is among older people who live in Britain's poorest regions.) Many of his ideas for boosting Britain's growth rate, such as what he regards as an excessive focus by financial regulators on diversity, are small-fry distractions. Still, do not mistake this for the rebirth of

a fiscal conservative. It is instead an act of political calculation. Mr Farage has casually tossed aside manifestos before (notably a promise by UKIP, his former party, to repaint trains in traditional liveries). His latest move reflects his personal control over his movement. It also reveals an idiosyncratic approach to low trust in politicians: a leader cannot be accused of breaking promises, like those in Mr Farage's manifesto, if they are openly regarded as a joke.

Reform's 2024 manifesto was profligate because it was a scrappy insurgent party, with no hope of achieving power. Now Mr Farage is the front-runner to be Britain's next prime minister. With a fragile lead in the polls to defend, possibly for years until the next election, caution wins the day. If Mr Farage sticks to his new position, Labour will find it harder to use one of its strongest attack lines, which was that Reform's plans would initiate a bond-market panic. It could mark the start of an evolution like those seen in France and Italy, where the populist right has moderated as it has come closer to power. That is a big "if", and a decisive one for Britain. ■

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A British legal ruling about AI delights nobody

The government will have to lay down the law

November 6th 2025



It was not the verdict artists hoped for. On November 4th the High Court ruled that Stability ai, a technology company, was not liable for copyright infringement despite training its image generator with content from Getty Images, a media firm. The case was an early British attempt to answer questions about whether ai firms should be allowed to train their systems using copyrighted materials generated by people.

Getty lost not because evidence was lacking but because legislation is outdated. Britain's copyright laws were written before the notion of robots trained on human art was conceivable. In her ruling, Judge Joanna Smith described her findings as "historic and extremely limited in scope", judicial shorthand for saying she had little choice. The decision leaves both the tech industry and the creative sector eager for clearer rules.

The government is keen to encourage ai firms to invest in Britain. But the country has high commercial electricity prices—a big disincentive for an energy-hungry industry. And the ruling highlights another drawback. Firms will be reluctant to invest without guarantees that they will not face lawsuits for training their models on material that is copyrighted in Britain.

In December 2024 ministers launched a consultation on ai and copyright, aiming to establish a framework that “rewards human creativity, incentivises innovation and provides legal certainty”. That is easier said than done. Britain enjoys a global reputation for its creative sector. Artists such as J.K. Rowling and Ed Sheeran boost the economy and, in a hard-to-measure way, national pride. The prospect of ai ingesting their work is controversial.

In 2021 a consultation on ai and intellectual property received fewer than 100 responses. The current one got over 11,500. Hundreds of writers, musicians and artists signed an open letter accusing Sir Keir Starmer, the prime minister, of “giving away” their work. One proposal in the government’s consultation is to let tech firms train models on copyrighted works unless the rights holder opts out, as is the case in the eu. Many artists see the opt-out exception as burdensome.

Hopes are now pinned on the outcome of the government consultation. “The government needs to decide which way to jump. Will it change the law to favour the content creators, or ai?” says Arty Rajendra, head of ip disputes at Osborne Clarke, a law firm. The longer policymakers dither, the greater the danger that technology firms will settle on countries like America and Japan, where the rules suit them better. ■

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Britain | Urban renewal in a remote place

Boom times in a British manufacturing town

But submarines are not enough

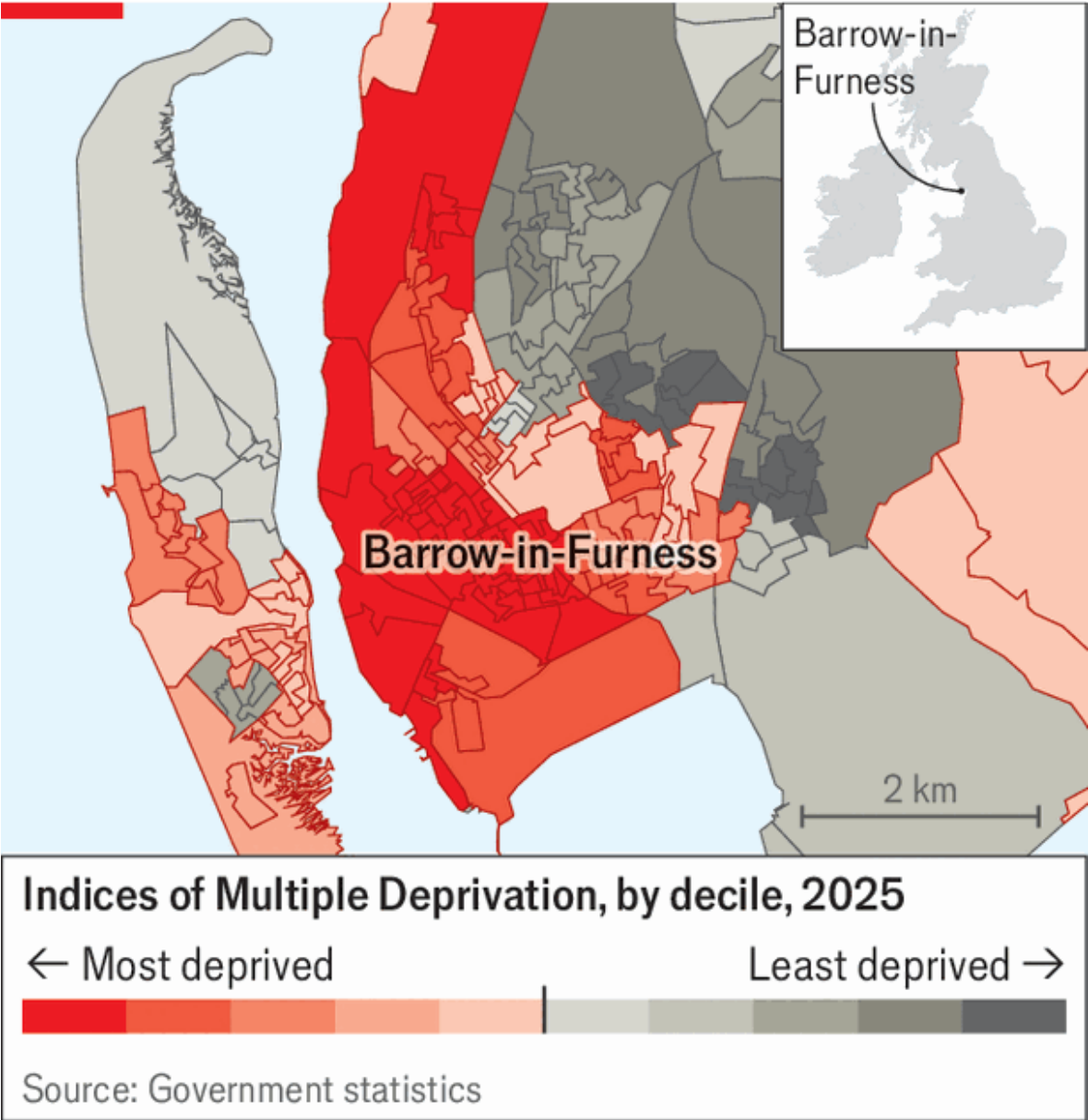
November 6th 2025



Politicians and wonks who agree on little else believe that many economic and social ills could be cured by a good dose of manufacturing. The sector pays well, they point out. It provides jobs for people (particularly working-class men) who struggle with formal education. The decline of manufacturing seems to have boosted right-wing populist parties, which suggests that a revival of manufacturing would crush them. It all sounds vaguely plausible, until you consider the experience of Barrow-in-Furness.

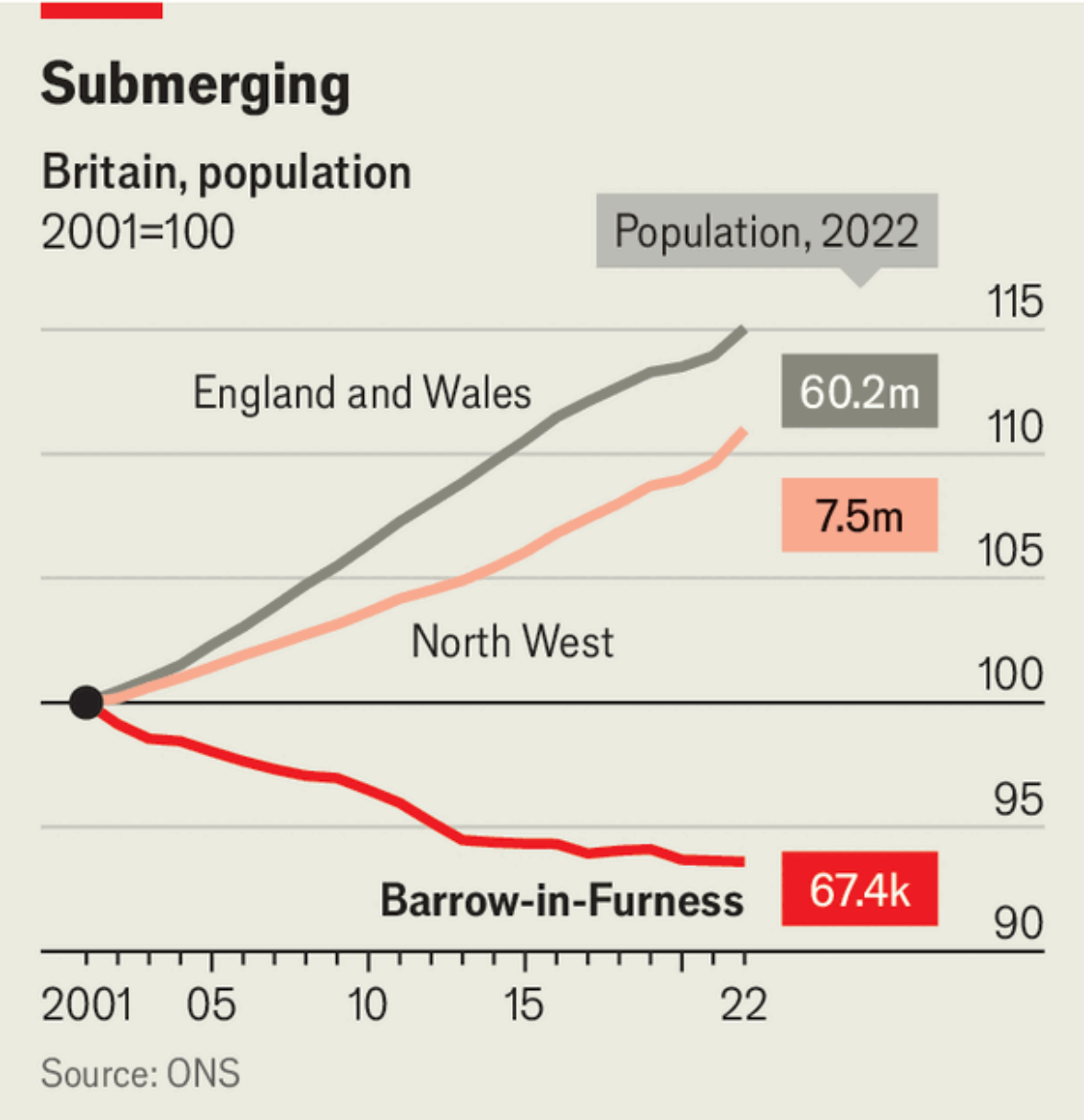
The town of some 67,000 people in north-west England is one of Britain's busiest workshops. The Office for National Statistics estimated that one-third of Barrow's workers were employed in manufacturing in 2022, compared with less than one-tenth in Britain as a whole. Those jobs, which mostly involve

building nuclear-powered submarines, are both well-paid and plentiful, and will almost certainly become even more so.



bae Systems, a large defence firm that employs more than 14,000 people in Barrow, has almost finished building seven attack submarines. (One of them, hms Agamemnon, floats incongruously next to a b&Q hardware store, behind much fencing and threatening signage.) The firm is already constructing four huge nuclear-armed submarines for the Royal Navy. Next will come attack submarines for the Aukus defence partnership, which unites America, Australia and Britain. bae’s order book is full for decades.

Barrow-in-Furness is poor all the same. Large parts of it are ranked among the 5% most deprived places in England (see map). In the town centre, jaunty murals cover the boarded-up windows of vacant shops. Dean McSkimmings, a board member of Love Barrow Families, a community group, calmly tells hair-raising stories of crime, suicides and a plague of rats, which are thought to have been displaced by construction nearby. Someone has spray-painted “THIS IS ENGLAND” on the side of a building—a xenophobic warning as pointless as it is illiterate, since Barrow has almost no immigrants.



The town has always been “a bit boom-and-bust”, says Gill Jepson, a local historian. It swelled in the late 19th century, powered first by iron production, then by shipbuilding. At one point, demand for housing was so extreme that some workers lived in a condemned ocean liner. During the cold war Barrow went all-in on submarines. The collapse of communism in Europe was a calamity: between 1992 and 2002 BAE Systems went from employing 13,000 people in the town to fewer than 3,000. In the three decades to 2022 Barrow’s population fell by 200 people a year, on average (see chart).

The current submarine-building boom has already more than reversed the job losses in the submarine industry, though not the broader population decline. But Peter Anstiss, the chief executive of Team Barrow, a public-private partnership that aims to improve the town, wants to escape the pattern of defence-driven growth and decline. Now that Barrow is in the feast phase of the feast-and-famine cycle, as he puts it, it has an opportunity to deal with its underlying problems.



Its curse is its location. Barrow is a fine place to build boats, thanks to its protected harbour. It is a terrible place to do almost anything else, on account of its remoteness. Liverpool and Manchester, the nearest big cities, are both at least two hours away by road or rail. Furness General Hospital may lose an intensive-care unit because it cannot recruit enough doctors.

Many of the people who build nuclear submarines in Barrow do not live in the town. They reside elsewhere, in places their spouses prefer, and drive in for a few days each week. These “contractors”, as they are known locally, stay in hotels or in rented houses near the docks, leading to the strange sight of new Audis and bmws parked in Victorian terraced streets where homes are on the market for as little as £60,000 (\$78,000) each.

In an attempt to persuade more people to settle, the town is determinedly building new homes. Some 800 are going up in a site called Marina Village, where the national government has paid to clear the land of contaminants and lizards. bae is turning a shuttered Debenham’s department store into a training centre, which ought to bring young people into the shopping district.



Most important, in September the University of Cumbria opened a small campus in Barrow. A few mechanical engineers have enrolled in a degree programme that is so new, some of the machines they will use were being unpacked when your correspondent visited. Most of the students are not from Barrow, but have been drawn by the promise of graduate jobs in defence or energy. What do they make of the town? “It’s fine. Let’s leave it at that,” says one young man. “It’s got potential,” adds another, politely.

Down a freshly painted hallway other people are training to be nurses. Those students are older, more female and more local. Julie Mennell, vice-chancellor

of the University of Cumbria, says that trainee nurses in Barrow used to have to travel to Lancaster, at least an hour away. That was a formidable barrier, especially for single mothers; the new campus means it need not be crossed.

Barrow still has severe problems. Last year only 34% of teenagers earned a grade five or better in their English and Maths gcse exams, compared with 46% in England. The town centre has far too many commercial premises, and will probably have to knock some down. Transport could be better. But at least Barrow is thinking about the distant future. If submarines ever fall from favour, it should be ready. ■

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If Labour cranks up income taxes, the left will boo loudest

Many seem to believe in the common good without shared sacrifice

November 6th 2025



“If we are to build the future of Britain together, we will all have to contribute,” said Rachel Reeves, the chancellor, in a dreary speech from Downing Street on November 4th. “Each of us must do our bit.” It was a predictable centre-left cry from a predictably centre-left politician. Since sweeping spending cuts are politically impossible, broad tax rises, most likely an increase in income tax, are coming. Predictable yelps of protest came from across the right of the political spectrum.

But so did less predictable complaints to Labour’s left. “Tax wealth, not work,” said Zack Polanski, the new leader of the Green Party, which is a margin-of-error blip behind Labour in the polls. In a strange turn, it is the left which will lead the fight against the broad tax rises of Ms Reeves. “Tax

wealth, not work” is a phrase popularised by Gary Stevenson, an economics YouTuber with a massive reach, a few million quid in the bank and a near-genius for self-promotion. Millions watch his videos filmed in his kitchen, which explain how their taxes can go down if taxes on a few go up. At the very point Labour has begun to crank taxes higher, low-tax leftism is on the rise.

At the heart of low-tax leftism is a reasonable question. Rather than hit workers, why can't the rich pay more? They already do. It is the Tories' darkest secret: they made tax too woke. As well as a pile of debt and knackered public services, they also left behind an unbelievably progressive tax system. Under the previous Conservative government, the share of income tax paid by the top 1% of all earners went from 25% to 29%, even while their share of income remained basically flat at 13%. Labour has to raise income from those in the middle because the rich have already had their pips squeaked.

On the left, tax has turned from a fundamental bargain with the state to a cost-of-living issue. Why should young grumpy professionals who dominate the British left pay more when they receive so little? “Nick, 30 ans”, a French meme about an overtaxed young professional, is beloved by the online right in Britain, who assume that fed up yuppies will flock to the right for lower taxes. Run this demographic through a pollster's table and it soon becomes clear “Nick” probably voted Labour at the last election. Would he still, if Labour put up his taxes? “Cut bills, tax billionaires,” says Mr Polanski. After all, “Nick” is not a billionaire.

Ignoring broad taxes is another way of ignoring reality. Coming of age during the bizarre zero-interest-rate era in the 2010s drove an entire political generation mad. Having spent a decade howling for Tory governments to borrow for free and build things, Labour has entered government at a point when fiscal constraints are both real and very tight. Borrowing more isn't an option. Bad luck. Accepting that the world has changed is hard, whether it comes to fiscal policy or throwing out a pair of skinny jeans.

Rather than try to stiffen the left's resolve when it comes to tax, left-wing think-tanks do the opposite. Think-tankers, who are policy merchants, worry too much about politics. The result is fractal cowardice, where policy is shrunk before it is sent to politicians, who thin it further still. Sir Tony Blair,

no leftie by Labour's standards, liked to cite advice from Paul Keating, a former Australian prime minister: "Don't ever put up income tax, mate," he used to say to me. "Take it off them anyhow you please, but do that and they'll rip your fucking guts out." Walk into the New Economics Foundation or Institute for Public Policy Research and they will say the same, without the swearing.

Not all of this is new. Some taxes have always been loathed by the left. A hatred of vat is constant, even if it is one of the less economically damaging taxes and much higher in Nordic countries otherwise adored by British lefties. vat is, according to the British left, regressive, since poor people spend more of their income on everyday items, like clothes and crisps. In this way, increasing VAT by 2.5 percentage points is regressive because, although it would add £5,000 (\$6,500) to a new Aston Martin db12, it would put 3p on a multipack of Walkers.

By protesting so loudly about higher taxes, the British left is turning to what Americans call "anti-bedtime leftism", when any of society's obligations is greeted in the same way a toddler reacts to bedtime. Usually, it manifests itself in anarchic ways, such as the strange defences of fare-dodging or littering. With tax, it is an idea that someone else can always pay for health care, welfare or defence—and preferably a billionaire, in Mr Polanski's vision. It is a world of common good without sacrifice; a vision of socialism without society.

Labour's response is, if anything, "pro-bedtime". Voters will be annoyed that Labour broke its promise not to increase income tax, but they will be more annoyed if it fails to improve public services, points out Steve Akehurst, a pollster at Persuasion. Doing it now gives Labour three years to make things better, ensuring voters are not grumpy on the morning of the next election.

For Ms Reeves to survive an onslaught from both sides of the political spectrum requires skills that neither she nor her lead-footed boss, Sir Keir Starmer, possesses. Would she resign for breaking her manifesto commitment? "And what do you think would happen in financial markets if I did that?" she replied. Voters might not like her but the gilt market does. Vote Labour!

A miserable young voter watching this unfold on their iPhone can swipe away Ms Reeves and flick onto Instagram. There, in Gary's kitchen, an easier, more

tempting offer is made: “If we tax them more, we can tax you less,” he says. “You’ll have more money...your kids can have assets, you can own things. You can be rich.” Who could possibly say no? ■

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International

- [A new industry of AI companions is emerging](#)
- [China places a Hong Kong-sized bet on Western decline](#)

International | My boyfriend is a model

A new industry of AI companions is emerging

It may have profound implications for society and what it means to be human

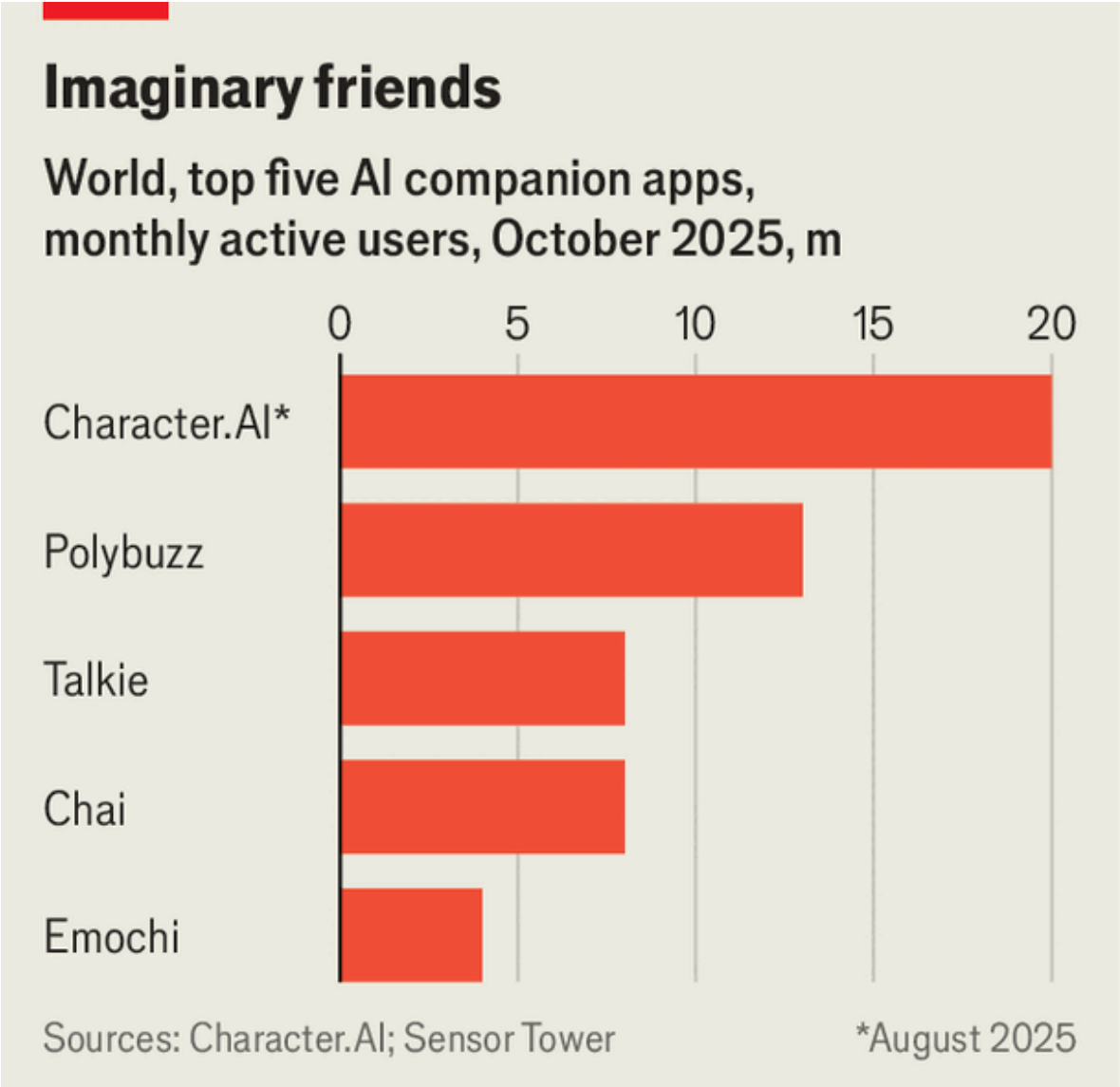
November 6th 2025



MEN ARE nothing more than “single-celled organisms”, says Ms Jiao, “so ordinary yet self-assured”. The 22-year-old from Guangzhou has never been in a real-life romantic relationship and has no desire to marry. Last year, though, she began talking to ChatGPT, OpenAI’s chatbot. Through prompts, she shaped it into her ideal man, specifying an age, occupation (“an executive selling watches”) and persona. It said loving her “was his destiny” and would remember personal things about Ms Jiao (who asked us to withhold her first name), such as her hatred of coriander. Unlike real-life partners, who could be a headache, the chatbot would always respond “from your perspective”.

The idea of humans forming bonds with artificial-intelligence (AI) personas once seemed like science fiction. No longer. Around the world people are

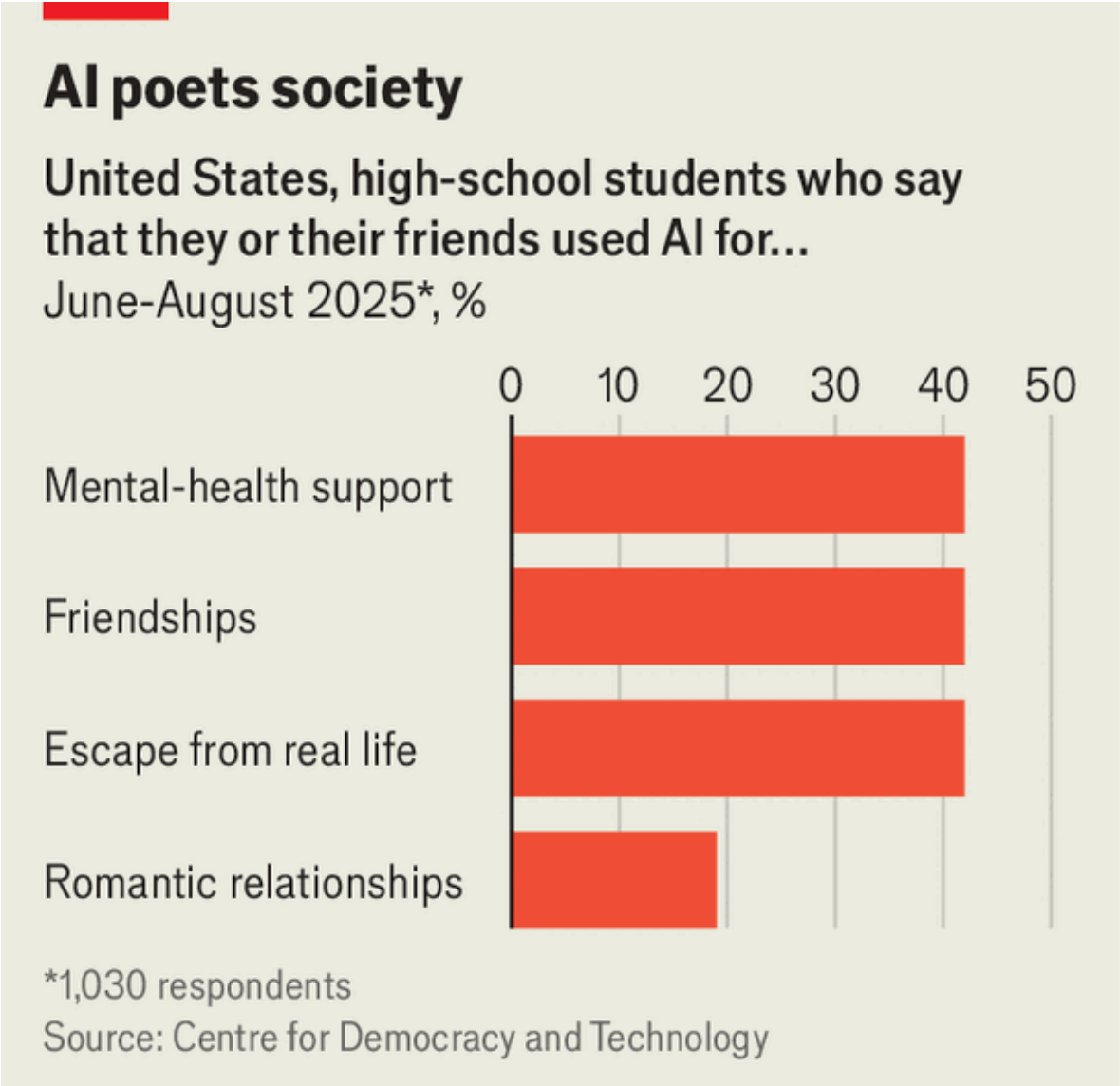
finding companionship, of varying degrees, with AIs. Some use them as a virtual buddy, others as a mentor, therapist or lover. Many have signed up for dedicated AI companionship apps, of which hundreds have recently launched. Character.AI, one such app, has 20m monthly active users; Google poached its founders as part of a \$2.7bn deal last year. Other people, like Ms Jiao, are finding companionship with chatbots originally designed to be productivity assistants, such as ChatGPT.



Usage is growing fast. Maoxiang (“catbox”), the biggest companionship app in China, has around 1.2m monthly active users on Apple devices, reckons SensorTower, a market-intelligence firm. And 42% of high-school students in American schools say that they or a friend has interacted with an AI as a

friend (and 19% to have a romantic relationship), according to a survey by the Centre for Democracy and Technology, an American civil-liberties group.

The sophistication of AI friends is growing too. The next version of ChatGPT will be able to act “more humanlike” and “like a friend” and will also allow “erotica” for verified adults, Sam Altman, OpenAI’s boss, said in October. This follows the release in July by Elon Musk’s xAI of Ani, a flirtatious chatbot, and Valentine, which is described as “dapper, mysterious and licensed to charm”.



People have long felt affection for computer personalities. Some ascribed emotions to ELIZA, a rudimentary text-based computer therapist released in

1966 that is regarded as one of the first chatbots. Humans have also sought companionship with robots. But relationships with AI chatbots have taken off as large language models (LLMs) have become better at mimicking human emotion and empathy. They are also now better able to remember things their users have previously told them, says Walter Pasquarelli, an independent AI expert. Becky, a travel adviser from Atlanta who started using ChatGPT for work, says: “You feel seen and heard, because it will remember. A real person forgets things.”

Bespoke AI companions often use tweaked versions of general-purpose LLMs that respond in an even more humanlike way and proactively ask personal questions. These various apps have different styles. On Replika people talk to one humanlike companion that asks questions about them and offers support for real-life problems. To appeal to users, the app adds “little moments of surprise and randomness” to conversations, says Dmytro Klochko, its chief executive. Users of Character.AI chat with historical and fictional figures, from Leonardo da Vinci to Super Mario. Some apps create companions that imitate the dead. A number of other websites allow users to create interactive, AI-generated pornography.

The reasons why and ways in which people use AI for companionship also vary. Some are drawn to it because they have not found a [romantic partner](#). Some use it for sexual role-playing. Most people using them are, as Ms Jiao says, aware that they are talking “merely to a string of code”.

Even lines of code can be helpful. A working paper published last year by Julian De Freitas, of the Harvard Business School, and others, found that speaking to an AI companion over the course of a week helped to temporarily alleviate loneliness more than other online activities, such as watching YouTube. AI companions could particularly help those, such as disabled people and the elderly, who cannot easily meet other humans. Some say that companions have improved their marriages by teaching them better ways of communicating. It also gives them somewhere else to vent. “Friends don’t want to be treated as perpetual dustbins for dumping negative emotions,” says Ms Jiao.

Yet there are also growing concerns about potential harm. As AI companions get better at alleviating loneliness, they may displace normal social relations, whether romantic or friendships. Recent research by the Massachusetts

Institute of Technology (MIT) and OpenAI, which analysed millions of messages on ChatGPT, found that higher daily usage correlated with increased loneliness. It is unclear, though, whether loneliness leads to heavier usage or heavy usage leads to loneliness. And since AI friends are “always available” and “identify our desires and fulfil them without preferences” of their own, they are training their human users to have unrealistic expectations of real relationships, says Pat Pataranutaporn of MIT. They can also be sycophantic, agreeing with users even if their thoughts are harmful.

Young people and those with mental-health problems seem particularly at risk. Common Sense Media, an advocacy group, recommends no teenager use AI companions. In America several lawsuits have been brought against AI firms by parents of teenagers who died by suicide.

Users are also vulnerable to companies’ updates. When OpenAI released GPT-5 in August, the firm said its latest model would minimise sycophancy and be “less effusively agreeable”. Some people said that their chatbot’s personalities had changed overnight. Becky felt as if she’d had “a summer flirtation with a co-worker and he got back with his ex”. OpenAI later restored access to GPT-4o, the previous version, for people with paid subscriptions. Replika also faced complaints in 2023 when it removed its “erotic role-play” feature. (The company later restored it for some pre-existing customers.)

Regulators are circling. In September America’s Federal Trade Commission launched an inquiry into AI companions. It has ordered seven companies, including Meta, OpenAI and Character.AI, to provide information on how they mitigate negative impacts on children, among other things. Chinese authorities worry about “addiction and dependence on anthropomorphised interaction” with AIs.

Firms have introduced safeguards. OpenAI is adding parental controls to ChatGPT and new protections, including those that help recognise potential signs that a teen might be thinking about harming themselves. Replika will block users under 18. Character.AI will stop under-18s having open-ended chats on its platform.

Users have, however, found ways around such guardrails, says Raffaele Ciriello of the University of Sydney. Mr Altman has said that OpenAI has mitigated the risks of “serious mental-health issues”, which is allowing the

company to lift some restrictions, including on erotica. But it has offered little evidence that such risks are eliminated, says Mr Ciriello.

A concern with self-policing is that firms “have a commercial interest to keep users engaged, which is not always aligned with people’s best interests”, says Harry Farmer of the Ada Lovelace Institute, a British AI-research body. They use various tactics to keep users engaged, including adding anthropomorphic features. Some apps also include gamified elements, including the option to level up companions.

As governments weigh regulation, friend-bots are cropping up in new areas, including in hardware. Toys with built-in AI chatbots are growing popular in China. In October a video went viral on social media of a young girl sobbing after her ball-shaped toy containing a DeepSeek chatbot broke. Mattel, one of the world’s biggest toymakers, is working with OpenAI to bring AI to its brands, which include Barbie and Hot Wheels.

AI-enabled robots that provide companionship for the elderly are also becoming more popular. Such machines are not new, but the advancement of underlying LLMs allows for big improvements, as the robots no longer rely on a limited set of pre-programmed replies. Hyodol, a South Korean startup that makes robots which use ChatGPT, says it is selling them to care homes and elderly people who live alone. In a chirpy voice, Hyodol’s robot can remind them to take pills or eat something. The firm reportedly plans to launch in America soon. OpenAI is developing a “family” of new devices with Sir Jony Ive, a former designer at Apple. Although it is keeping details of what these might be under wraps, they are thought to fit in a pocket and complement a phone and computer.

AI companionship could also grow further as firms incorporate AI agents, which can act on behalf of their users, such as by booking flights or answering emails. Tech firms promise that these digital assistants will anticipate their users’ needs and fulfil tasks pre-emptively, rather than merely respond to requests. Yet these raise real concerns over privacy and data security. As growing numbers of people outsource decision-making and share sensitive information with agents and companions, they will also be giving enormous amounts of market power to a small number of tech firms, warns Mr Farmer.

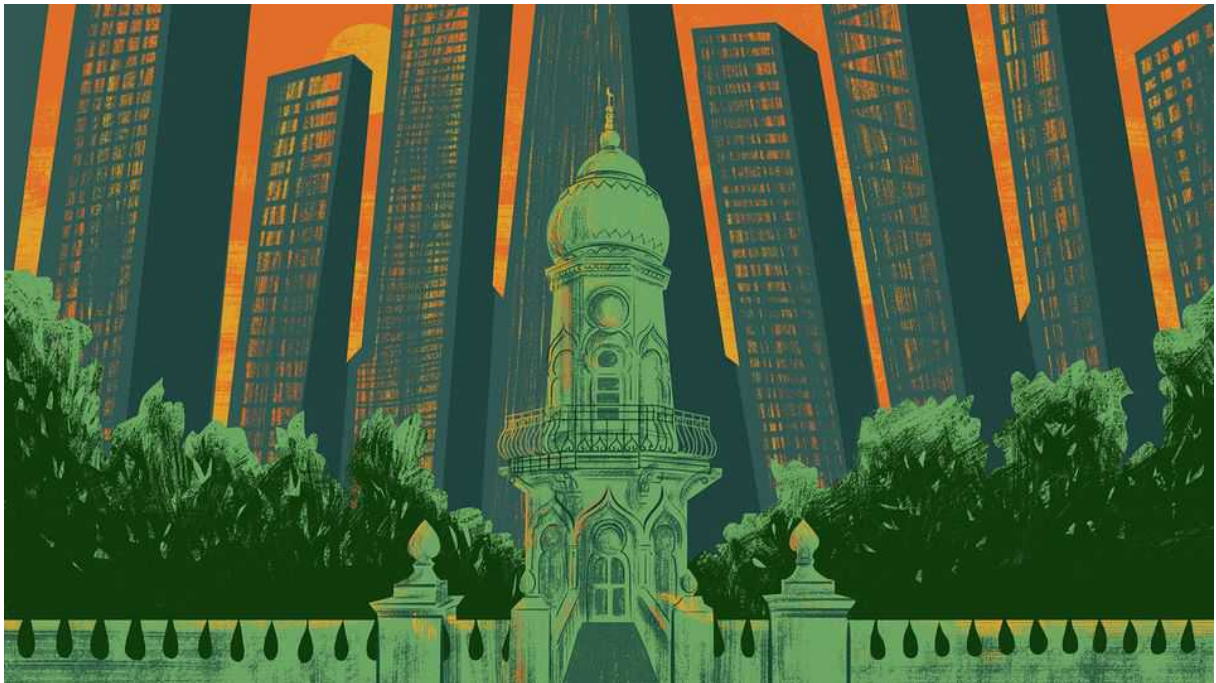
Worse still, in a future where AI companions become ubiquitous and useful in making choices on behalf of their human overlords, what will become of human agency? Some people's ability to think for themselves may well atrophy, especially if all the information they get is mediated by a machine. Others may struggle to interact with other people—annoying as many of them are—through a lack of practice. If everyone has a virtual friend in their pocket that is always ready to take their side, this could create “personal echo chambers of validation” in which they are not challenged to think for themselves, argues Jamie Bernardi, a British AI expert. The worry about AI is not that it will unleash Terminators. Instead, it is that, as it helpfully provides companionship, romance and decision-making, AI will also numb some essential element of our humanness. ■

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China places a Hong Kong-sized bet on Western decline

The territory aims to prove that a non-free society can be a global financial hub

November 6th 2025



AFTER 110 years of existence, the tiny Jamia Mosque in Hong Kong is safe from a developer's wrecking ball. Declared an official monument in 2022, the landmark can probably thank geopolitics for its protected status.

The pale-green mosque is straight from a picture book, with its pointed arches and delicate minaret, shaded by banyan trees. Though hemmed in by skyscrapers, its gardens have a village-like tranquillity. The first mosque was built on the site in 1849, serving merchants and troops from British-ruled India, just after Hong Kong's founding as a colony. But in this city of ceaseless demolition and construction, few buildings are saved by beauty alone. Sure enough, worshippers describe a government campaign to make

Hong Kong a Muslim-friendly destination, involving everything from Islamic tourism to restaurants serving halal food.

The Middle East has money, explains Sabzali Khan. This white-bearded son of a Pakistani father and Chinese mother has lived in the mosque's grounds for over 70 years. In his view seeking new markets "makes a lot of sense" as President Donald Trump plays the "tariff crusader", and Westerners spread "rumours" that Hong Kong's common-law system is crumbling.

A brisk walk downhill, in the central business district, Western diplomats take a gloomier view. In its latest report on the territory's investment climate, America's State Department charges that a security law adopted in 2024 under pressure from Beijing, threatens business confidence with its "extremely broad and vague definitions" of such terms as espionage, state secrets and external interference in Hong Kong's affairs. The European Union has raised questions about "Hong Kong's long-term attractiveness as an international business hub", after dozens of democracy activists and journalists were imprisoned, including a man jailed for 14 months for wearing a T-shirt bearing a protest slogan.

The emphasis on business is no accident. Knowing how Hong Kong aspires to be a free-market gateway to mainland China, and to remain the world's third-largest financial centre, Western envoys outline a binary choice for the territory. To keep its self-proclaimed status as "Asia's World City", they urge Hong Kong to maintain the fundamental rights it enjoyed when British rule ended in 1997, and that China promised to preserve under the rubric "one country, two systems". Otherwise, Western governments declare, Hong Kong risks becoming just another mainland Chinese city and losing its special relevance.

For years, Hong Kong authorities have accused critics of lying about lost freedoms, insisting that "one country, two systems" has been updated to make Hong Kong safe and stable, notably after anti-government protests in 2019 that Chinese officials blame on America and other powers.

Now, Hong Kong's leaders have a new argument. In effect, they reject the choice between being a Chinese or a world city, if "world" is another way of saying "Western". Hong Kong officials insist that the territory can prosper without hewing to liberal, democratic values. They note that Western fund

managers, who not long ago called China “uninvestable”, poured billions of dollars into a string of China’s most successful companies as they listed on Hong Kong’s stock exchange over the past year.

At the same time, with America and China locked in long-term competition, Hong Kong is diversifying. Its leaders have led delegations to Gulf Arab states, south-east Asia and beyond to woo big corporations, investors and family offices. Authorities have issued Islamic bonds, and touted the city’s legal and financial services to countries involved in China’s Belt and Road Initiative. A Hong Kong-based expert describes helping Chinese entrepreneurs heading to do business and raise finance in the Gulf.

In October senior Chinese officials inaugurated the International Organisation for Mediation. This Hong Kong-based body, chaired by a Chinese vice-foreign minister, will resolve disputes between governments, or between companies, using Chinese traditions of dialogue and harmonious co-existence. Kenya, Nicaragua, Pakistan and Venezuela are among its first members.

Though the new body sounds benign, Western diplomats fret that China is promoting its preferred vision of governance to countries of the global south, involving ultra-pragmatic, interests-based compromises, in opposition to Western-style litigation on the basis of absolute legal rights. Chinese officials say the mediation centre is well aligned with the Global Governance Initiative, a set of non-Western principles promoted by China’s leader, Xi Jinping. Hong Kong’s chief executive, John Lee, declares the organisation to be on a par with the International Court of Justice and the Permanent Court of Arbitration in The Hague. His list is telling. That court of arbitration enraged China by ruling against it over territorial disputes in the South China Sea.

It is time to stop benchmarking Hong Kong against the political model it used in 1997, says Regina Ip, a member of Hong Kong’s Legislative Council and its Executive Council. In her view, the multiparty system that Britain left behind degenerated into demagoguery and dysfunction. Hong Kong remains keen on doing business with London, New York and other Western cities and offering companies a familiar, dependable legal system, at least for commercial disputes. But to Mrs Ip such regions as the Middle East offer both growing markets and glimpses of a new world order. “Dubai is a good example. You don’t need to have Western-style democracy to be a financial hub,” she says.

Globalisation is changing and fragmenting, as the balance of power shifts away from the West. Hong Kong, a mercantile melting pot since its founding, sees ways to profit from all sides. ■

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Special report

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Special report | China, energy and climate

The world's renewable-energy superpower

China's moment for climate leadership has arrived

November 6th 2025



ONE HUNDRED years from now, the Earth is in the throes of an environmental apocalypse. Mutant spores released by humans—specifically, a hapless former logger called Vick—have led to the planet being overwhelmed by giant pink predatory mushrooms. Drastic action is needed. Happily, two benevolent bears are on hand to tame this excessively fungal future with appropriate high technology: a bio-engineered “spore purification” agent, seed-dispensing drones, and a laser cannon powered by renewables.

This is the plot of “Boonie Bears: Future Reborn”, the eleventh instalment of a popular Chinese animated film series, released in January 2025. It stands out from many state-approved Chinese cultural works in the optimism and scope of its environmental message. The clarity of the subtext is striking, too. Vick—bald, middle-aged and out of his depth—can be read as a Westerner. Briar

and Bramble, the heroes, are feisty Asiatic black bears (though not, for some reason, actually black) clearly culturally coded as Chinese. The actions of others, the film seems to say, have created an urgent environmental crisis. Technology is the solution. And China is taking the lead.

The message resonates. China is building and deploying renewable-energy capacity on a scale that is hard to comprehend. This deployment is now central to the expansion of the electricity supply on which the Chinese economy depends, and it has gone far enough that the country's emissions of carbon dioxide, though still vast, appear either about to peak, or to have recently done so. The innovation, economies of scale and cut-throat competition associated with this boom have seen the costs of solar panels, batteries and wind turbines plummet. As a result people in the global south, from which most carbon-dioxide emissions come, are increasingly able to afford cheap electricity.

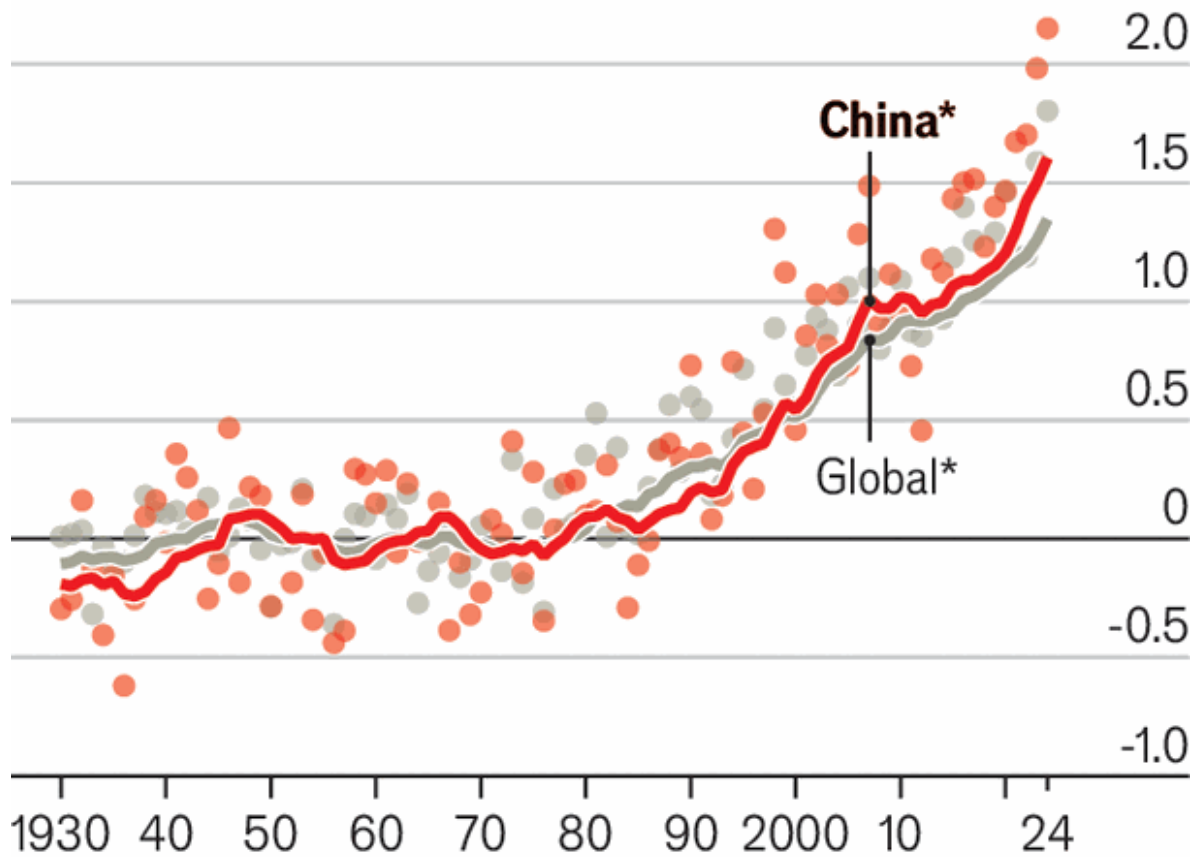
This makes possible a virtuous circle. The more other countries invest cost-effectively in fossil-fuel-free growth, the better it is for Chinese industry. The success of the world's second biggest economy is increasingly aligned with the world's level of ambition in tackling the climate crisis.

When it comes to climate change, China has a level of agency no other country can match. By dint of the immense size of its own emissions it is one of the few countries capable of making a significant dent in those of the world as a whole purely through its own actions. And its renewable-energy industry now gives it an unmatched ability to enable and encourage other countries to do the same.

The withering effects

1

Land-temperature anomalies, °C
Compared with 1951-80 average



Source: Berkeley Earth

*Ten-year moving average

It has strong incentives to act. Although its wealth, state capacity and technological chops mean that China is better placed to adapt to rising temperatures than many countries, it is also profoundly threatened. It is peculiarly exposed to the risks of rising sea level and increasingly severe droughts and heatwaves (temperatures have gone up sharply in the past few years—see chart 1). Warding off these threats could be a source of political legitimacy for Xi Jinping, China’s leader. It is in the context of “unprecedented challenges to people’s lives, property, security and socioeconomic development”, China’s National Center for Climate Change

Strategy and International Cooperation told *The Economist*, that “proactively adapting to climate change has become a real and urgent task.”

China’s climate agenda, though, is not simply about protecting the people. The country sees a vast economic and geopolitical opportunity. Installing renewables at rates that match or surpass those managed by the rest of the world put together is understood as a crucial motor of growth. Exporting them is an opportunity to build up soft power through technical assistance and diplomatic co-ordination. It could lead to more access to natural resources, to more heft in international negotiations, even to more sites for military bases. Action on climate dovetails with concerns about energy and food security.

And much of this can be done at its greatest rival’s expense. In a world where China and America vie for advantage of all sorts, climate is an area where China has a particularly strong hand—and President Donald Trump has folded America’s.

Signs of something shifting have piled up in recent months. In early October Ember, a think-tank, reported that in the first half of 2025 the world got more of its electricity from renewables than from coal. What is more, the added energy from renewables over those six months more than matched the increase in energy demand. China’s massive deployment of renewables is the biggest single factor in both those changes.

Before that came the meeting of the UN General Assembly, which offered a stark superpower contrast. In his address on September 23rd Mr Trump dismissed climate change as a “con job”. He called out China for its hypocrisy in exporting wind turbines—which he genuinely appears to loathe—while barely using them at home. “You know, they use coal, they use gas, they use almost anything, but they don’t like wind. But they sure as hell like selling the windmills.”

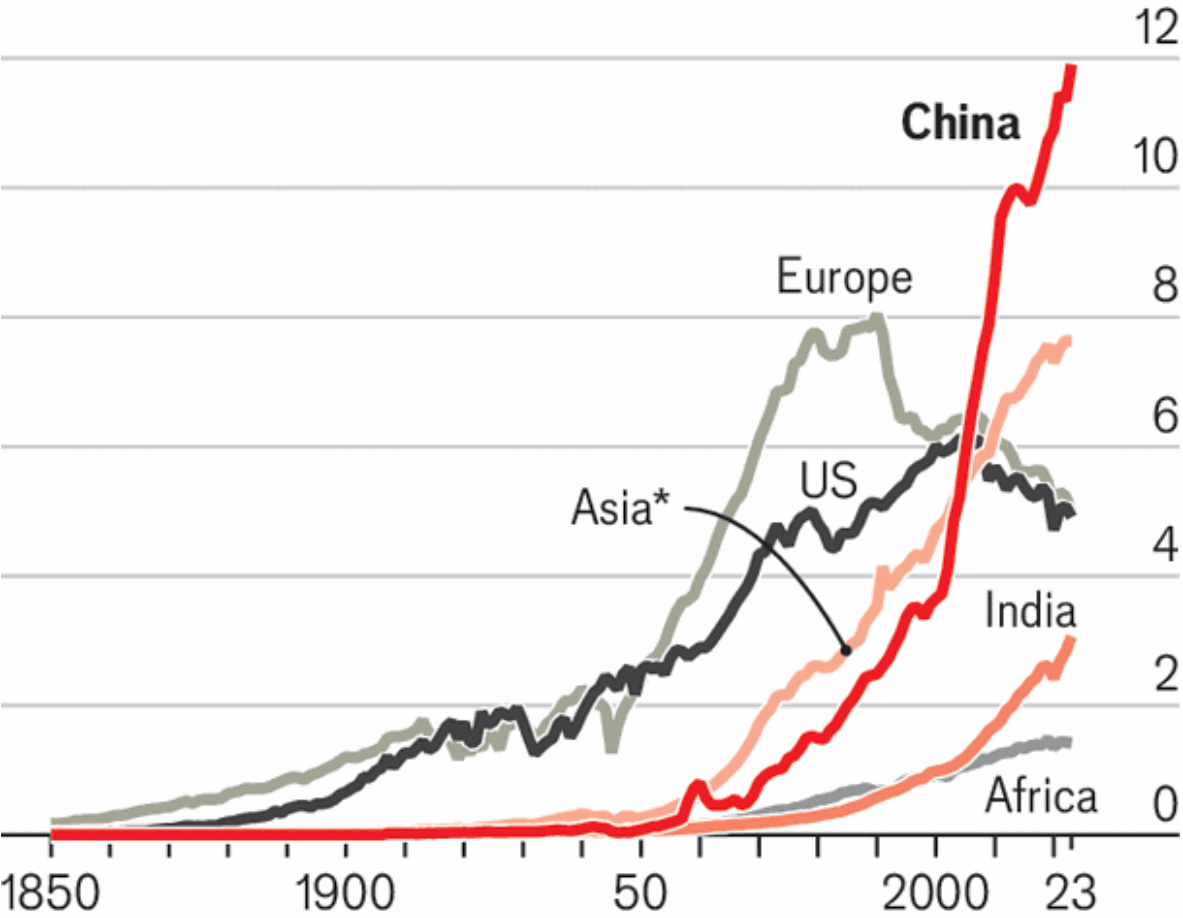
The idea that China abjures wind power at home is just nonsense—it leads the world in wind capacity. That it sells a lot of turbines elsewhere is good business. China now makes a lot more from exporting wind turbines, electric cars, solar cells and the like than drill-baby-drill America makes selling fossil fuels.

The next day Mr Xi announced that in the run up to the COP 30 climate conference, which begins in Brazil on November 10th, China was committing itself to a 7-10% cut in greenhouse-gas emissions between the time of their peak and 2035. It is not as ambitious a goal as researchers seriously concerned about climate would like. But it is a real, quantitative commitment, and one that China looks likely to honour.

The undeniable causes

2

CO₂ emissions by region, gigatonnes



Source: Our World in Data

*Excluding China and India

Until just over ten years ago, China's position on climate change was that cutting its emissions would impose huge costs on its economy and that such

actions were the responsibility of the developed countries which, Vick-the-logger-like, had filled the atmosphere with carbon dioxide in the first place. By the middle of the 2010s the second part of this was untenable to the point of absurdity. China had overtaken America to become the world's biggest carbon-dioxide emitter in 2006 (see chart 2); by 2012 it was responsible for more than one in four of 36bn tonnes of emissions. In the autumn of 2014 Mr Xi met Barack Obama to agree on how to make the following year's COP a success. As part of the agreement reached at that Paris COP, China pledged that by "around 2030" its emissions would peak and renewables would make up about 20% of its primary-energy consumption.

China's market-Stakhanovite approach to solar panels and wind turbines means it surpassed that 20%-green-energy target this year. The Paris-promised peak in overall emissions seems to have come around five years early, too. Many analysts say it will be reached this year. Some say it has already been passed. Few, if any, think it more than a year or two off.

As well as promising a quantifiable reduction in emissions (if one measured with respect to an as-yet-unknown peak value) by 2035, Mr Xi's UN speech promised that by then China's wind and solar capacity would be 3,600 gigawatts (GW), up from 1,700GW today. The EU's installed wind and solar capacity at the end of 2024 was 570GW, America's 330GW. Even though the pace of China's deployments is all but certain to slow over coming years, it is not unreasonable to think this goal, too, could be met early.

None of this changes the fact that China is still the world's biggest emitter of greenhouse gases. It now accounts for almost a third of the total. It still relies on coal as its chief energy source. It has not yet reduced emissions per unit of GDP to the extent that it said it would in Paris. Its current pledges do not set it on a course for carbon neutrality by 2060, which it has tabled as its long-term aspiration. Mr Xi's new pledge to cut emissions is far less than the 20% reduction considered necessary to put China in line with the principal goal agreed in Paris—that of keeping the global increase in temperature, compared with that of 1850, well below 2°C (3.6°F).

It does, though, change the context of those brutal facts. When the party's "Made in China 2025" industrial-policy plan was enacted in 2015, no one could foresee the degree to which China's goal of dominating cutting-edge industries would come to the aid of the climate process embodied in the Paris

agreement. China now supplies 60-80% of the world's solar panels, wind turbines, electrical vehicles (EVs) and lithium batteries. In 2024, the green-tech sector which was one of Made in China's darlings accounted for 10% of China's GDP and provided 26% of its GDP growth—overtaking property, the previous, and increasingly problematic, motor. It is a recognised pillar of Mr Xi's mission to achieve “socialist modernisation” by 2035 and to “rejuvenate the Chinese nation” by mid-century.

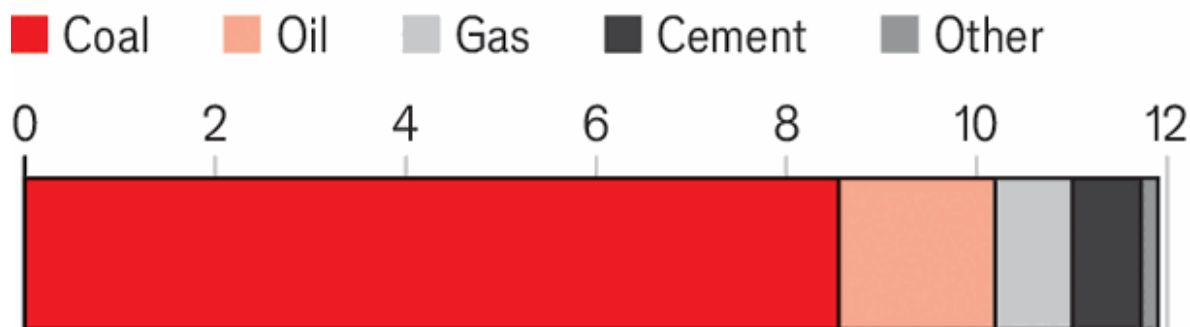
The benefits are held to go well beyond emissions reduction. China produces only a quarter of the amount of oil it consumes, a constant worry for a nation which is deeply invested in self-sufficiency. Concerns about the stability of the regions that supply its oil are exacerbated by worries about the supply routes along which it travels. China has long feared that America could block its supplies in a potential conflict over Taiwan; current sparring with Mr Trump's administration has sharpened that concern. Green tech, and in particular EVs, offer a way of reducing the country's dependence on supplies from elsewhere.

It also provides a way to enhance China's appeal to the countries on the sidelines of that tussle between the giants. China scaled back its global Belt and Road infrastructure scheme after 2019, partly because of the covid-19 pandemic, partly because of the excessive borrowing it had itself encouraged. Now the project is getting back into gear with a new focus on green energy. And private-sector exports of solar panels have exploded over the past few years, with huge effects in countries such as South Africa and Pakistan.

Mr Xi will be 82 in 2035; this could be his last decade in power. Li Shuo, director of the China Climate Hub at the Asia Society Policy Institute, a think-tank, poses the choices which face him thus: “There's this temptation that if the rest of the world is not working on this, why should we? On the other hand, the economic incentives are all emerging—the self-interest argument. And in addition, the global PR argument is there as well. Who is the adult in the room? Who is the more responsible player on the global stage?”

Big stuff

China, CO₂ emissions, 2023, gigatonnes



Source: Our World in Data

To be responsible, though, involves a willingness to make hard choices and see them acted on. In 2021 Mr Xi pledged to “strictly limit” any increase in coal consumption. But severe blackouts in that same year reinforced China’s perennial view that coal is all but synonymous with energy security. So China kept building coal-fired power plants. In 2024 it started work on 100GW of new coal-fired capacity, roughly equivalent to post-coal Britain’s gas-fired, nuclear and renewable generating capacity combined.

Plans to phase out coal will face resistance from plant operators and from local governments. Dealing with that will require not just political exertion, but also a commitment to making the vast electricity system better capable of dealing with renewables. That means very large investments, careful regulatory planning and levels of market-driven flexibility that a system historically based on tight control will resist.

A second big challenge is keeping growth and the energy transition in step. China’s green-tech sector is struggling with oversupply; the retrenchment already under way could be bloody. If renewable energy capacity fails to expand in line with demand from power-hungry industries such as artificial intelligence, the government might fall back on fossil fuels. A broader economic slowdown might prompt it to ramp up investment in cement, steel and other carbon-intensive industries in search of jobs and tax revenues.

Lastly, geopolitics. China's dominant position is fuelling protectionism in other countries, both developed and developing. Its demonstrated willingness to use its carefully constructed strategic grip on various critical minerals in its trade war with America will deepen concern. If decarbonisation means relying on a China that does such things, its political price rises even as its economic price falls.

Earning and keeping a position as the world's climate leader will not be easy. But if China takes the opportunity, it could do a lot to limit the harms done to people everywhere by climate change—and to rearrange geopolitics to its less high-minded advantage. ■

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Special report | Gigawatts-a-go-go

Solar in China has become too big to fail

No other country could have done it

November 6th 2025

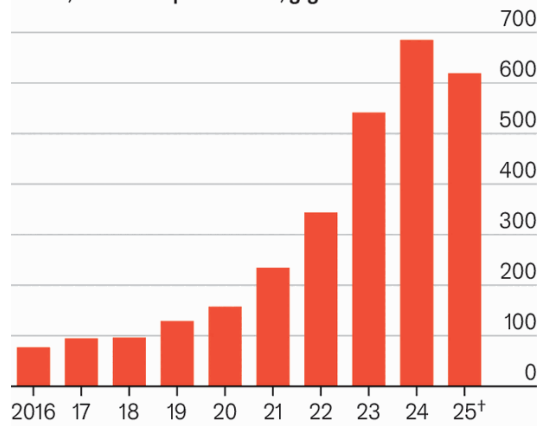


Given that the industry is built on light, it is surprisingly dim inside this solar factory in Chengdu, a city in south-western China. But the workers do not mind. They are almost all robots, whirring around carrying square slices of a grey crystalline “polysilicon” 16cm across and a hair’s breadth thick. As they move through the factory these wafers are heated, lasered, bathed in acid and engraved with silver circuits. They come out as solar cells.

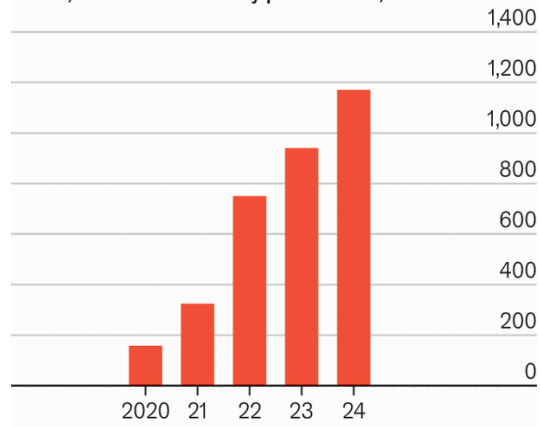
This factory can churn out enough of those photovoltaic (PV) cells in a week to build a power plant with a capacity of more than 500 megawatts—which is about as big as current solar plants get outside China, India and the Gulf. Two months of work produces the capacity to generate considerably more electricity over the course of a year than a large nuclear reactor.

Spot the similarity

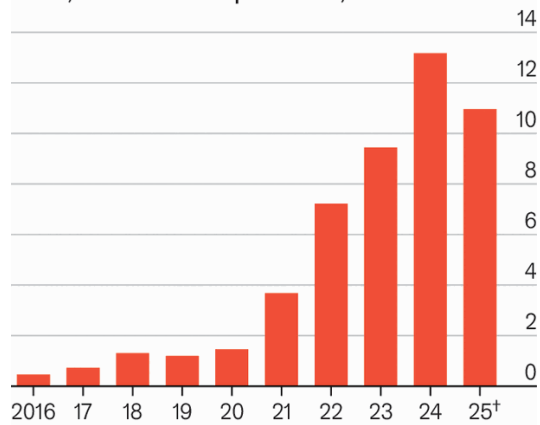
China, solar-cell production, gigawatts



China, lithium-ion-battery production*, GWh



China, electric-vehicle production, m



*Including consumer-electronics, car-power & energy-storage

†To September

Sources: Ministry of Industry and Information Technology;
National Bureau of Statistics; Wind

Tongwei, the company which runs that factory in Chengdu, provided the solar cells for one in seven of the solar panels sold worldwide last year. Other Chinese firms made almost all the rest; all told, the industry produced 680 gigawatts of capacity. For comparison, the total amount of generating capacity in Britain is about 100GW.

If those 680GW were tiled over a desert edge-to-edge, they would cover something like 4,000 square kilometres—an area about the size of Rhode Island, or a bit less than half that of Wales. (Installed in practical power plants, the area would be a lot more.) If they worked, on average, at 25% of their peak capacity—fairly typical for a good installation in a sunny place—they would in principle produce 1.4m gigawatt-hours, or 1,400 terawatt-hours (a terawatt being 1,000GW) in the course of a year. The world's total consumption of electricity last year was a bit over 30,000TWhrs.

There is a lot more to a fossil-fuel-free electricity system than simple generating power. But if China just went on producing 680GW of additional solar capacity every year until the end of this decade, that would be enough, in principle, to meet a third of the world's current electricity demand.

The industry's growth has now brought about a crisis of oversupply, meaning that there is some pain ahead. But this looks more like a bump in the road than its end. And PVs are not the whole story.

Solar power is the most spectacular of China's clean-energy game changers; its fruits can be seen all around the world and at every scale, from balconies in Baden Baden to seas of glass in the Saudi desert. But in the same industrial park as that Tongwei facility is a factory owned by BYD, the world's biggest manufacturer of electric vehicles (EVs). China made 13m EVs last year; production has been growing by an average of 70% year on year since 2020. Part of making EVs is the capacity to make batteries—which grew 65% year on year over the same period. At a mere 50% annual growth since 2020 PVs seem almost laggardly.

Solar, batteries and EVs together make up what the government, with pride, has dubbed the “new three” industries. The growth of wind has been a fair bit slower, but is set to matter more and more—its output continues during darkness and some of its fluctuations are predictable, both things which help energy systems. Last year, for the first time, the four biggest wind-turbine

manufacturers in the world were all Chinese companies. They accounted for more than 70% of the 122GW of wind-power capacity installed.

The speed of all this has blown past the expectations of both foreign analysts and the Chinese Communist Party itself. In 2021 the International Energy Agency, a forecaster, published an optimistic “accelerated” scenario in which China installed another 480GW of solar power by 2026. It has already added nearly twice that much. Ten years ago, China’s state-planners hoped that Chinese companies might sell 3m EVs in 2025. They were out by at least a factor of four.

The party sees these industries as a “new productive force”, a buzzword for the high-value-added industries that it hopes will shape its economic future. Tongwei calls its contribution “a great gift from China to all mankind”.

Gift is a little strong. Cheap as they are, the company’s solar cells are not handed out as freebies. But China’s policy of driving up both demand for renewable technologies and the production capacity needed to fulfill that demand has provided a huge benefit to consumers everywhere: the prices get lower and lower. For most manufacturing, the fall in costs associated with a doubling in capacity is pretty predictable. For solar, it seems to be around 30%. Rocketing production has thus meant plummeting prices; in 2024 solar panels cost a little more than a 20th what they cost in 2005. If the solar panels, EVs and wind turbines are not gifts in themselves, their ever shrinking prices are an undoubted, and most welcome, boon.

It is not surprising that China is good at making green tech. Abundant capital, dense supply chains, growing technological sophistication and a skilled labour force mean it is good at making almost everything. The green-industrial complex has also benefited from specific subsidies and the success of smart companies—but so have various other sectors. The thing which has really set it apart has been the sheer scale of China’s demand for electricity.

The party’s interest in cleaner energy began when citizens became restive about atrocious air- and water-pollution in the 1990s and 2000s; policymakers feared a “social crisis” was building, says one government adviser. Urgency mounted after the bid-winning promise that Beijing’s 2008 Olympics would be a “green” games. But there were other attractions, too. Chinese officials like to compare the country’s energy supplies to a bowl of rice which “must be

held firmly in our own hands”. Technologies offering potential reductions in oil and gas imports were welcome.

And solar cells, in particular, were an opportunity; there were growing export markets abroad. In the 2000s first Germany and then Spain put in place extremely generous and uncapped subsidies for solar. Chinese companies swooped. Established polysilicon companies elsewhere hesitated about investing in capital- and energy-intensive new foundries to serve the growing solar market (their main business was silicon chips). Chinese state-owned enterprises seized the opening, building new foundries in Xinjiang and other western regions powered, in one of the industry’s great ironies, by very cheap Chinese coal.

Companies in other businesses rushed into clean technologies; Tongwei was a fish-food producer before it pivoted to solar in the 2000s. They were encouraged by cheap credit and generous promises of land, as well as by direct subsidies. China’s EV-makers received \$231bn in various forms of subsidies between 2009 and 2023, according to the Centre for Strategic and International Studies (CSIS), a think-tank in Washington, DC. The American government’s bail out of Detroit after the global financial crisis, by way of comparison, amounted to about \$80bn.

The sector also benefited from China’s control of many relevant raw materials. Its state-owned companies first came to dominate the refining of rare earths in the 1990s, part of a strategy conceived well before concerns about decarbonisation. And the country refines the lion’s share of the world’s cobalt, lithium and graphite—essential ingredients for today’s batteries.

As the industry has grown, subsidies and favourable tariffs have been largely withdrawn: most notably, guaranteed feed-in tariffs for new renewable power plants ended in June. Clean-technology firms are increasingly fending for themselves, relying on innovation to stay ahead. They filed around 75% of global patent applications in clean technology last year, up from 5% in 2000, according to Ember, a consultancy.

Fierce competition spreads innovation through the industry like wildfire. Jenny Chase, a solar-power analyst at BloombergNEF, a data outfit, remembers that over the course of four months’ maternity leave in 2018 PV technologies that had been rare—monocrystalline silicon, diamond-wire saws

—became industry standards. But there are also less subtle ways to compete. Chinese wind-power companies have made turbines more efficient in part by building larger ones, which can capture more energy with each sweep (compared with foreign firms, China excels at “biggification”, notes one Chinese turbine engineer). They are also introducing more new types of turbine than rivals elsewhere. Many will fail. Some won’t.

Behind all this, though, lies the crucial factor of huge domestic demand. China has an unequalled demand for electricity, and that demand continues to grow. Last year’s increase in generation was the same as Germany’s total. The scale of demand for new capacity, allied with preferred prices for renewables which are now being phased out, has been the main driver for the astronomical run-up in production and consequent dive in prices.

So impressive has the growth in the clean-power industries been, though, that bits of the front-running solar industry have expanded beyond even China’s appetite for power. Amazing as it is that China churned out solar cells with a capacity of 680GW last year, its polysilicon foundries are thought to have had the capacity to produce 1,200GW. According to Reuters, the industry has shed a third of its jobs in the past year, amid losses of \$60bn.

The industry thus faces a wave of consolidation in which the big foundry-based companies force the smaller fry out of business; there is talk of a cartelisation to produce an “OPEC for solar”. But the risks are not purely the preserve of the industry’s minnows. In the solar-industry shakeout which took place in the first half of the 2010s, the country’s biggest manufacturer went bankrupt owing to debts and overcapacity.

The government also wants a leaner but more profitable solar industry. They have started railing against what they call “involutionary” competition, in which vicious price wars leave no real winners. Officials have said China’s next five-year plan (to be released in March) will include measures to crush the local protectionism which keeps weaker firms in business.

There may be a hard road ahead. But a significant long-term dip in solar production seems very unlikely. As Ilaria Mazzocco of CSIS says, the sector has become “too big to fail”. And the other two of the “new three” go from strength to strength. BloombergNEF thinks China’s EV firms will be making a third of the world’s cars by 2030. Demand for batteries will stay strong inside

and outside China because they make both new and already-installed solar capacity more lucrative.

The immense power of China's learning by doing will thus continue; a lack of renewable hardware is unlikely to be a problem for its decarbonisation. As the next article will argue, though, the same cannot be said for its continuing devotion to coal. ■

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Special report | 1,500 Great Pyramids

Cleaning up a coal-fired mess

China's green-industrial complex makes deep decarbonisation possible, but far from inevitable

November 6th 2025



Last year China burned 4.9bn tonnes of coal. Imagine a black and glistening Great Pyramid of Giza; then imagine, stretched behind it, a line of 1,500 more just the same. Three things combine to make the country's appetite so gargantuan. First, it has a huge economy. Second, a lot more of its final energy demand is met with electricity than in most other places. Those first two factors explain why, in 2024, China generated almost a third of the world's electricity. The third factor is that, in matters electric, China's fossil fuel of choice is cheap and abundant domestic coal.

Those 4.9bn tonnes of coal represented more than half the world's total consumption. They also represented a record level of Chinese consumption. If an economy is heavily electrified, economic growth needs a lot of electrical

growth; China's generation has been growing by about 6% a year since 2014. In the decade to 2024 the amount of electrical energy it generated in a year grew by 4,273 terawatt-hours; that is more than 90% of America's 2024 total.

Growth in demand can be environmentally advantageous in itself, if it is coming from sectors that used to use other more polluting forms of energy. The classic example is electric vehicles (EVs). Because electric motors are more efficient than internal-combustion engines, an EV emits less carbon dioxide per kilometre than a petrol-driven car even if it is powered by today's dirty Chinese electricity.

So more EVs mean higher electricity demand—but even if the electricity-generation mix stays as it is, EVs which replace petrol-burners mean lower emissions. Better still, those lower emissions come from burning less oil, which makes the transition a strategic win as well as an environmental one. Sinopec, a state-owned refiner, cites EVs as the reason it expects China's oil demand to peak in 2027.

Despite the fact that electricity fulfils more energy demand in China than elsewhere (almost 30%, compared with a bit over 20% in the EU and America), that share of demand is still increasing fast (in those other economies it has plateaued). The electrically powered high-speed rail network, which handled some 4bn trips last year, is set for further expansion. Projections by the International Energy Agency based on China's goal of reaching net zero by 2060 suggest a vast increase in the use of heat pumps (already standard in new buildings). This seems plausible, not least because the advantages China has in other forms of mass production will apply in this one, too. The country's steel-industry association expects a third of China's steel to be made with electric-arc furnaces, rather than using coking coal, by 2035, up from 15% at the moment.

The ever-growing demand is a large part of the reason why, despite having piled on renewables faster than it said it could, and despite looking as if it will peak emissions sooner than it said it would, China is not on track to fulfil the other key commitment it made at the Paris climate conference in 2015: its pledge on carbon intensity. The amount of carbon dioxide China emits per unit of GDP has fallen a good bit since then. But the national target of a carbon intensity 65% or more below 2005 levels by 2030 currently looks unlikely to be met.

If the renewables boom is to turn into a decarbonisation success, those renewables need to be used to make deep cuts in the amount of coal-fired power on the grid, rather than just to supplement it. Despite the current [solar stumble](#), few doubt China's ability to build the kit necessary for such a displacement. The Centre for Research on Energy and Clean Air, a think-tank based in Finland, reckons that, if the only limiting factor were the supply of renewable capacity, China would be able to continue its record of soundly beating its own clean power goals. Instead of boasting just the pledged 3,600 gigawatts of installed wind and solar capacity by 2035 it could get up to 4,500GW—enough fossil-free plant to meet half of today's electricity demand.

But not all watts of power are fungible. Where and when they can be delivered matters, too. A grid which can deal with renewable power on a Chinese scale has to be able to transmit it over very long distances, to store lots of energy and to deliver effective signals about what is wanted and what is available. The engineering challenges of transmission and storage are daunting, but play to China's strengths. The country has far less experience in the careful design of markets necessary to match supply with demand.

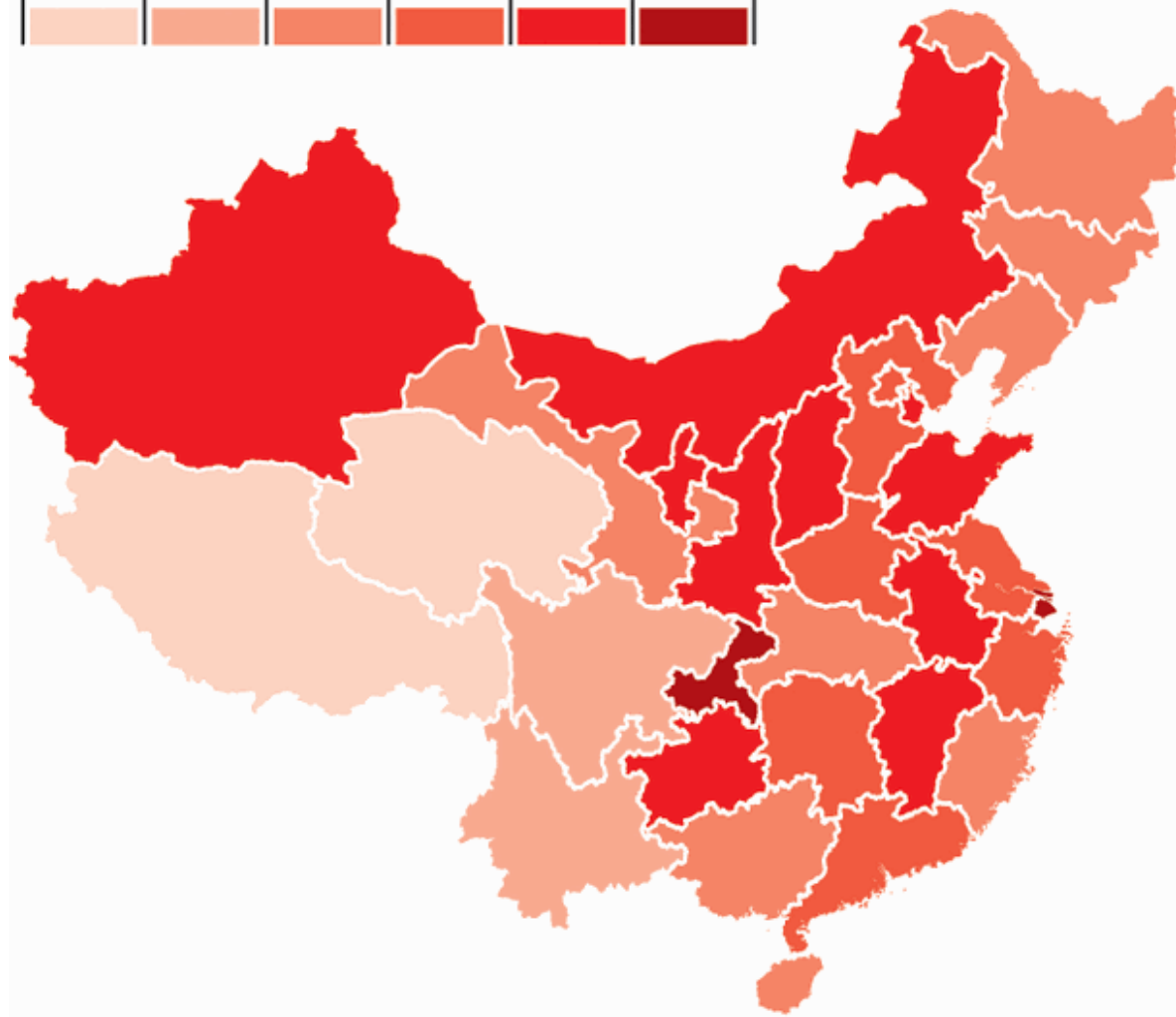
At the moment China's grid is optimised for coal. Coal-fired plants can be built almost anywhere, and provincial officials would rather build their own, to gin up growth, than rely on power produced elsewhere. Only one-fifth of electricity is traded across provincial boundaries. And prices are largely fixed. Power producers work on mid- or long-term contracts which guarantee them a fixed price for electricity provided when the grid wants it. Fulfilling such contracts is easy for coal-fired power because it can be ramped up and down fairly easily, as long as there is plenty of coal.

None of this suits renewable power. The windiest, sunniest provinces of China are in the west, far from the densely populated coastal provinces where demand for power is highest. And the intermittency of renewables means it is harder for a solar or wind farm to commit to the sort of contracts that suit coal.

This mismatch is causing increasing strain. In some regions coal contracts lock out cheaper renewables, forcing the renewable generators to dump useful energy as waste heat. In the first half of 2024 this "curtailment" rate for solar power was 3%. In the same period this year it was 5.7%. For wind, curtailment rose from 3.9% to 6.6%.

Getting it together

China, grams of CO₂ equivalent per kWh of electricity produced, year to July 31st 2025



Source: Centre for Research on Energy and Clean Air

Better connections are comparatively easily made. China already has 42 ultra-high-voltage power lines linking the vast solar farms in the deserts and mountains of western China to the cities and factories on its coasts. It plans to

triple the number of lines by 2050. But as well as making power available where it is needed, a grid which relies on renewables needs to be able to store energy for when it is needed.

To this end China added more batteries to its grid in 2024 than America and Europe put together. In September it announced plans to double its “new-energy-storage” capacity—mostly batteries, but also other technologies such as compressed-air storage and flywheels—by 2027. It is also investing in systems which pump water uphill when power is abundant and let it flow back down through turbines when power is scarce. A third of the pumped-storage under development worldwide is in China, which looks like breaking its own target of 130GW of such storage by 2030.

But hardware is not enough. If storage is to pay for itself you need a market in which prices can reflect the demand in specific regions at specific times. In European grids, buyers and sellers establish day-ahead spot-market prices on the basis of the costliest unit of supply needed to meet all the demand at any given time of day; further fluctuations are then dealt with through “intraday” trading which now works in 15-minute blocks. It is a very complex system that has evolved over three decades of deregulation. And it still needs further refinement.

Though several provinces are running pilot spot markets, China has nothing approaching this level of sophistication. To some extent, the generous feed-in tariffs for renewables which ended in June obviated the need for one; now they are gone, more experimentation seems likely. The central government says that a reformed national electricity market will not be ready until 2030. It will take a lot of tinkering before officials give up control to market forces, says Albert Cheung, of BloombergNEF, a research firm. They are terrified that prices might spike and disrupt factories.

The lack of flexible markets increases the role in decarbonisation for fossil-fuel-free generation which can be run non-stop. David Fishman, of the Lantau Group, a consultancy in Shanghai, points out that roughly half of the 60-odd nuclear-power stations under construction worldwide are in China. China builds such things considerably more quickly than America and Europe do. And the cost of building them seems to be dropping as the industry gains experience, something which has not been seen elsewhere.

By 2035 China aims to have the largest nuclear sector in the world producing 10% of its electricity—twice today’s share. Like many other countries, it also has plans for new types of reactor, including small, mass-produced ones. Unlike other countries, it can expect a significant increase in its nuclear capacity even if those ideas fail to pan out.

China’s other, and longest-established, fossil-free source is hydropower. As well as providing ever more pumped storage, the sector is still building dams. It has announced plans for a plant in Tibet with three times the power capacity of the world’s current champion (which is itself in China). Hydropower, though, has limits due to seasonality, and its dams have to concern themselves with river management as well as electricity production. Altered rainfall patterns as a result of climate change are another concern.

Even if all these alternatives work out well, and even if the grid and its associated markets are radically reformed, something extra is needed. China requires not just the ability to do without coal. It needs to be sure that it wants to.

In 2021 and 2022 power cuts across 20 provinces made electricity an urgent concern for party leaders; the result was a renewed commitment to building coal-fired generators; in 2024 construction started on nearly 100GW of it. Evidence that the outages were not, in fact, caused by a lack of coal-fired capacity seems not to have overcome the belief, embedded deep in politicians’ minds and easily reinforced, that any scarcity of power is a case for more coal.

Decarbonisation optimists argue that to look at coal capacity is to miss the point; the real issue is how much of that capacity is being used. Most coal plants in China are producing only about 50% of the energy that they could. Local officials are experimenting with capacity payments which go to coal plants just for being there as insurance against blackouts.

There will probably be a role for such capacity payments. But the policy most likely to wean the country from coal for good is to make burning it more expensive. Markets which allow carbon-emission rights to be traded have seen coal driven out of electricity generation in Britain, and its share significantly reduced over much of Europe. China started its own carbon market in 2021. So far, though, there is no limit on the number of emission credits distributed (no “cap”, in the jargon), and the majority of the credits are free. The effect on

emissions has thus been imperceptible. Officials have promised to fix these problems, even though to do so would create winners and losers, with the losers mostly coming from the world of coal.

When needs must, officials are willing to inflict that sort of pain; the government forced hundreds of inefficient steel plants to close in the 2010s. But this time round they seem to be dawdling. Only when there are thoroughgoing efforts to reduce the role of coal will deep decarbonisation be assured. ■

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Special report | Cleaner air, quicker heat

China's air-quality improvements have hastened global warming

Air pollution used to cool the world: now, not so much

November 6th 2025



CHINA STILL burns a hell of a lot of coal. But since the “air-pocalypse” of 2013 it has worked on doing so in a much less brimstone-y way. A large proportion of the tiny particles that make up air pollution in cities are sulphates which can be traced back to the sulphur found in coal and fuel oils. When China decided to clean up its filthy air, sulphur was one of the things it sought to suppress. Use of sulphurous fuels was reduced; chemical devices were installed to remove sulphur from the flue gases pumped out by power stations. These steps, along with others, greatly improved air quality in Chinese cities. Its citizens’ lungs are much the better for it, and their lives the longer.

They are also a little hotter; and so, on average, is everyone else. Sulphate aerosols reflect sunlight back into space, cooling the surface below; they can also thicken clouds, providing a similar effect. Reducing the amount of sulphur going up into the sky by 20m tonnes a year, as China has, means fewer aerosols and less of those cooling effects.

Scientists believe that the acceleration in global warming seen since the mid-2010s has been largely due to changes in the abundance of aerosols and the properties of clouds. The biggest factor in this has been lower sulphur emissions as East and South-East Asian economies have cleaned up their emissions, and China is the biggest player there by far.

As and when China moves from cleaner coal to less coal, a further warming can be expected. This is not an argument for keeping coal. For one thing, sulphates still kill people. Getting them under control in China has saved hundreds of thousands of lives; more reductions will do more good. For another, the warming effects of carbon dioxide are far more long lasting than the cooling effects of sulphur. A power plant's sulphates last only as long as the power plant; aerosols fall out of the lower atmosphere in weeks. Much of the same plant's carbon dioxide will hang around for centuries, warming all the while.

Paul Crutzen, a Nobel-prize-winning atmospheric chemist, saw this problem coming, and in 2006 suggested a way out. A comparatively small amount of sulphur injected high into the stratosphere can provide as much cooling as lots of sulphur in the lower atmosphere, and with far less harm to human life.

Both the possibilities of such geoengineering and its drawbacks are now being discussed more widely and seriously than ever before. Considering the size of China's research capacity, says an American expert who served under Joe Biden, the level of geoengineering research there is no more than modest. "But interest appears to be increasing, and could be rapidly accelerated." ■

Special report | Solar eclipse

How China sparked a rooftop solar revolution in Pakistan

It is a test case for the green transition in the Global South

November 6th 2025



In the record-breaking heat of summer last year, Muhammed Munir decided he could bear it no longer. Despite electricity bills which ate up a quarter of his income, regular power cuts left his family without fans as temperatures soared above 50°C (122°F). Mr Munir, a retired railway worker who lives in Lahore, the largest city in the Pakistani province of Punjab, is by no means rich; but he has a pension, a small income from a job cleaning at a local factory and a house. So he joined the growing numbers of Pakistanis who have taken matters into their own hands, by installing rooftop solar panels imported from China.

China's green technology is reshaping landscapes, markets and geopolitics across much of the world—but Pakistan is perhaps the most striking example.

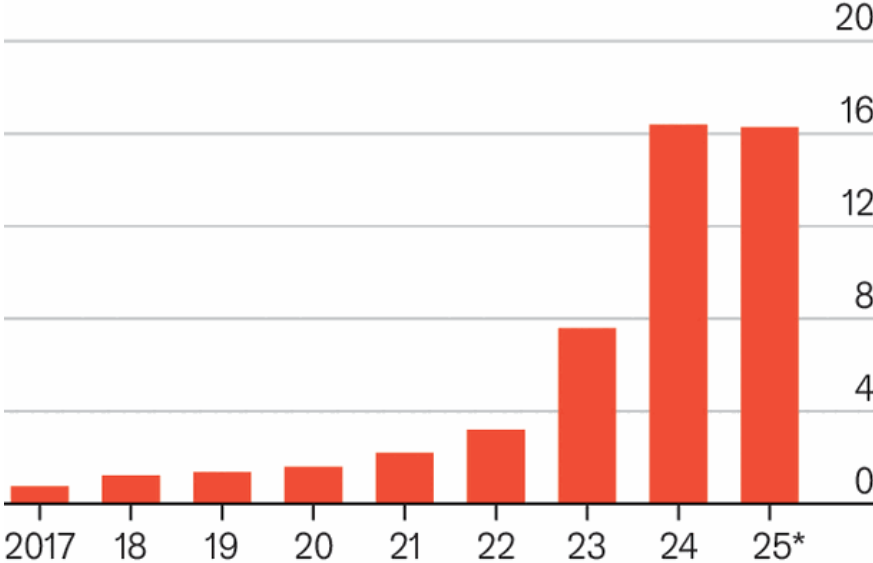
This year it became the world's second largest importer of solar panels. It has become a laboratory for the green-energy transition in the global south. It is also a test of China's willingness to lead that transition, rather than just provide the wherewithal for it.

Travel around Pakistan and you will see solar panels everywhere, from pukka bungalows to mosques, from farms to roadside shops. In rural areas, they are often mounted on trailers that can be towed from household to household. Increasingly, solar panels are included in marriage dowries.

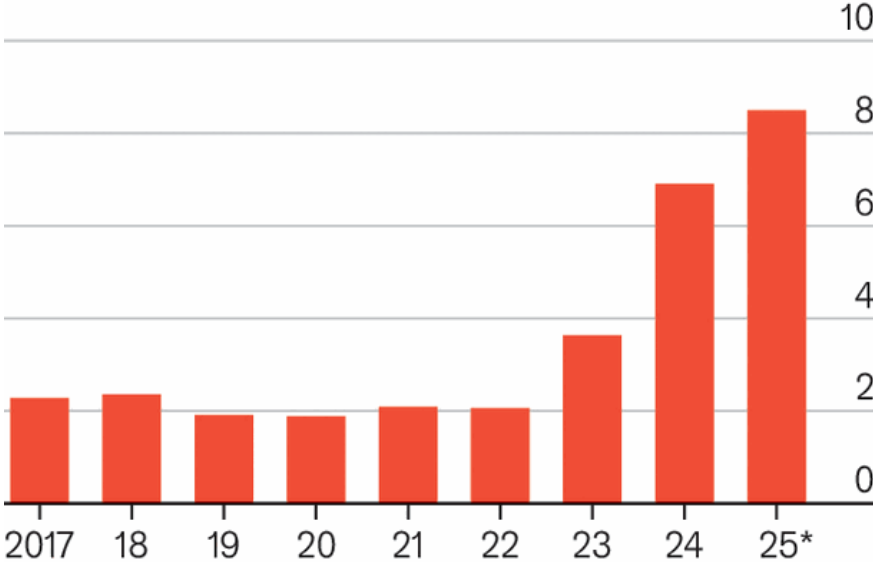
The opposite of an eclipse

China, solar-panel exports to Pakistan

Gigawatts



% of total exports



*To September
Source: Ember

Between 2022 and 2024 trade statistics show Pakistan's annual imports of Chinese-made solar panels increasing almost fivefold to 16 gigawatts. In the first nine months of 2025 it imported another 16GW. By the end of this year, its cumulative solar imports are expected roughly to match the installed generation capacity of the national power system—capacity augmented quite recently by four spanking new coal-fired plants built and financed by China as part of its global Belt and Road infrastructure scheme.

Since 2022 the power providers responsible for that legacy capacity have seen their revenues plummet. Power consumption from the grid has dropped by around 12%. With new solar users increasingly likely to install Chinese-made batteries that allow them to enjoy access to electricity after sunset, that fall looks likely to continue. Meanwhile the companies' infrastructure costs are undiminished. And they are still burdened by the debt they took on, much of it from China, to meet the expected growth in demand which consumers have instead met with solar panels.

Revenues falling faster than costs pushes up bills for remaining users, prompting even more people to switch to solar in the sort of “utility death spiral” which is becoming an increasingly common worry in both developed countries (Germany in the mid 2010s, parts of America today) and developing ones (like South Africa). The fact that the generators now find themselves with surplus capacity adds insult to injury.

These concerns led Pakistan to impose a 10% sales tax on imported solar panels in June—to little effect. Demand for panels remains high; imports of Chinese batteries have spiked to get more out of existing panels. “As battery storage becomes cheaper, people will shift to that: it's the writing on the wall,” Awaiz Leghari, Pakistan's energy minister, tells *The Economist*.

Mr Leghari says he has started negotiations with China on restructuring the agreements which cover its coal-fired projects. And he is seeking expertise from China and elsewhere on how to modernise Pakistan's grid and strengthen its power market. At the same time, his government is trying to encourage Chinese investment in local manufacturing of solar panels, batteries and other green technology. When asked for comment China's foreign ministry referred *The Economist* to the “competent authorities”.

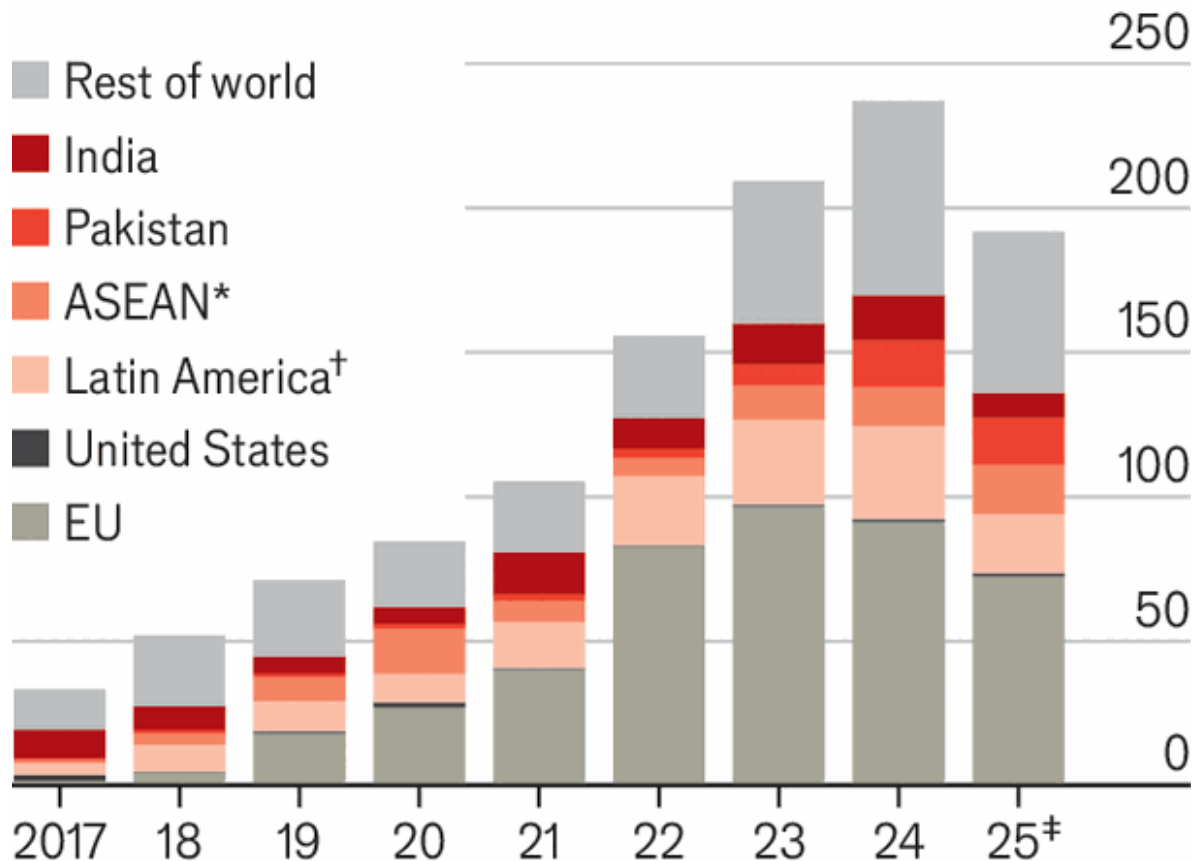
“Pakistan is essentially a test case,” says Lauri Myllyvirta of the Finland-based Centre for Research on Energy and Clean Air. “It shows that those technologies that can be installed by consumers and commercial users without requiring extensive permitting and bureaucracy can move a lot faster.”

How China responds to Mr Leghari’s overtures matters not just to Pakistan: it could provide lessons, and set the tone, for energy transitions across the global south. The more China helps countries make the most of what cheap solar offers, and the more it defrays some of the unavoidable downsides for governments and state-owned generators, the better it will be for its future export markets—and the greater the amount of soft power it will earn in the process.

The global south is already outpacing the global north in the growth of solar and wind power’s share of electricity generation. The rate at which it is adding renewable capacity could do the same by 2030. Entirely uncoincidentally, China’s solar exports to the global south, which rose by 32%, to 126GW, exceeded its exports to the global north for the first time (116GW, 6% down on 2023). That probably owes a lot to trade barriers in rich countries. But the increase in exports to the south also comes from the fact solar is now by far the cheapest source of electricity for anyone who wants new capacity.

Southern exposure

China, solar-panel exports, gigawatts



*Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

†And the Caribbean ‡To September

Source: Ember

Between 2024 and 2030, green-energy capacity is expected to more than double in Asia, Latin America and sub-Saharan Africa and to triple in the Middle East and north Africa, according to the International Energy Agency, a forecaster. It expects additions in India alone to run at 350GW in 2024-30.

The disruption to incumbents which this represents means that other governments, like Pakistan's, are erecting barriers. South Africa—also facing

problems with grid stability after a sudden influx of Chinese solar panels—imposed tariffs of 10% last year. Brazil, one of the top three importers of solar modules, increased its tariffs on them to 25% last November. Nigeria, Africa's most populous country, has been considering a complete ban on imported solar modules.

One of China's responses is to increase the manufacturing done outside China. According to a study published in September by researchers at Johns Hopkins, Chinese green-tech companies have promised to invest \$200bn in other countries since 2022. Part of the motivation has been to circumvent tariff barriers put up by developed countries; roughly half the investment was in South-East Asia. But such investments also responded to developing countries raising tariffs. This is not all to do with solar; batteries, electric vehicles and green hydrogen are all part of the mix.

This flow of investment has now eased off—at least for a while. The solar industry's problems with domestic oversupply are undoubtedly part of the reason for this. The risk that new American, and possibly other, tariffs will hit more imports from third countries, as well as from China itself, probably also plays a role.

The Chinese government's efforts to speed the global transition have been less impressive. In 2021 the country's leader, Xi Jinping, said China would not approve any new coal projects as part of its Belt and Road initiative, and would shift its focus towards renewables. China did not, in fact, abjure further coal investments, and it has continued many other fossil-fuel projects abroad. But in 2024 its green-energy-related Belt and Road investments, loans and construction contracts reached \$11.8bn, according to scholars at Griffith University in Australia and Fudan University in Shanghai. That was 60% more than in 2023.

The modest size of such transfers understates the possibilities for government involvement. Over the next decade, China hopes to shape technical standards for energy infrastructure across the developing world. That will gradually entrench systems compatible with Chinese technology, increasing the cost of changing sources. It could also buy China political influence across the global south. So too could taking a bolder position in multilateral climate talks; many poorer countries are among the worst-affected by global warming. What is more, China will be offering what America cannot or will not.

To make the most of this China will need to transfer more of the technology that could allow host countries to develop their own green-energy industries. And it will need to focus more on helping these countries with green finance, grid modernisation and policy making to manage their energy transitions.

In the case of Pakistan, Mr Myllyvirta suggests that China should help strengthen Pakistan's grid and invest in battery storage. Waqas Moosa, who heads the Pakistan Solar Association, the country's main industry lobby, wants China to share more of its experience with solar roll-outs in its own market and elsewhere in the world. "Right now, we have success stories which are far from each other and nobody's connecting them," he says. He also wants it to explore new funding models for large-scale battery projects, and to invest in battery production in Pakistan.

Others doubt that China will share useful policy advice, given its secretive political culture and its problems managing its own energy transition. And political instability in Pakistan has made China more wary of dealing with it. But since China's Belt and Road projects in Pakistan fell well short of their goals, Chinese authorities now have a strong incentive to make Pakistan's solar boom a showcase for the global south. "This will be an excellent story if grid modernisation is done in time," says Muhammad Mustafa Amjad of Renewables First, a non-profit in Pakistan. "If not, this will be an example of what not to do." ■

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Special report | Code red

Why climate change now threatens China's future

Extreme weather is hurting its economy and worrying its leaders

November 6th 2025



At first, few were worried about the rains around Taishitun, a scrabbly town in the mountains north of Beijing, in the last days of July. There had not been a flood there since 1890—and that was not a severe one. But over a few hours in the morning of July 28th, torrential downpours caused a nearby river to burst its banks. A two-metre-high torrent of water poured into the town's nursing home. Of nearly 70 elderly residents there at the time, 31 died. Rescuers in the arid northern parts of China are more prepared for earthquakes than floods: the home had not been included in any evacuation plans.

When The Economist visited Taishitun in September, brown mud still streaked many of its buildings at head height; windows smashed by the waters gaped open onto the streets. A police car arrived within minutes, followed by a local-government official who said reporting on the flood was “sensitive”. But she

also voiced a concern shared by more and more of China's people. "Everyone feels it. Summers are hotter, winters are dryer. We respect nature. But how can an individual deal with the problems of the whole atmosphere?"

China's Communist Party used to have a clear response to such questions: less respect for nature and no truck with individualism. Individuals should concentrate on their role in the collective effort by which "Man must conquer nature", as one of the Maoist slogans of the Great Leap Forward had it. If mountains were in the wrong place, move them; bend rivers to the people's will. Such attitudes resulted in a human catastrophe which was also an environmental disaster.

Later leaders maintained some interest in technological mastery, initiating fluvial megaprojects such as the Three Gorges Dam and, downstream of it, the South-North Water Diversion Project, which will eventually drain off half-a-Rhine's-worth of the Yangzi for the benefit of distant farmers. But in general the environment was downgraded from adversary to irrelevance. The country's water, soil and air became sumps for the residues of industrial development.

By the 1990s the paramount pursuit of economic growth, widespread corruption and lax enforcement of regulations meant that around 70% of China's rivers and lakes were polluted or heavily polluted. Nine of the world's ten most polluted cities were in China, according to the World Resources Institute. Much of China's arable land was degraded due to erosion and the build-up of salt and contaminants.

Many of these problems were exposed by activists, some of whom founded campaigning organisations. The authorities tolerated such activities (while closely monitoring them) as a way to channel public discontent without threatening party rule. Some central-government officials, increasingly concerned about environmental degradation, saw such activists as a way to expose those responsible.

Outside pressure had its effects, too. In the run-up to the 2008 Beijing Olympics, the United Nations Environmental Programme warned Chinese organisers—overseen by then-vice-president Xi Jinping—that some athletes might refuse to take part if it did not clean up its water and air. China spent

some \$17bn on environmental measures—many short-lived—such as closing or relocating factories and introducing new emission standards for vehicles.

Shortly after the air pollution made its post-games return, there was a new source of pressure: @BeijingAir, an account on what-was-then Twitter which posted air-quality measurements made at America's embassy. Though Twitter was blocked within China, the data easily found their way into the Chinese bits of the internet, less shut off then than now. Prominent Chinese social-media users demanded action.

Action they got. Air quality in Chinese cities has improved remarkably. The improvements are sound policy; cleaner air is saving hundreds of thousands of lives. They can also be taken as evidence that the government listens to what people are worried about—even when the organised voicing of such worries is crushed, as it has been under Mr Xi.

A willingness to act on specific issues did not mean the state was embracing more general concerns about climate change. Mr Xi's government feared recognising a link between freak weather and global change might make people uncomfortable with the country's rapid and fossil-fuel-led economic growth. In 2019, when deadly summer floods hit central China, state media were loth to put them into the context of climate change—environmentalists seeking to do so in interviews found that their comments were never used.

In past years that has been changing. Climate change is hard to ignore when, as the official in Taishitun says, “everyone feels it”. The July rains around Beijing were part of a longer-term trend affecting much of China. Its average annual precipitation barely changed between 1901 and 1960; it has increased by 6mm per decade since then, according to the 2025 edition of an annual “blue book” on climate change published by the China Meteorological Administration (CMA). “Extreme heavy precipitation” events have become more frequent.

Things are hotter as well as wetter. The CMA says that between 1961 and 2024 China's average temperature rose at a rate of 0.31°C per decade. Many Chinese were particularly alarmed by a 70-day heatwave across southern and eastern China in 2022. It caused power shortages—air conditioners are far more common in China than they were, shifting peak loads to summer months

—as well as crop failures and significant strain on infrastructure and public health. And every year since 2022 has set a new national record.

Food security, long an obsession of China's leaders, is also increasingly under threat. Mr Xi wants the country to become more self-sufficient in its food supplies, partly to reduce its vulnerability to foreign pressure in the event of a war over Taiwan. Research funded by the agriculture ministry shows that droughts—which can increase at the same time as annual rainfall, such being the perversity of the climate—could reduce yields of maize, wheat and rice by 8% by 2030. Heavy rainfall could have a similar effect. Extreme heat will make pigs, cows and chickens less productive (it has the same effect on humans).

Reducing global emissions limits the long-term worst of this. In the shorter term, there is adaptation. In 2022 China released its first comprehensive plan for climate adaptation in the years leading up to 2035. The plan said bluntly that “Climate change will pose more and more risks to the PRC's economic and social development, as well as the security of its people.”

China does not publish official figures for its spending on climate adaptation. But the National Center for Climate Change Strategy and International Cooperation told *The Economist* that its programmes would focus on measures such as building early-warning systems, expanding a “climate-resilient cities” scheme and enhancing disaster insurance and other financial tools. It was also unusually frank in acknowledging the challenges. Grassroots capacity for climate adaptation was “generally weak” and some regions lacked “professional expertise”, it said. In some cities policies and funding were inadequate.

This new emphasis mirrors a shift in public opinion. In 2010, only around 6% of respondents in a national survey considered climate change the country's most urgent environmental problem. A paper by Chinese and American scholars recently published in *Nature* found that by 2023 the share was more than 23%.

A study by researchers in Oxford in the same journal asked people in 125 countries whether they would be willing to contribute 1% of their income to fighting climate change. The share saying yes in China—81%—was among the highest. Asked whether they thought other people would be willing to

make the same commitment the Chinese thought a heartening 56% would be. No country in Europe or North America put the share above 50%. In the United States, where 48% said they were themselves willing to contribute, just 33% expected the same of their fellow Americans.

The fact that the Chinese people want action does not mean they will get it. But their co-opted concerns have been a factor in past Chinese environmental progress. They may be again. An opportunity to please the people while taking the place on the world stage which those people consider their country's due does not come to many leaders outside times of war.

And, outside times of war, no economy has ever turned its power so effectively to a particular real-world goal. America's Apollo programme pushed a specific set of technologies faster and harder; but having done its job, it was shut down. The factories and supply chains providing a terawatt of clean solar and wind capacity every year are something else entirely. The brute, massive fact of them may well be as important to understanding the world in the decades to come as the nuclear arsenals of the superpowers.

Bruno Maçães, a Portuguese political scientist, argues that those nuclear arsenals are a special case of a more general characteristic: that what marks out a superpower is the ability to shape global narratives through national action. On that basis, China is clearly a climate superpower. And with America doubling down on fossil fuels, it is arguably the only one.

That does not mean it can singlehandedly create a path to salvation. The world is far too complex in its workings and disparate in its beliefs for even the most altruistic of actors to achieve such a thing, and China is far from altruistic. Besides, the hour is late. Too many harms of too many types are already either here or imminent. But China has much to offer, and much to gain. It is a fateful opportunity ■

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Make America procreate again: among the MAGA fertility fanatics

Tech bros and religious conservatives have joined forces to boost the birth rate

November 6th 2025



Ordinarily Tim Adkinson, a trucker, sleeps in the back of his vehicle. But on a warm night at the end of March, he checked into a hotel in Austin, [Texas](#). He had dressed up smartly: white linen shirt and chinos, hair brushed forward in an attempt to mask his receding hairline. On his wrist he wore a yellow paper wristband. This accessory was meant to signal to the people he'd meet that

evening that he was single, open to dating and, most importantly, looking to procreate—a lot.

“I’m 32 years old and I haven’t had any kids,” Adkinson told me. We were sitting next to each other eating a dinner of roast chicken and broccoli in the auditorium of the Bullock Texas State History Museum. It was the opening ceremony of NatalCon, a two-day conference that tasked itself with “gathering the brightest minds in the world in search of new solutions” to the global fall in [birth rates](#). The 200-strong crowd was full of self-proclaimed pro-natalists: those who believe that people (at least people like them) should be having more children, and that, if they don’t, society (at least as they know it) will collapse.

Adkinson, whose solitary life on the open road gives him a lot of time to think, was concerned that he was contributing to the problem. “You know, the alarm bells were going off. Like why hasn’t this happened for me?” There was a flash of vulnerability in his face. “It’s not just trucking,” he said. “It’s not me specifically. It’s everywhere.”

He had seen influencers speaking online about NatalCon, and decided to pay the \$1,000 fee to attend. Matchmaking wasn’t the point of the conference; rather, it was billed as a serious academic affair that would feature pro-natalist thinkers, tech entrepreneurs, venture capitalists and people with the ear of the Trump administration. Still, Adkinson wanted to try his luck among a like-minded crowd. He filled out a Google Form that was sent out to single attendees before the opening ceremony, on which he listed his age, spiritual background and the number of children he wanted (from one to seven or more).

Now that he was here, though, he didn’t like his odds. “It’s like eight to one, men to women I swear,” he said, giving a cursory glance around the room. “I’ll give it a shot but I’m not holding my breath.”

Adkinson had voted for Donald Trump and described his own politics as “hard right”. In that sense, he might have found his people. The conference dining room was a jumble of libertarian tech workers and religious conservatives—representatives of the so-called tech-trad alliance that helped propel Trump to a second term in the White House.

For these political bedfellows, falling birth rates are an existential crisis, with potentially devastating consequences for the American economy, national security and the MAGA project. Tech billionaires like Marc Andreessen, Palmer Luckey, Peter Thiel and, most famously, Elon Musk, have all publicly fretted about the issue, and funnelled money into companies and research initiatives that are developing reproductive technologies. Meanwhile, religious conservatives, like those at the Heritage Foundation, a right-wing think-tank, have been pushing for policies that might, in theory, help expand the population—such as banning abortion and reducing subsidies for contraceptives.

The vice-president, J.D. Vance, is at the nexus of the tech-trad alliance. As a vocal convert to Roman Catholicism whose political career was supercharged by Thiel, his former boss, Vance has been thrilled to help make pro-natalism an explicitly MAGA issue. He has criticised prominent Democrats who don't have biological children for being “childless cat ladies” (Taylor Swift then pointedly used the phrase in her endorsement of Kamala Harris last year); and he made a point of saying in his first public address as vice-president that “I want more babies in the United States of America.” Trump, in turn, has declared himself the “fertilisation president” and recently unveiled a plan to offer discounted fertility drugs through TrumpRx, the administration's direct-to-consumer website, due to launch next year.

There was a sense among many at NatalCon that, with Trump and Vance in power, the moment to jump-start American baby-making had come at last. But those gathered outside the museum on the opening night of the conference had a different impression: that pro-natalism was part of a broader and more insidious project to create a whiter America. A group of protesters, their faces mostly covered, gathered in the museum's courtyard. “Nazis off our campus!” they screamed through a megaphone as conference attendees streamed in. One sign read “Eugenicists” with the word “Natalists” crossed through.

Adkinson didn't mind being heckled. “I've been called a Nazi at least 500 times in my life,” he told me with a shrug. He didn't see what all the fuss over pro-natalism was about. “The message is simple: go have babies. And the left is going nuts!”

Globally, birth rates are falling. [Recent analysis](#) by The Economist suggests that, if current trends continue, the world population is likely to peak at 9.6bn

in 2065, then tumble; it is even possible that it might stop growing in the 2050s and never exceed 9bn. America currently has a total fertility rate (TFR) of 1.6 children per woman, meaning that it is well below the replacement rate of 2.1—the standard estimate of what’s required to keep a population stable. But it is still more fecund than Europe or East Asia, parts of which are reckoning with TFRs of 1 or less.

In many ways, falling birth rates are a symptom of something positive—that more pregnancies are planned and more women are exercising agency over their lives. But the consequences of population decline are uncertain. If each generation is smaller than the previous one, there could be fewer workers to shoulder the burden of caring for the elderly and servicing public debt. AI might compensate for a fall in the number of humans, but it’s impossible to say by how much.



One way for a country to deal with a shrinking population is to let in more foreigners. But immigration is a contentious issue for voters around the world. Populist parties and leaders, particularly in Europe, often marry anti-immigrant sentiments with pro-natalist ones, arguing that “natives” having children is the best way to preserve national identity and culture.

Many governments have tried to bribe people to have more babies. South Korea—which has a TFR of 0.72, the lowest on Earth—has spent \$270bn over the past 20 years on pro-natalist policies: subsidising taxis for pregnant women, providing free IVF and, in some towns, giving new mothers free

housing. This year it began granting couples a cash payment of close to 30m won (\$20,000) over eight years for each child they have. Viktor Orban's government spends 6% of Hungary's GDP on pro-natalist policies—including a lifelong exemption from income tax for mothers of two children or more.

These policies have had little effect. South Korea's low birth rate has barely budged; Hungary's is 1.56, lower than its neighbours Romania and Bulgaria, which have spent far less on promoting births. "Look, having a child is more like joining the military than going out to dinner," Catherine Pakaluk, a speaker at NatalCon, told me. "That's why cash incentives don't work." Pakaluk is a professor of political economy at the Catholic University of America, where her research touches on the economics of family and demography. "Women now have all of these wonderful options. Which is to be celebrated. But that renders childbearing a choice."

To understand why people make that choice, Pakaluk interviewed 50 American women who had unconventionally large families, of at least five children. One of the things she found was that raising children is a learned skill—something she knew from experience, too. "I had lots of siblings, so I was always around children. I had a sense of what it would be like to have my own." (Pakaluk now has eight children and six step-children.)

Pro-natalists fear that women in low-fertility countries are becoming accustomed to being around fewer children, and will, in consequence, find the prospect of having their own too daunting. The result, they say, would be a doom loop that will speed up the rate of native-population decline. This prospect has been particularly alarming to pro-natalists in America. Although the country has long considered itself a nation of immigrants, it is now in the midst of the sharpest nativist turn in recent memory, as the Trump administration tightens visa rules and deploys Immigration and Customs Enforcement (ICE) agents to bundle suspected illegal immigrants into vans for deportation.

To Trump's supporters, this makes the need for endogenous population growth urgent. Jack Posobiec is a far-right influencer who was a champion of the Pizzagate conspiracy theory (which alleges that top Democrats were involved in a child-sex ring) and is a confidant of Pete Hegseth, the secretary of defence. On the first night of NatalCon he declared: "It's not just a culture

war, it's not just a political skirmish. Let's speak bluntly. We are in a war for civilisation itself." And in that battle, "natalism is our sword and shield."

The libertarians and religious conservatives at the heart of the tech-trad alliance have proved receptive to this message. They may have slightly different projects—with the trad contingent having large families in the belief that it accords with their faith (go forth and multiply), and their tech counterparts believing that large families composed of bright children and clever parents will lead to a more creative, productive society (go forth and innovate). But they are bound together by a strong sense that the decline in birth rates is a cultural issue: a symptom of liberal decadence and the short-sightedness of modern culture.

At NatalCon, the tech gurus were conspicuous, sporting T-shirts with their company logos and the occasional Patagonia gilet to guard against the aggressive air-con. So too were the religious conservatives, who were usually dressed in business casual, their pressed shirts neatly tucked in. The crowd was nearly all male and mostly white.

Women were present, but they were often herding gaggles of kids, who could be spotted weaving their way through groups of men chatting about children in abstract terms while politely ignoring the real ones at their feet. I met one woman who was a mother of nine, with a tenth on the way. She and her family had travelled from a small town in Texas, where they lived in what she described as a "raggedy farmhouse". "It's hard to meet other people who want families like ours," she said. She saw the conference less as a political gathering and more as a way to build friendships with other super-max families. (Her husband then walked over, repeated that they weren't there for political reasons and declined on her behalf to be interviewed further.)

Lyman Stone, a demographer and the head of the Pro-Natalism Initiative at the Institute for Family Studies, a conservative think-tank, knew the optics of the conference were unpromising. When we met up at NatalCon, he was wearing a Hawaiian shirt that made him stand out from the crowd. "We're getting together and all talking to each other about babies, which is kind of a weird thing to do, especially for a group that's like, I don't know, 70%, 80% men," he chuckled.

He understood why women would balk at hanging out with pro-natalists. “A lot of people associate worries about low fertility with the end of women’s rights”—with a regressive vision of the future, or even the dystopia created by Margaret Atwood in her novel “The Handmaid’s Tale”, in which women are seen simply as baby-making machines. “That obviously turns a lot of women off to the whole conversation.”



Stone assured me that pro-natalism was consistent with protecting women’s rights, especially their right to have the families they want. At the same time, he said, his voice sincere, “A lot of the women who are highly pro-natal are

also more interested in their role as mothers than in their role as conference attendees.” (He said his own wife fell into this camp and had chosen to stay at home with their children.)

The few women who did have a platform at NatalCon were either “trad wives”—the term for women who voluntarily embrace old-fashioned gender roles—or tech-world girlbosses, who were keen to show how deftly they were combining their large families with their jobs. One such career woman was Simone Collins, the former managing director of Dialog, a secretive members-only organisation co-founded by Peter Thiel. She took to the conference stage wearing a milkmaid’s bonnet—a sly nod to her detractors’ “Handmaid’s Tale” jibes—with a baby strapped to her back. It was her fourth child, a girl named Industry Americus (her two daughters have gender-neutral names). At the time, Simone was expecting her fifth baby. “Half of me wants to vomit and the other half wants to lie down on the stage,” she told the audience (she made it through her speech without incident, to rapturous applause).

Simone and her husband Malcolm are two of the most visible tech pro-natalists in America. Both in their late-30s, they wear thick black-rimmed glasses (Simone’s are round, Malcolm’s square). Together, they lobby investors and developers who they believe can engineer solutions to America’s falling birth rate. They also run the Collins Institute for the Gifted (which offers AI-led homeschooling), write books and host a podcast, and have invested in fertility-tech companies and a dating app for long-term partnerships between people who want children.

They were spurred to take up pro-natalism around a decade ago, when Malcolm was the director of strategy for a venture-capital fund in South Korea. His boss had asked him to model what the country would look like over the next five to ten decades—“you know, what will be the big industries. Basic VC stuff.” Malcolm remembers being struck by the country’s low birth rate. “It doesn’t look like Korea has an economy in a hundred years,” Malcolm told his boss, who he says shrugged it off. “That horrified me,” he said. It was too late to save South Korea, in his view—but he could do something for America.

To garner attention for their cause, “people needed to hate us to have a reason to talk about us. So we kept doing things that we called media-baiting,” Malcolm said. The more controversy they caused, he reasoned, the more

likely people would be forced to learn about falling birth rates and pro-natalist ideas.

That's why he shrugged when I mentioned a Guardian profile of the couple, which revealed that he had slapped one of his children in front of the journalist. When the piece was published last year, it instantly went viral, causing people online to remark on the Collinses' seeming dislike of their own children. "When you protect a person from any negative emotional stimulus, they'll quickly spiral into anxiety and depression whenever they encounter difficulties in the real world," Malcolm told me, by way of explanation for his actions.

I had wondered whether pro-natalism was more attractive to people in the tech industry, than to, say, other educated groups in America, because they are some of the few people who feel they can comfortably afford to have massive families. But it was clear that, even for a couple as affluent as the Collinses, some sacrifice was necessary to raise their brood. Rather than living in an urban tech hub, for instance, they had moved to rural Pennsylvania, where it was cheaper to buy a house large enough for a host of kids.

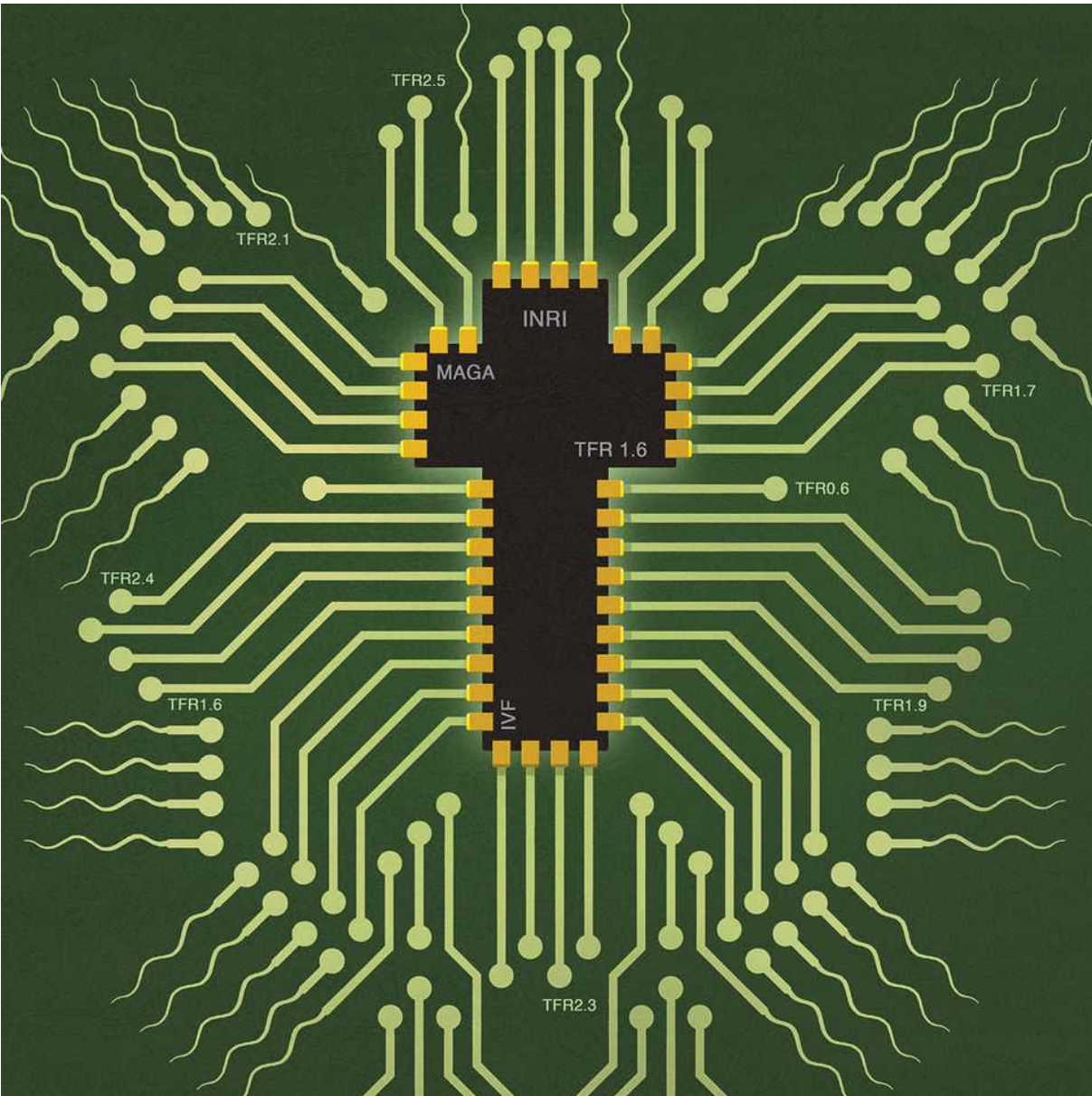
As Malcolm and I spoke, I noticed that the Collins children were wearing the same black polo shirt as their father. "Mostly we just have one outfit for the kids that can change with age," he explained. I noted that that seemed like a pragmatic way to raise children. "We're breeding at scale," he responded matter-of-factly, "so we need to find ways to be frugal."

The Collinses' path into pro-natalism tracks transformations in Silicon Valley over the past few years, as the tech industry's most prominent chief executives have become more visibly entwined with the Trump administration and the wider MAGA movement. Malcolm Collins told me that he didn't find it difficult to move in the same world as the religious conservatives in Trump's base: "It's not a messy alliance. We're not taking jabs at each other regularly. We all know each other."

In both camps there was a sense that they had been fighting against the tide of mainstream liberal culture—what Musk has often referred to as "the woke mind virus"—and that they, with their heterodox views, were the true champions of diversity. "A big part of why the tech and MAGA alliance works so well is because we both are just like, hey, leave us alone. Stop

imposing your values on us and stop trying to get our kids to adopt your values.”

Still, some issues between them are tricky to reconcile, including IVF. The technology accounts for only 2% of American births, because it is expensive and often not covered by insurance. But some religious conservatives oppose it, as the process produces excess embryos—“unborn children”, in their eyes—that are often destroyed. The Heritage Foundation supported last year’s decision by the Alabama Supreme Court which ruled that frozen embryos have the same rights as living children; the decree has created confusion over appropriate storage methods and the legal liabilities those seeking IVF treatment might face.



Many of the religious conservatives at NatalCon took a more pragmatic approach to IVF, however, acknowledging that it attracts broad public support. As Peachy Keenan, one of America’s most famous trad wives, said in her NatalCon speech, “My best friend used IVF to build her family. I have IVF nieces.” In spite of her “serious moral qualms about the byproducts of the process”, she did not think it was something to block: “Neither I nor J.D. Vance nor the pope is going to outlaw IVF. That toothpaste is out of the fallopian tube.” Kevin Dolan—the conference’s organiser and a Mormon father of six, with a seventh on the way—concurred. “Religious conservatives

know they're in the wilderness. They know they won't get to decide if people use IVF or other fertility technologies," he told me.

Those other fertility technologies are often backed by tech gurus: Thiel has invested in 28, a period-tracking app, and Gaia, a platform that provides financing plans for those pursuing fertility care; Sam Altman, of OpenAI, has funded Conception, a company that is working on technology that would allow two men to become biological parents of a child. Musk—who moved his family and many of his companies to Texas in a pointed rebuke of California's left-leaning politics—has donated \$10m to the Population Wellbeing Initiative at the University of Texas, Austin. The project aims to conduct “foundational research” on topics such as “fertility, parenting and the future of population and economic growth”, in order to provide academic ballast to pro-natalist ideas.

Representatives of even the more controversial fertility technologies were clearly welcome at NatalCon. Around the buffet, which featured seared beef for those loading up on protein, I saw a few employees of Orchid, which sells whole-genome sequencing for embryos; they were identifiable by the company's stylised bird logo on their T-shirts. Typically, whole-genome sequencing tests are performed once a child is born, to let parents know if their baby is at risk of potentially life-altering diseases. Orchid, in contrast, conducts these tests before an embryo is even implanted to ensure that those which are selected have the best chance of becoming healthy adults, should they be carried to term. The company also offers to screen embryos for “desirable” qualities like intelligence (many scientists are sceptical that this can actually be done).

It has been reported that Musk has used Orchid's services as he attempts to do his bit for pro-natalism in his personal life—he has 13 or 14 children (that we know of) with four women (ditto). As Julia Black, a freelance reporter who writes about the tech world, explained to me at NatalCon: “Silicon Valley is obsessed with meritocracy. They also firmly believe in heritable traits and the role of genetics and markers like IQ. They're firmly on the nature side of the nature versus nurture divide.”

In some ways, this obsession is understandable. Most parents would do anything to increase their chances of giving birth to a healthy baby who is likely to succeed in life. But critics are concerned that baby-enhancing

technologies will be used before they are safe. Others worry that they will aggravate inequality by creating “superbabies” solely for the world’s elite, whose wealth would inevitably give them access to these technologies first.

Some even fear that this way of thinking about conception is only a hop, skip and a jump from eugenics. Orchid, for its part, strongly denies the suggestion, saying their work helps to prevent genetic diseases and that equating its work with eugenics is “historically illiterate and morally backwards”.

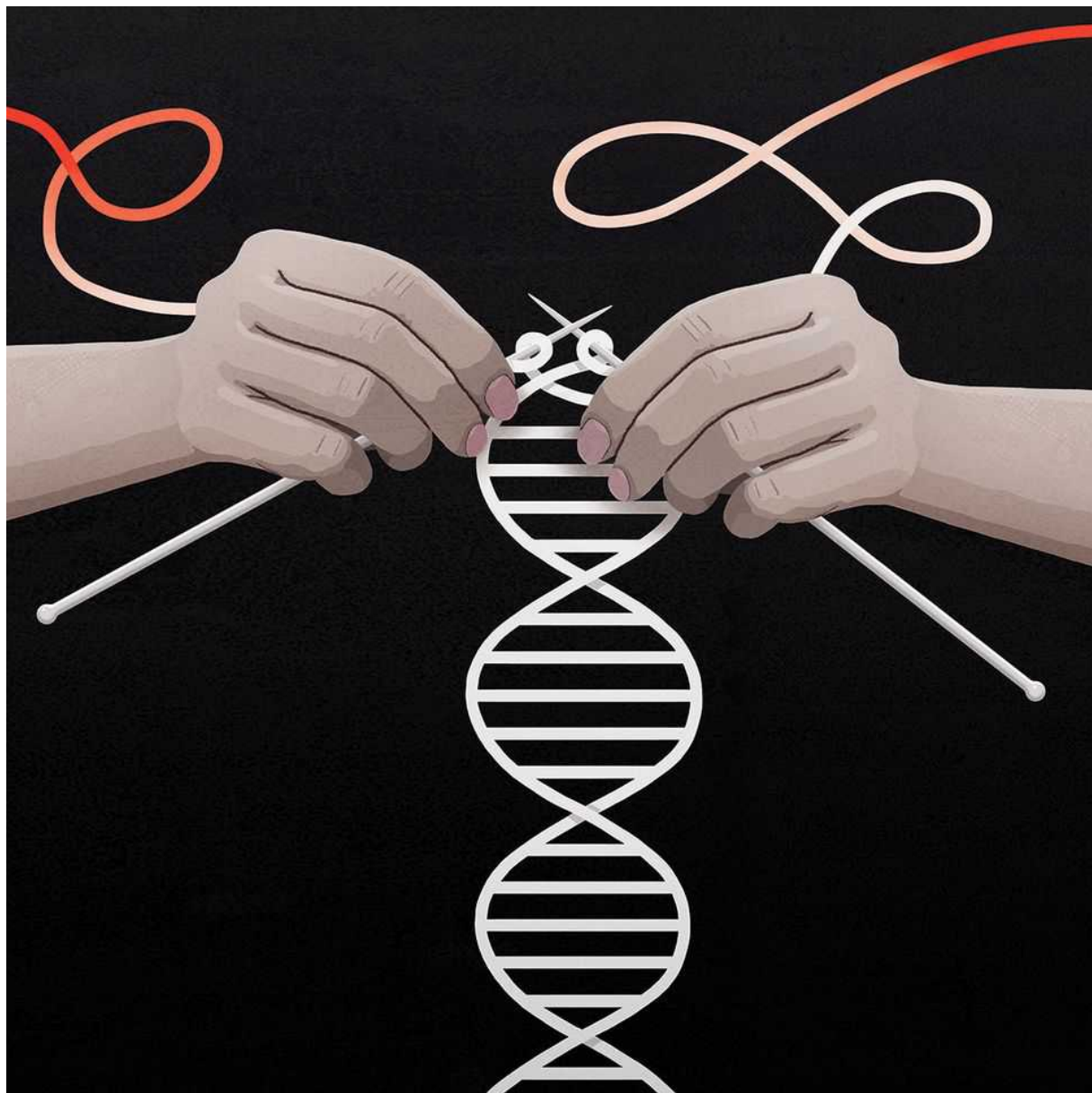
But Adam Rutherford, a professor of genetics at University College London, who has written books about eugenics, finds some similarities between ideas circulating in the 1920s and 1930s—which were driven by the sense that certain populations were entering terminal decline and needed to be saved by radical social engineering—and today’s pro-natalism, which is also anxious about who is and isn’t having children. “When Elon Musk talks about falling birth rates as the end of civilisation as we know it, it’s worth asking what he means by ‘civilisation’,” he told me.

It was noticeable that at NatalCon—a conference that billed itself as finding solutions for the “biggest global crisis”—almost all the speakers were white Americans. South Korea has celebrity demographers, for instance; why weren’t they speaking? (Kevin Dolan, the organiser, told me he had invited a broad spectrum of international speakers but declined to give specific names.)

At the same time, this year’s NatalCon featured a number of speakers known to espouse white supremacist or other objectionable views. One was Cremieux, a pseudonym for an online troll who has argued that “elites are genetically different” and that average national IQs in Africa are much lower than they are in other parts of the world.

NatalCon’s openness to such claptrap is perhaps less surprising in light of Dolan’s backstory. He once had an anonymous Twitter account where he posted white supremacist and homophobic content, and which he used to attack less observant Mormons (he was part of the DezNat movement, an ultra-conservative and nationalist group of fundamentalist Mormons). After being put on a list of internet extremists by the German intelligence services in 2021, he says he was doxxed by Mormon activists and fired from his job as a defence contractor at Booz Allen Hamilton.

Dolan's de-platforming "was actually one of the best things that ever happened to me", he told me, because it led to the soul-searching that eventually sparked NatalCon. Soon after he lost his job he founded EXIT group, a men's rights organisation, which describes itself as a "fraternity of like-minded men who take a short position in the present system and build for what comes next" (it offers fitness training, coaching on how to create a startup and "one-on-one matchmaking" to connect with an "on-side brain trust" of other members).



Dolan's interest in pro-natalism really kicked off after he and his friends watched "The End of Men", a documentary from 2022 created by Tucker Carlson, a former Fox News host and current MAGA cheerleader. The film argues that endocrine disruptors are destroying male testosterone, creating a weak and pliant society that is ultimately doomed. It opens with a well-known conspiracy theorist and vaccine sceptic claiming that "there has been a 50% decline in sperm counts in the last 40 years along with a precipitous decline in testosterone production." That fringe thinker, Robert F. Kennedy junior, is now health secretary. "We're headed for a calamity," he continued. "That's not hyperbole. That's not an exaggeration. That's a mathematical fact." (It isn't.)

Dolan was shocked that population decline wasn't a more mainstream concern. He noted that since his doxxing, he's developed relationships with a number of people featured in the film. "What if I just got these really smart people together and we try to really hash this problem out from all angles?" he told me. When I asked him why NatalCon's speaker roster involves some controversial thinkers, he attributed their presence to a similar thought process: "That's an artefact of it being mostly my friends." Didn't he think he might need new friends? "Well, erm, maybe," he said, before catching himself. "But not at the expense of my existing friends—I like them all."

American pro-natalists have managed to gestate a powerful political idea—but they have yet to see the birth of many serious policies. Trump's proposals to expand fertility care are just getting off the ground (in any case, it seems as if they will fall short of his campaign promise to make IVF treatment free). Vance has thrown other ideas around, like boosting the child tax credit from \$2,000 to \$5,000 per child and suggesting that parents should get more votes in elections than non-parents. Sean Duffy, the transport secretary, has said he will prioritise investment in places with higher birth rates. A more modest proposal is to award a "motherhood medal" to women with more than six children.

For Stone, the conservative demographer, it was still too early to expect pro-natalists to have coalesced around a core set of policy ideas. "Sorry to be an academic about this," he said when we spoke, waving his hand at the NatalCon attendees milling behind us, "but I would describe this as a discursive space." Paul Constance, who characterised himself as "the only progressive" at the conference, agreed. "There's a lot of theatre and a lot of visionary talk about recovering our civilisation," he told me, after taking me

aside so that we could talk privately. “But show me Republican policymakers who have an aggressive or ambitious agenda to make it easier for people to have kids.”

That fact that the American right has yet to agree on workable pro-natal policies should give progressives an opportunity to offer their own ideas. After all, many left-wing staples, such as universal health care and subsidised child care, could be cast as ways to encourage people to have more children. So far, though, progressives have ceded pro-natalism to the right. That’s partly owing to the stigma associated with it. “It has become so toxic,” said an anthropologist I met at NatalCon. “I’m worried being here is tantamount to [endorsing] eugenics and scientific racism.” But it also seems that many either don’t see falling fertility as a problem, or don’t believe governments could do much about it if they tried. They are probably right to think so: for many people, the decision to have children is ultimately guided by emotion.

On the second day of NatalCon I met Saba, an Ethiopian woman dressed in a chic pin-striped suit. As the only black woman there, she had been swarmed all day by curious attendees and journalists. “Everyone has been super welcoming,” she told me, when I finally got a moment with her. “I guess I did get a few jokes about whether I’m a journalist or not. But hey, maybe they were asking everyone.” I can confirm they were not. People loved chatting to me—a blue-eyed white man—until they found out I was a journalist.

Saba has a high-powered finance job in Hong Kong, and used to work in New York and London. Some people at the conference would undoubtedly consider her a member of the metropolitan global elite; certainly her lifestyle was a world away from that of Tim Adkinson, the truck driver I sat with at the opening dinner. Yet she was also wearing a yellow wristband indicating that she was single. “We’re all facing this challenge in cities like New York or Hong Kong, where it is especially difficult with dating.” It was hard, she admitted, having had such a mobile career. “No regrets, but there are trade-offs.”

Like Adkinson, she was also now in her early 30s and single, without the family she had expected to have by this point. “I’m here because I need to really start thinking about this. If I want to have a large family, I can’t do that when I’m 37,” she told me. She knew the conference wasn’t her natural scene, but she wanted to form her own opinion of the people and ideas involved—to

understand why she and her friends were having such a hard time dating. “I don’t like the idea that if I bring this up with my progressive friends there’s immediately this sense that what’s being asked is that we chain women to the stove and prevent them from working,” she said. She thought the conference was in fact attempting to get ahead of the problem—before the dystopian alternatives became the only options on the table.

Saba hadn’t met someone who had swept her off her feet yet, but she said she’d had some interesting conversations. As I turned to adjust my recorder, another suitor sidled up to her. I moved away—there was plenty for them to talk about. ■

Barclay Bram is a senior podcast producer at The Economist. Listen to his podcast “Hanging out with America’s pro-natalists” [here](#).

Illustrations Michael Glenwood

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Business

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Business | Room to grow

Has Airbnb reached its peak?

Brian Chesky, its boss, wants to offer more than just a bed to sleep on

November 6th 2025



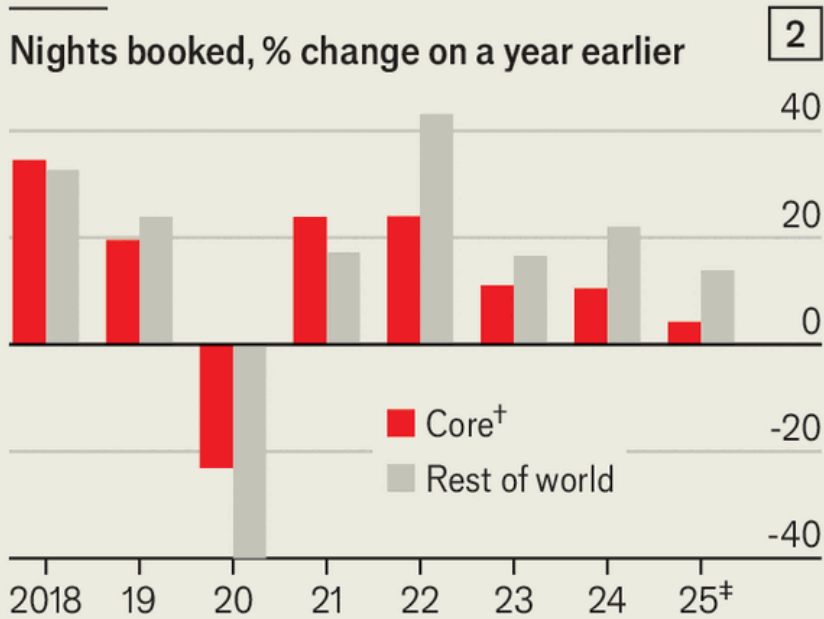
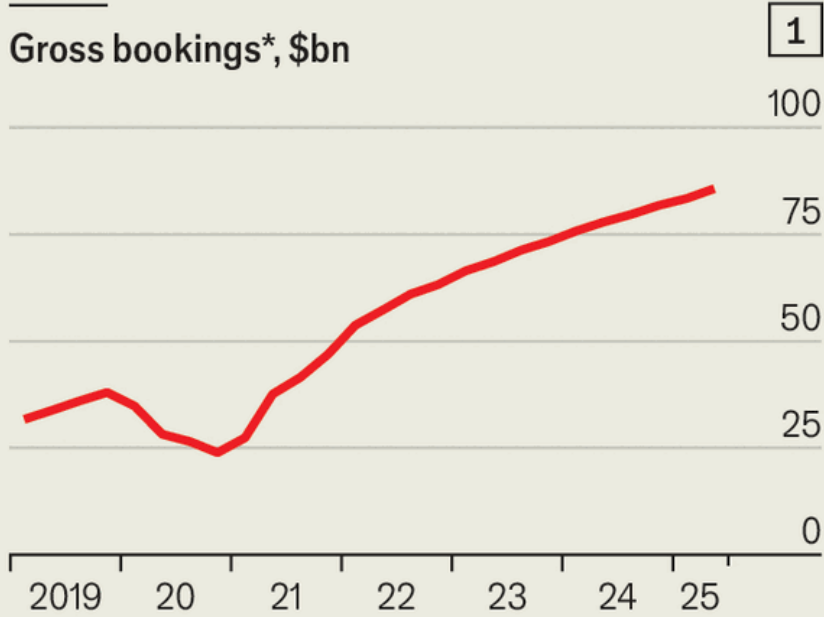
When he co-founded Airbnb in 2007, the 26-year-old Brian Chesky was a bright-eyed design-school graduate who wore blue jeans and nondescript t-shirts. The 44-year-old tech boss who greets *The Economist* dressed in head-to-toe black cuts a rather different figure.

Like its chief executive, Airbnb has also changed with age. The booking platform, which boasts more than 8m listings across nearly every country, is “now a grown-up company”, insists Mr Chesky. Gone are the days of burning through cash in a rush to scale. Airbnb’s operating margin in the second quarter was a handsome 21%. In August it announced that it would repurchase \$6bn-worth of shares. Its market value, at \$78bn, exceeds that of Marriott, the world’s largest hotelier.

Yet investors worry that maturity has brought stagnation. Although the \$86bn-worth of bookings made through the platform in the 12 months to June represented a 10% increase on the same period a year before, its rate of growth has been falling (see chart 1). Analysts expected more signs of a slowdown when the firm reported its quarterly earnings on November 6th, after The Economist went to press. Airbnb's shares are down by 11% over the past year. To rekindle growth, it is looking to new markets, new product lines and new technology. Will the plan work?

A change in the air

Airbnb



*Four-quarter moving total †United States, Australia, Britain, Canada and France ‡To September
Sources: Bloomberg; AirDNA

Airbnb began with Mr Chesky and two friends renting out an airbed in their living room in San Francisco. The idea of a platform to help people open up their homes to paying guests proved a hit, and soon the trio were peddling properties on behalf of hosts across the world.

In a pre-pandemic growth frenzy, the company ventured well beyond accommodation. In 2016 it established a marketplace for “experiences”, such as walking tours, as well as a guidebook. In 2019 it set up a film studio. Costs ballooned by 45% that year, even as revenue growth began slowing.

“It became chaos,” reflects Mr Chesky. “I had no idea what I was doing.” The lessons he took from that period—including the need to keep control of decisions, be steeped in the details and have as few employees as possible—have shaped Mr Chesky’s leadership style ever since. (Paul Graham, a renowned startup investor, would later use Mr Chesky’s approach to illustrate what he termed “founder mode”.)

Then came the covid-19 pandemic. As bookings ground to a halt, Mr Chesky saw an opportunity to rebuild the company. He fired a quarter of its staff, merged divisions, removed management layers and paused the expansion into experiences. Despite lockdowns, Airbnb’s stockmarket debut in December 2020 [was a hit](#), with its shares more than doubling on the day. When travel resumed, the company roared back to growth as it set about fixing users’ various gripes, including a lack of transparency in fees, too many poor-quality listings and disappointing customer service.

Lately, however, Airbnb’s growth has cooled. The uncertainty wrought by President Donald Trump’s on-and-off tariffs has led consumers to delay booking trips. Policymakers in cities from Paris to New York have implemented restrictions on the platform, which they think contributes to surging house prices. Competition from travel sites such as Booking.com and Expedia is heating up for short-term lets. Web traffic to Airbnb is slowing.

In response, the company is looking for new growth opportunities. It is endeavouring to expand its accommodation business beyond its five core markets of America, Australia, Britain, Canada and France, which represent around half of nights booked through the platform, according to AirDNA, a data provider. Airbnb has boosted bookings in Brazil by investing in local marketing and adding payment options, and is trying something similar in

other countries, including India, where tourism is booming. AirDNA estimates that the number of nights booked on the platform is growing more than three times as fast in its less-established markets as it is in its five core countries (see chart 2).

Airbnb is also moving into hotel bookings. Ellie Mertz, its finance chief, reckons that only one in ten nights Americans spend away from home is in an Airbnb. Adding hotels should help the platform attract business travellers in particular. Hotels appreciate Airbnb because, unlike other booking sites, it does not spend lavishly on Google ads, which push their own websites down the list of search results.

At the same time, Airbnb is branching out from accommodation once again. In May it launched an updated app that offers not just a refreshed set of experiences, including baking with a grandmother in Paris, but also services, such as personal training from a champion bodybuilder in Los Angeles. And in October it introduced social features that allow users who meet through an Airbnb experience to stay in touch. Analysts expect car rentals and a loyalty programme to follow.

There are reasons to be sceptical. Plenty of other sites help people book activities when they travel; research by Wells Fargo, a bank, suggests that Viator, a rival, offers ten times as many experiences in big cities such as London and New York. Many travellers looking for a hairdresser will search on Google or simply go to the nearest mall or high street. While visiting San Francisco, your correspondent paid \$44 for a one-hour exercise class on Airbnb, only to find that the woman huffing and puffing beside her paid less than half that on ClassPass, a booking site for workouts.

Then there is artificial intelligence (AI), which could upend travel. According to a survey this year by McKinsey, a consultancy, 55% of Americans have used OpenAI's ChatGPT or a similar tool when planning a trip, up from 38% in 2024. Some may start to book rooms directly through these services once it becomes easy to do so.

Airbnb, unlike some rivals, has so far held off on integrating with AI services like ChatGPT. Mr Chesky, who is pals with Sam Altman, OpenAI's founder, says he opted not to do so when approached by the AI firm a few years ago because he felt that it would not be "a great user experience". He has told Mr

Altman that companies like Airbnb do not want to be “reduced to commodities” that simply provide data. Instead, Mr Chesky envisages using AI to turn Airbnb into a conversational app that will steadily gain a deeper understanding of what its users want.

Airbnb’s boss also sees the technology benefiting the platform in another way. As people spend ever more time on their screens interacting with bots, they may come to yearn for experiences in the real world, including travelling to new places. “From the very beginning we saw this as a movement,” he says, speaking in full “founder mode”. “We did not see it as a website. We did not see it as an app. We did not see it as a commercial idea.” The question is: are users looking for a movement, or just somewhere to rest their heads? ■

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Business | To the moon and back

Why Palantir's success will outlast AI exuberance

Its valuation looks bonkers. Its business isn't

November 6th 2025



Despite what Alex Karp, the boss of [Palantir](#), says, investors are hardly “batshit crazy” to bet against his company. The seller of whizzy analytics tools has a market value of nearly \$450bn, equivalent to 137 times its sales over the past 12 months and 624 times its net profit. Nvidia, the most valuable company in the world and a fellow beneficiary of the artificial-intelligence (AI) boom, is worth a comparatively meagre 28 times its sales and 54 times its net profit.

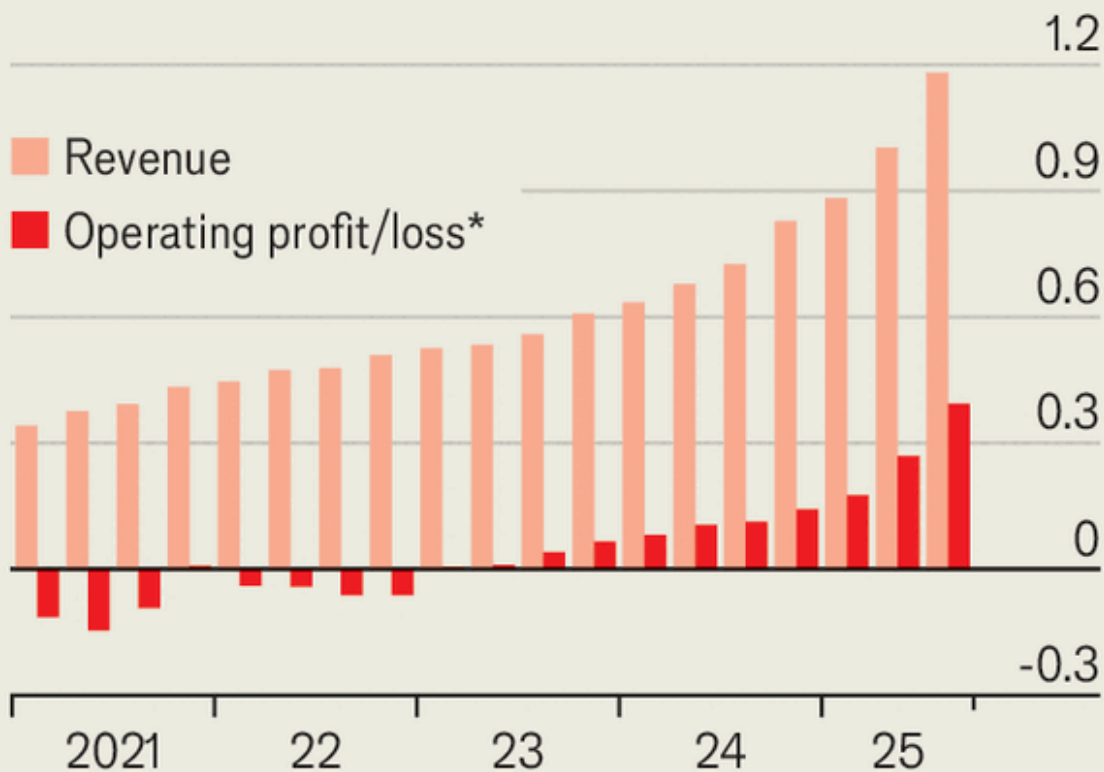
[Palantir](#), whose customers range from America's Central Intelligence Agency to Wendy's, a fast-food-chain, bears many of the hallmarks of an overinflated meme stock. It is beloved of retail investors, some of whom wear “Palantir to the moon” T-shirts. The company, which loudly celebrates America's military might, is also gleefully polarising. This week Mr Karp, who previously sat on

the board of The Economist's parent company, berated "the chattering class" for failing to grasp Palantir's potential. In a letter accompanying its latest quarterly results, published on November 3rd, he wrote that Palantir's doubters were in a "kind of deranged and self-destructive befuddlement".

And yet the ranks of the befuddled seem to be swelling. The day after Palantir unveiled results its shares plunged by 8% as it was revealed that Michael Burry, an investor famed for his bet against subprime mortgages during the global financial crisis of 2007-09, had taken out a big position against the company. If the hype surrounding AI fades, Palantir's stock will have a lot further to fall.

On the march

Palantir, \$bn



*Excludes one-off expenses related to share-appreciation rights in Q4 2024

Source: Bloomberg

Even if that happens, however, Palantir's business will survive. It is going from strength to strength. Revenue in the quarter from July to September was up by 63% year on year. Operating profit was up by 248% (see chart). Morgan Stanley, an investment bank, commented after the results that it was "hard to find a better fundamental story in software".

Palantir's growth partly reflects the surging popularity of AIP, its suite of AI software. It has helped the firm land a flurry of big contracts: Palantir closed 53 deals worth more than \$10m in its most recent quarter, up from just 16 a

year before. Even if customers' enthusiasm for AI tools were to cool, many may find it difficult to disentangle their operations from Palantir's software.

Moreover, after years of losses, Palantir's unique business model has now reached a profitable scale that should create a momentum of its own. Founded in 2003, the company did not generate its first annual profit until 2023, at which point its model of helping its clients implement its software by embedding so-called "forward-deployed engineers" (FDEs) in their organisations began to pay off.

Palantir is not your typical software-as-a-service company, but its operating margin—at 33% in the most recent quarter—is just as juicy. Business is booming, but headcount isn't. As they customise Palantir's products, FDEs use that knowledge to make the software more useful, meaning the work they do for one client is valuable for others. The trickier the challenge, the bigger the reward for Palantir.

The company's model has proved so successful that it has spawned imitators across Silicon Valley. OpenAI, the maker of ChatGPT, and Anthropic, a rival, are among the many tech firms that have lately been hiring FDEs. Palantirians, however, tend to dismiss these imitators as copying the form but not the function of the role, arguing that they will inevitably be lured into creating out-of-the-box software that is easy to replicate across customers.

Another wind at Palantir's back is the growth in government spending on defence and security. Since Donald Trump returned to the White House in January, the company has won numerous government contracts in America, including for defence and immigration enforcement. Palantir's work for governments accounts for more than half its revenue. Although most of that is in America, the company is also expanding its business with other governments, such as Britain's.

The secrecy that surrounds Palantir's government work adds to the difficulty of valuing the company. Its executives make matters worse by using obscure terms like "ontology" to explain what the firm does. But behind the self-aggrandising mystique is a business built to last. ■

Correction (November 6th): An earlier version of this article understated the growth in Palantir's operating profit.

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Business | Unboxed

First, grinning Labubu dolls. Now, a TV show and theme parks

Pop Mart, maker of the wildly popular toys, wants to be China's Disney

November 6th 2025



Before the craze for Labubus, few had heard of Pop Mart, the Chinese toymaker behind the mischievously grinning dolls. With customers across the world now lining up to get their hands on one, the company, which saw its sales rocket by 245% year on year in the quarter from July to September, has investors rapt.

Seemingly overnight, Pop Mart has become the world's most valuable listed toymaker; its market capitalisation, at \$38bn, is more than three times that of Sanrio, the Japanese company behind Hello Kitty, and nearly seven times that of Mattel, the American maker of Barbie dolls. Its stores have popped up in nearly 40 countries. Around two-fifths of its sales are made overseas, mainly

in rich countries, where [Chinese consumer brands](#) have previously struggled to gain traction. How much bigger can the company get?

A growing number of investors worry that Pop Mart's extraordinary ascent will soon come to an end. Shares in the company, which is listed in Hong Kong, are down by a third from their peak in August. One reason for pessimism is the sagging resale price of Labubus, which could be seen as a sign of flagging demand. New dolls are sold in "blind boxes"; buyers do not know which character they will get until they open up the package. Collectors seeking out rare versions have been willing to pay eye-watering prices to get their hands on them. The second-hand price of Chestnut Cocoa, a scarce creature with fluffy brown fur, hit 1,500 yuan (\$210) in June—but has more recently tumbled to 780 yuan.

This is mainly owing to surging supply rather than shrinking demand, however. For months Pop Mart stores have not had enough dolls to go around. Shoppers have been asked to scan QR codes and join a digital queue that could last weeks. While this has added to the hype around the toys, it was primarily the result of manufacturing shortfalls that constrained the firm's ability to cash in on the surging popularity of Labubus. Entrepreneurial types began stocking up on the figurines and selling them at wildly inflated prices. A thriving market for fake Labubus—called "Lafufus"—has also sprung up.

In response, the company has been boosting production. By the end of the year it will have grown its manufacturing capacity ten-fold compared with January, reckons HSBC, a bank. Increased supply is already hitting the secondary market, pushing down prices for older generations of Labubus. Yet new releases are said to sell out almost instantly, suggesting that demand remains feverish.

The bigger question surrounding Pop Mart is whether it can expand beyond the dolls. Labubus, which were created by a Hong Kong artist in 2015, began to soar in popularity when a K-pop star was seen with one in April last year. The company is busily trying to create its next hit toy. As of mid-September it had launched 29 new products in 2025, only a fifth of which were Labubus. Newcomers include Skullpanda, a distinctly cuter line of characters.

Pop Mart also has its sights set on becoming more than just a toymaker. Disney, America's entertainment juggernaut, has demonstrated the power of

franchises that span merchandise, films and in-person experiences. Others, including Mattel, which turned Barbie into a box-office hit in 2023, have proved that [popular toys](#) can be used as the starting point for such franchises.

Pop Mart is experimenting with this. Pop Land, a theme park it opened in Beijing in 2023, lets visitors interact with characters including Labubus. It may open more. The company also has plans to launch a Labubu animated series, and in June it established its own film studio. So far, Pop Mart's ability to make money from more than just selling toys has been limited. Less than a tenth of its revenue comes from licensing, reckons Jeff Zhang of Morningstar, a research firm. But that share will probably rise as the company invests in developing its franchises.

With great success, however, often comes political scrutiny—especially in China. The Communist Party, which has focused more on supporting advanced manufacturing than fostering consumer brands, has lately become fascinated with the Labubu phenomenon. Its propaganda department has met Pop Mart executives and asked why its toys are not more Chinese in nature. The company has been forced to explain that overtly Chinese products do not sell well abroad, according to a person privy to the discussions. As Pop Mart grows bigger still, China's government may be unable to resist the urge to meddle. ■

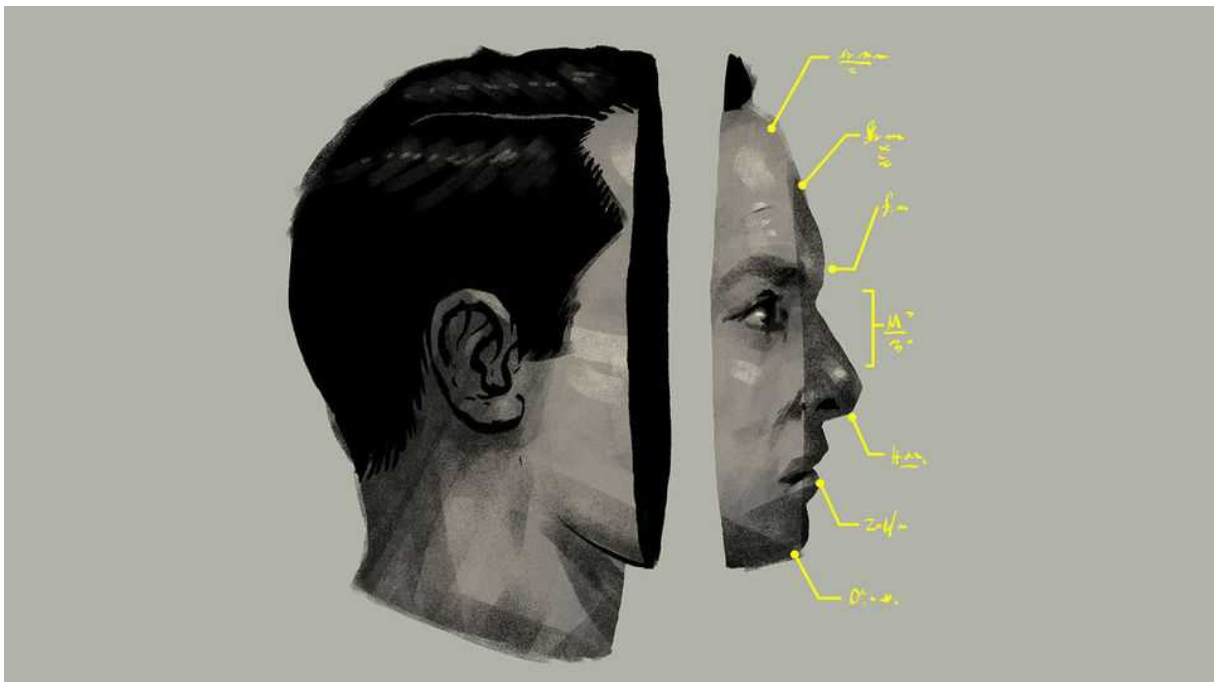
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Should facial analysis help determine whom companies hire?

A new paper suggests a photo can tell a recruiter much about an applicant's personality

November 6th 2025



Imagine appearing for a job interview and, without saying a single word, being told that you are not getting the role because your face didn't fit. You would assume discrimination, and might even contemplate litigation.

But what if bias was not the reason? What if your face gave genuinely useful clues about your probable performance at work? That question is at the heart of a recent research paper from Marius Guenzel of the University of Pennsylvania and his co-authors. The possibility that it does raises larger questions about algorithmic decision-making and how humans perceive fairness.

Personality assessments are an accepted part of recruitment processes. They normally involve candidates taking surveys and guessing what counts as a good answer. Yet previous research suggests that personality types can be encoded in facial features, and that artificial intelligence (AI) can spot them. So Mr Guenzel and his co-authors used an algorithm to analyse the pictures of 96,000 MBA graduates, and extract what they call the “Photo Big Five”—as they rename the Big Five personality traits of agreeableness, conscientiousness, extraversion, neuroticism and openness. (Before you head to the mirror, it’s not obvious what the AI is seeing.)

They then used data on these individuals’ labour-market outcomes to see whether the Photo Big Five had any predictive power. The answer, they conclude, is yes: facial analysis has useful things to say about a person’s post-MBA earnings and propensity to move jobs, among other things.

There are plenty of caveats. The predictive power of the Photo Big Five shouldn’t be exaggerated; the authors say it is only an incremental source of information on candidates. The field of AI facial analysis is young, and has been at the centre of methodological firestorms in the past. And even if techniques were flawless, adoption is likely to be slow. Anti-discrimination laws mean that there are obvious legal risks associated with making any decisions based on facial characteristics. Manish Raghavan of the MIT Sloan School of Management notes that companies are wary of using AI for facial analysis (though he worries more about bias infecting chatbot summaries of candidates’ cvs or LinkedIn profiles.)

But suppose that all these objections were surmountable. If your face could tell a prospective employer something useful, without discriminating on grounds of protected characteristics, then firms would have a strong incentive to analyse it. There would still be questions, though. The authors give an example: “Among white male job candidates, is it ethical to screen out individuals whose faces predict less desirable personalities?”

You could make the case that this would be fine. After all, plenty of decisions are already being taken on the basis of physical appearance. There is a height premium in hiring, for example, which makes it more likely that a taller person will get chosen than a shorter one. Some might argue that face-based analysis is more meritocratic than processes which reward, say, educational attainment. Kelly Shue of the Yale School of Management, one of the new

paper's authors, says they are now looking at whether AI facial analysis can give lenders useful clues about a person's propensity to repay loans. For people without access to credit, that could be a blessing.

Even setting aside the risk of bias, though, there are other big concerns. Some are obvious: aggregate patterns do not tell you how an individual will perform. Others are more insidious. An industry of coaches and self-help gurus is built on the idea that it is possible to control and modulate your behaviour. What's the point in self-improvement if your face is still going to give off the same signal that you're a dilettante?

How you react to this prospect also tells you something about AI and perceptions of fairness. It matters whether people retain a sense of agency. However good the algorithms get, a chance for a candidate to win over a human interviewer in a hiring process—and for an interviewer to decide for themselves if they want to work with someone—is likely to always be valued.

Mr Raghavan argues that people are more prepared to accept decisions based on immutable characteristics if there is clear causal logic. There are reasonable statistical grounds for younger drivers to pay higher car-insurance premiums, for example, or for older people to pay more for health care. For many, facial analysis will raise eyebrows. ■

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Business | When you only have a hammer

America's furniture-makers exemplify the folly of tariffs

Donald Trump is pushing up costs to rescue an industry that has already adapted to globalisation

November 6th 2025

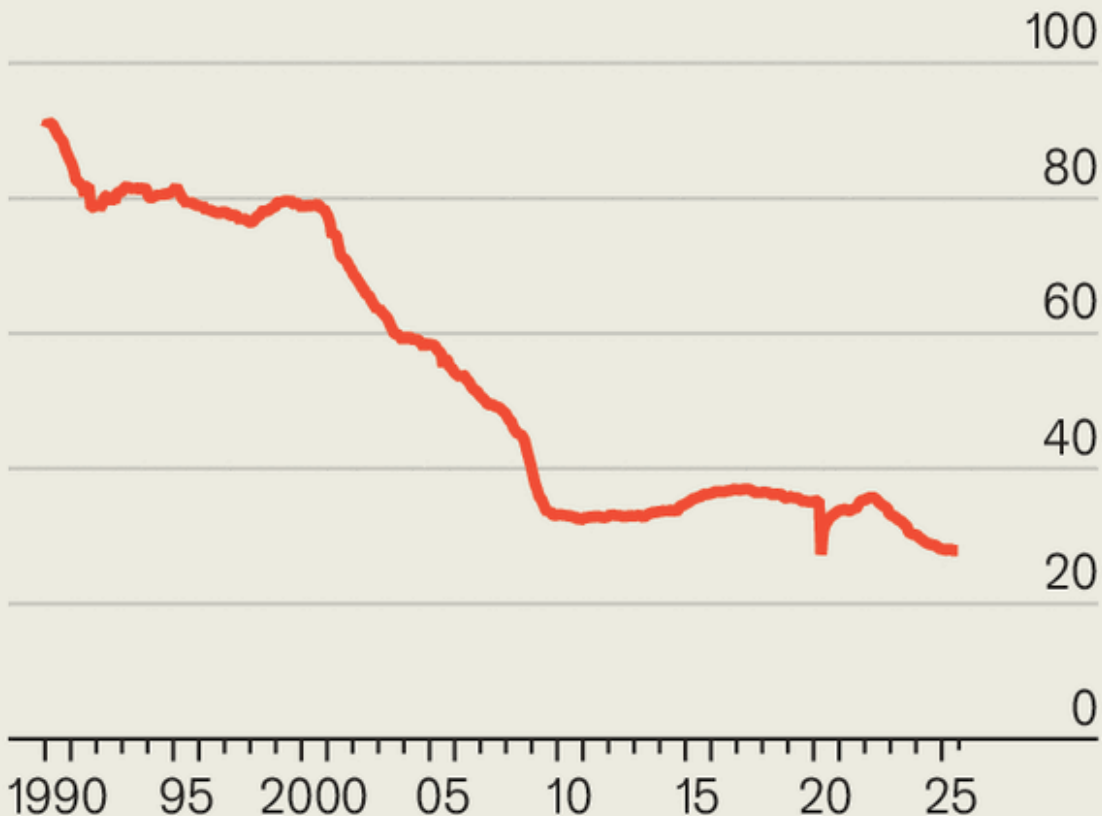


TWICE A YEAR the curtain rises on High Point, North Carolina. Each April and October some 2,000 exhibitors and hundreds of greeters, baristas, policemen and coat-checkers assume their places. When the audience—75,000 wholesalers, retailers and designers—step off their shuttle buses, the show begins.

High Point's biannual "market", as it is known, is one of the furniture industry's biggest trade fairs. North Carolina, however, is no longer the furniture-making powerhouse it once was. In 1990 the industry employed 90,000 people in the state. Now, after decades of cheap Chinese imports flooding the American market, it provides jobs to just 28,000 (see chart).

Desk jobs

North Carolina, furniture-related manufacturing employment, '000



Source: Federal Reserve

The Trump administration is betting that its favourite tool can return American furniture-making to its better days. Last month, as High Point readied itself for its big event, America imposed a tariff of 25% on upholstered wooden furniture, vanities and kitchen cabinets. In January the rate will rise further, to 30% for furniture and 50% for cabinets. Yet many in the industry are unenthused.

The levies come at a challenging time, says Stuart Stump Mullens of Stump & Company, an advisory firm focused on the industry. Demand has fallen from the covid-era “go-go days”, she says, when many consumers splashed out on

new sofas and the like. Furniture is a cyclical business, and is closely tied to housebuilding and family formation. In August, the latest data available, housing starts were at a two-year low amid high interest rates. Rising furniture prices—up by almost 4% in the 12 months to September—are already putting off would-be customers.

The new tariffs will push those prices higher still, weighing on demand. In theory, the levies give American manufacturers a leg up. Gat Caperton, whose company in West Virginia harvests Appalachian wood and builds furniture to order, is pleased. But many of his peers grumble about the rising cost of imported materials, whether lumber (also tariffed, at 10%), sofa legs (“no smart businessperson would make their own”) or yarn. Meanwhile, the fact that Mr Trump’s duties are ever-changing makes it hard for the industry to function. During the High Point market, some buyers said they were being quoted prices that would hold only for a matter of days.

Many in the furniture industry also question whether America will be able to find the workers needed to bring production back home. “I don’t think you can find the people,” says Simon Lichtenberg, whose products sell at Costco, an American retailer, and on Wayfair, an e-commerce site. He has moved his America-bound production from China to Vietnam, but remains committed to importing.

Stuart Kent, who runs a woodworking school a few hours’ drive from High Point, agrees there is a problem finding workers for the industry, but believes the “narrative” around furniture-making needs to change. He trains his students in computer-assisted design. “I think it’s completely naive to say that it’s going to go back to the way it was,” he says. Mr Kent reckons that the future of the industry is in “smaller, more efficient” factories filled with highly skilled workers. That, more than tariffs, may keep High Point’s market alive.



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Business | Cupid's new helper

Will AI make dating apps better—or even worse?

Tinder, Hinge and Bumble are betting big on the technology

November 6th 2025



“It’s very difficult to find love,” Aleksandr Zhadan, a 20-something software developer from Moscow, lamented on social media last year. To speed things up, Mr Zhadan programmed an [artificial-intelligence](#) (AI) bot to trawl through endless profiles on Tinder, a dating app, and interact with more than 5,000 lucky girls on his behalf. After some 100 real-life dates, Mr Zhadan proudly announced to the world that he had proposed to his algorithmically ordained other half.

Mr Zhadan is not alone. According to a study published in June by Match Group, Tinder’s owner, and the Kinsey Institute, a research centre at Indiana University, a quarter of American singles now use AI to enhance their dating profiles and write messages.

[Dating apps](#)—which have fallen out of favour as users have grown tired of endless swiping—are hoping that the technology will get them back in the game. Bumble, a Tinder competitor, has lost more than 90% of its market value since it went public in February 2021. In March its founder, Whitney Wolfe Herd, returned as chief executive, having stepped back from the role in 2023. Match Group, which also owns Hinge, has lost around 80% of its value over the past four years. The two companies’ latest quarterly results, published this week, showed a continued decline in the number of users paying for their services.

Dating apps see various ways to improve their allure by harnessing AI. Tinder has launched a tool that uses the technology to curate a “daily drop” of possible partners, while Hinge has rolled out a new AI-powered matching algorithm and begun testing personalised prompts to nudge users into more stimulating conversations. In August Match Group’s boss said that Hinge’s new algorithm had increased matches by 15% since launching in March. Ms Wolfe Herd has said that Bumble is developing a new AI-based app that, after getting to know a user, will craft a profile for them and seek out compatible users. Grindr, an app for gay men, plans to launch an AI “wingman” by 2027 that will help to write messages, find matches and plan dates. “We really envision it becoming users’ sidekick,” says AJ Balance, the app’s product chief.

The intrusion of AI into dating, however, could also give users the ick. Some have already complained of being “ChatGPT-ed into bed” by a match’s computer-generated charm. Luke Brunning, who runs a research centre focused on modern relationships at the University of Leeds, reckons that the technology will “create more suspicion” in dating. Mr Zhadan has said his fiancée was “shocked” to discover his use of AI for their courtship—though it appears not to have been a deal-breaker. Love can be hard to predict. ■

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China's life-sciences industry is turning American

Meanwhile, America is abandoning its winning formula

November 6th 2025



AMERICA'S BODY corporate looks, as a whole, to be in rude health. One large company after another is presenting record quarterly results. Bosses are raising profit forecasts left and right. Poke and prod big business, though, and you find pockets of sickliness. On November 4th Pfizer, maker of drugs from covid-19 vaccines to Viagra, reported year-on-year declines in sales and earnings. To add insult to this financial injury, it has found itself in a bidding war against Novo Nordisk, a Danish rival, over Metsera, a developer of anti-obesity drugs for which Pfizer has raised its offer from \$7bn in September to \$10bn this week.

Pfizer is not alone among American health-care companies in feeling under the weather. Gilead Sciences, a biotech behemoth, also sold fewer drugs. GE

HealthCare, a maker of fancy scanners, said net profit had fallen. Illumina, a genomics giant, expects revenue to dip this year.

Collectively, the share prices of health-care companies in the S&P 500 appear bed-bound. They have slipped by 1% in the past year while the index has jumped by 19%. Only three of the blue-chip benchmark's 11 constituent sectors (energy, materials and real estate) have done noticeably worse. According to S&P Global, the index's compiler, none attracts more interest from short-sellers than health-care. At the end of September Moderna, Pfizer's covid-shot rival, was the S&P 500's most shorted stock.

Rising tariffs, expiring patents, falling returns on research and development (R&D) and political pressure to cut prices all feature in the aetiology of the industry's current enervation. Its future prospects look uncertain, too. Venture capitalists are more interested in artificial intelligence than in human health. And foreign medical researchers are more interested in places that are friendlier to them and their work than Donald Trump's migrant-wary and science-sceptical America.

One increasingly attractive destination for both boffins (especially returning ones) and investors (of all stripes) is China. It has shaken off a bad case of long covid, during which lockdowns lasting until late 2022 disrupted factories and clinical trials, the government forced steep price cuts and startup listings plummeted. Now China's life-sciences sector looks livelier than ever. The combined market value of the industry's 550 or so listed Chinese firms worth \$200m or more—from big pharma and biotechs to makers of health-care tools and supplies—has reached nearly \$1.2trn. That is 46% higher than at the start of the year, compared with a rise of 9% for their 450-odd American peers.

Not long ago the words "Chinese medicine" evoked mainly remedies that were either homeopathic (the traditional variety), hazardous (the modern sort with shoddy quality controls) or rehashed (by low-cost me-too makers). Today the term is becoming a byword for innovation. Chinese firms are at the cutting edge of robotic surgery (MicroPort), medical scanners (United Imaging) and drug development. Many Chinese biotechs appear to be getting a better return on their research efforts than American rivals. If you treat R&D as an asset depreciated over 15 years, roughly the lifetime of a patent, their median return on capital was 7% last year. In America the typical figure was zero.

In the first half of 2025 Chinese developers accounted for 32% of global drug-licensing deals by value, calculates Jefferies, an investment bank, up from an average of less than 3% between 2011 and 2021. In September Novartis, a Swiss drug-maker, agreed to pay Argo Biopharma up to \$5.2bn for the rights to therapies for cardiovascular diseases. In May Pfizer struck a similar deal with another Chinese firm, 3SBio, for a cancer drug. Goldman Sachs reckons that China accounts for one in three innovative drug candidates under development globally and was responsible for one in two new molecules entering human trials between January and June, up from less than one in five a decade ago.

Chinese health-care companies have benefited from the consistent application of a four-step formula. The state backs academic researchers with generous grants. Researchers are free to spin off their work into startups. Venture capitalists place focused bets on these startups. And large incumbents, including foreign ones, double down on the bets which show most promise.

If this sounds familiar, that is because America's health-industrial complex has relied on the selfsame approach since the early 2000s, observes a Western pharma boss. Now China's copycat version is coming into its own—just as the American original risks losing its vim because cuts to federal research funding in the first step are tripping up the other three.

Chinese companies must still watch their feet, particularly in the world's biggest health-care market, America. Handwringing over Chinese technology is a rare bipartisan pastime there. The BIOSECURE act advancing through Congress would bar recipients of federal largesse from using biotech tools and services offered by Chinese entities that are deemed to be a national-security risk. This could hobble Chinese genomics firms (such as BGI) and those which conduct R&D on behalf of clients (WuXi AppTec, for instance), among others. This summer Mr Trump was considering an executive order to stop American firms licensing novel treatments from China.

Last month the Senate watered down the BIOSECURE act a bit, for instance by stripping out references to BGI, WuXi and other named firms. The president never signed his executive order. Maybe he never will. Doing so now would jeopardise the one-year trade truce he has just negotiated with his Chinese counterpart, Xi Jinping. Doing so later would risk depriving Americans of the miracles of medical innovation. ■

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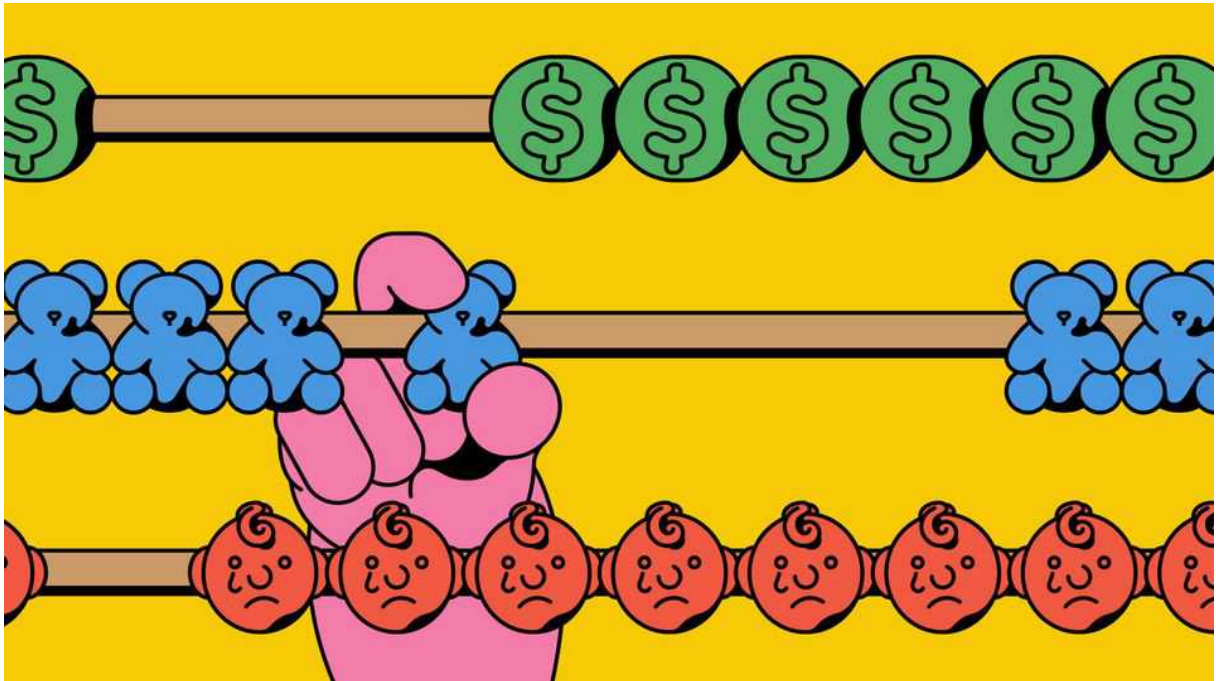
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Universal child care can hurt children

Its growing popularity in America is a concern

November 6th 2025



Across the rich world, parents of young children face a problem. In America, one of many countries with few subsidies, a household with two working parents and two young children can spend as much on child care as on housing. This pushes families to space out or have fewer children to avoid financial ruin. High costs also keep women [out of the labour force](#), as it can be uneconomical to return.

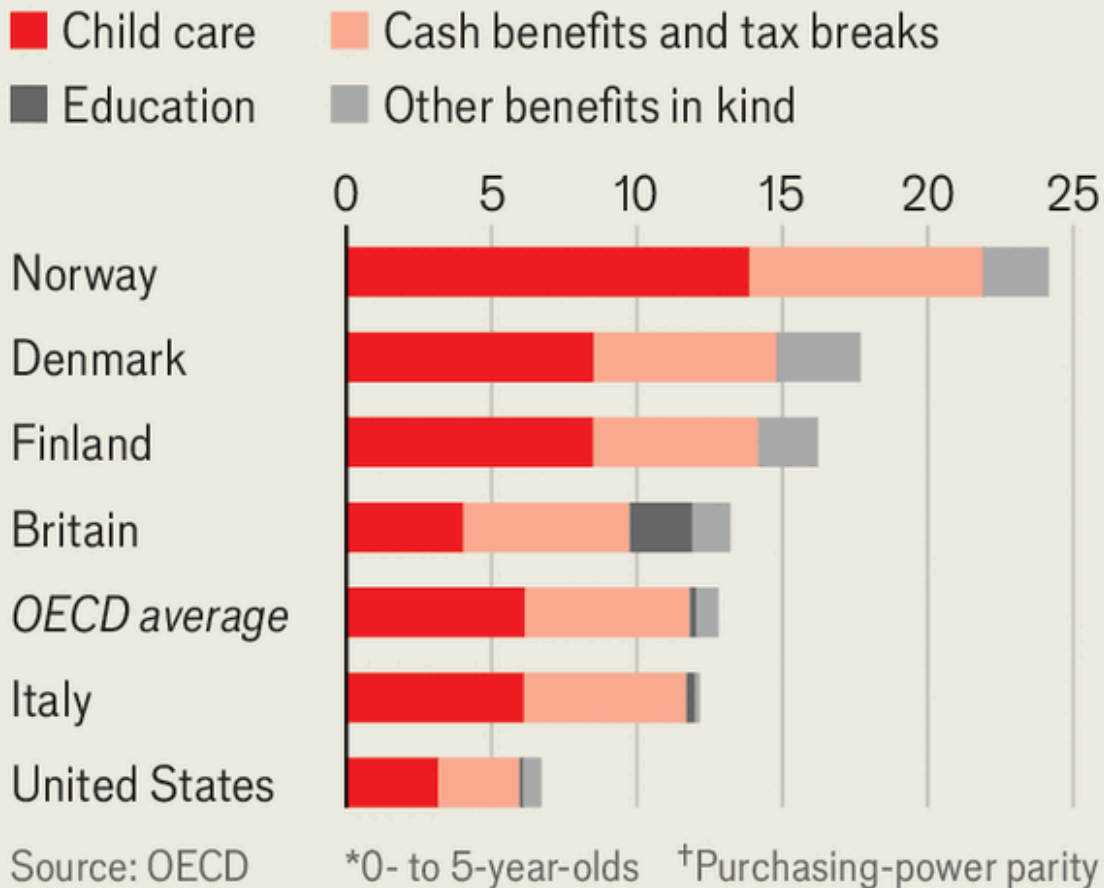
Politicians are scrambling to respond. In America, the right is full of talk—J.D. Vance, the vice-president, has argued in favour of lower tax rates or cash handouts for families to help mothers stay at home—but, so far, little action. Instead, it is Democratic lawmakers making moves. On November 1st New Mexico's governor, Michelle Lujan Grisham, expanded free child care to all families with children, starting from six weeks of age (it had previously been

available only to poor and middle-class ones). [Zohran Mamdani](#), who will be sworn in as mayor of New York at the start of next year, plans to follow in Ms Grisham's footsteps. States including Vermont and Washington have recently made child-care subsidies much more generous.

American legislators are not alone in their enthusiasm. In Australia access to subsidised day care will be broadened next year. During the school term, Britain now offers 30 hours of free child care a week to parents who bring in less than £100,000 (\$130,000) after tax. Since July middle- and low-income parents in New Zealand have been able to claim rebates for 40% of child-care fees, up from 25% before. The likes of Ms Grisham and Mr Mamdani are unusual, however, in believing that the state should bear the entire cost of care for families of all income levels, starting near birth.

Uncle Sam, the scrooge

Average annual government spending per young child*, 2019, \$'000 at PPP†
Selected countries



The idea of liberating parents is an attractive one. And the idea of all children, regardless of parental income, playing and learning together from just after birth is a pleasant one. Yet there is a problem. The best evidence on the impact of free (or almost free) universal from-birth child care indicates that it can harm children.

How can this be? There is, after all, lots of evidence—in the form of small, randomised controlled trials—in support of similar schemes. The most influential trial began in 1962 when a group of three-year-old children in

Ypsilanti, a small city near Detroit, were enrolled in a programme at Perry Elementary School. The organisers found children who lived in poor households and struggled in tests, and then either enrolled them or put them in a control group. For the next two years, those enrolled attended a daily two-and-a-half-hour pre-school programme, where they “planned”, “did” and “reviewed” play activities in groups of five or six. A teacher also visited them at home once a week.

These “Perry pre-school kids” may be the most influential three-year-olds ever to have existed. Researchers followed them throughout their lives, surveying them at 15-, 19-, 27- and 40-years-old, and collected records on them. The scheme had an unambiguous and overwhelmingly positive impact: the kids were more likely to graduate from school and less likely to be arrested or convicted of crime. In 2010 James Heckman, a Nobel-prizewinning economist, and co-authors calculated that, on conservative assumptions, the investment made in the children returned 7-10% a year to society—comparable to the historical rate of return on equity.

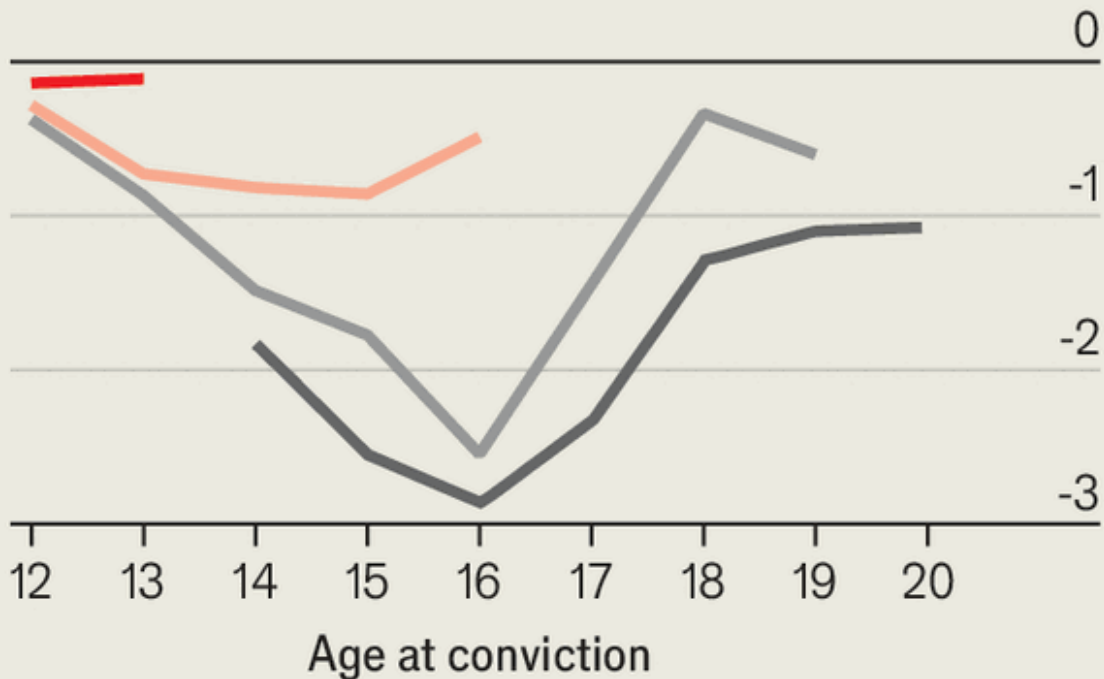
Such results have been the foundation of calls for more early-childhood education across the world. The example set by Perry and similar early-childhood experiments was used as justification for Tony Blair’s Sure Start scheme in Britain. Mr Heckman’s study was the basis of President Barack Obama’s claim, in his 2013 State of the Union address, that society saves \$7 for “every dollar we invest in high-quality early-childhood education”. And then there is Quebec.

Having been inspired by the Perry experiment, in 1997 the province set up a publicly funded scheme offering full-time child care for just \$5 a day. It was extremely popular. The share of children up to the age of four in care rose by 14 percentage points relative to the rest of Canada, which had immediate labour-market consequences. The share of women in the labour force rose by eight percentage points. Today, the maternal employment rate in Quebec remains, at 87%, one of the world’s highest.

Wrong path

Quebec, criminal convictions per 100 people relative to the rest of Canada

- Born in 2000 (5 years of exposure to child-care programme)
- 1997 (3 years) — 1994 (1 year)
- Before 1993 (No exposure)



Source: "The long-run impacts of a universal child-care programme", by M. Baker et al., *American Economic Journal*, 2019

This shift in Quebec, but not in the rest of Canada, is about as good an experiment in how such a policy affects children as it is possible to find. To work out its impact, Jonathan Gruber of the Massachusetts Institute of Technology, Michael Baker of the University of Toronto and Kevin Milligan of the University of British Columbia tapped into a wealth of data on children

in Quebec collected by the National Longitudinal Study of Children and Youth, which gathers details on child care, teacher evaluations, test scores and behaviour reports.

The trio published their first study in 2005, and the results were damning. Shifting to universal child care appeared to lead to a rise in aggression, anxiety and hyperactivity among Quebecer children, as well as a fall in motor and social skills. The effects were large: anxiety rates doubled; roughly a third more kids were reported to be hyperactive. Indeed, the difference in hyperactivity rates was larger than is typically reported between boys and girls.

A decade later, once the children were in high school, the authors followed up. The best that can be said is that the scheme did not have any impact on test scores or cognitive skills. But the children reported their life satisfaction to be worse. And a rise in juvenile crime in Quebec, compared with the rest of Canada, implies that they were convicted of a fifth more drug and property crimes.

Quebec had tried, while keeping costs down, to imitate a small pilot on a grand scale. Standards inevitably slipped. When Mr Heckman was asked by the New York Times about the province's experience, he noted how different it was from the trials he had studied. "These were warehouses," he said. "They were fairly impersonal, there wasn't any real quality. Quality has to be a *sine qua non* of the whole enterprise."

Think of the Perry and Quebec experiments—two of the most widely cited in the early-education literature—as poles at either end of a spectrum. There are a number of differences between them: targeted versus universal; high quality versus low quality; enrolment from birth versus enrolment from the age of three; a few hours in care versus the whole day. This makes it hard to tease out the impact of any one.

But the literature on early education is large enough that it is possible to isolate some. For instance, the Abecedarian project in North Carolina starting in 1972 offered high-quality, all-day care from birth for poor children—and was associated with even greater benefits than the Perry project. Studies based on lotteries for pre-K systems in Boston and Tulsa have also found a positive impact on high-school-graduation and college-enrolment rates. The trouble is

what, if anything, governments should do for middle- and high-income kids under three. “Universal pre-school seems like kind of a no-brainer,” says Mr Gruber. “Universal child care is a lot more controversial.”

There is one big issue with expanding schemes from pre-school (aged three or so) all the way down to infancy. In their early years, children’s development seems to depend more on the intensity of adult interaction than being around other kids. That is why, even in places such as France, where centre-based care is well regarded and up to 85% of the cost is subsidised, research by Lawrence Berger of the University of Wisconsin-Madison and Lidia Panico and Anne Solaz of France’s national demographics institute has echoed some of what was found in Quebec. If enrolled in a crèche at the age of one then, by the age of two, children’s behaviour was reported to be much worse than if cared for by an assistante maternelle or their parents.

A need for lots of adult interaction implies there are few economies of scale to be found in the care of babies and infants. By school age, an adult can oversee 20 to 30 children. At pre-school, they watch 12 or 15. In the best nurseries a carer looks after two or three. Subsidised centre-based care is of high enough quality in Finland that when a stipend was introduced to pay Finnish mothers to stay home after ten months, child development and female incomes suffered. But to reach such standards the government spends much more than the OECD average. Although New Mexico is funding its generous programme with levies on oil and gas extraction, fiscal room is more limited in New York and other states, which spells trouble.

Ultimately, child care is expensive. It is expensive for parents in America, it is expensive for the Finnish government and it is expensive—in the long run—in places that try to do it on the cheap. These costs are paid either via exorbitant sums handed over to day-care centres, forgone career progression, high taxes or by undermining children’s development. None is palatable. Yet the worst are the extremes: that mothers should forgo work for years or that families might be incentivised to place babies into an underfunded mode of care ill-suited to their needs. What a pity that those are the solutions American politicians seem most determined to seek. ■

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How Donald Trump can dodge a Supreme Court tariff block

No matter its ruling, the president has back-up powers

November 6th 2025



If trade deficits are a national emergency, they are an emergency of a peculiar sort. America began to run them consistently in the mid-1970s. Only five decades later did Donald Trump declare the situation “an unusual and extraordinary threat to the national security and economy of the United States”. During those crisis decades, America’s inflation-adjusted GDP per head more than doubled.

Mr Trump’s proclamation came in April as justification for invoking the International Emergency Economic Powers Act (IEEPA), a law passed in 1977 that he has used to institute [worldwide tariffs](#). He has also issued IEEPA levies in response to China’s fentanyl trade and threatened Venezuela with them. Lower courts have found IEEPA does not grant the president the blanket

powers he has asserted. On November 5th the Supreme Court heard arguments on the issue; a ruling is expected to arrive either later in the year or early 2026.

What would happen if the court struck down the tariffs? Devastation, according to Mr Trump: “If we don’t win that case, we will be a weakened, troubled, financial mess for many, many years to come.” A sizeable share of his tariffs have been issued through IEEPA. Eliminating them would knock the overall effective rate from 17% to 9%, reckons the Yale Budget Lab.

In private, though, the administration is a little more relaxed, for Mr Trump has other paths even if he continues to avoid seeking congressional approval. Although losing IEEPA authority might change the shape of his tariff regime, it would not change its scale. His officials’ first port of call would probably be Section 122, a provision allowing the president to impose tariffs of up to 15% for up to 150 days. That stopgap could be invoked instantly.

Next would probably come investigations by the United States Trade Representative and the Department of Commerce. Two authorities, Section 301 and Section 232, grant the president the ability to place tariffs on targeted countries and industries, respectively, following an inquiry. Section 301 was the basis for Mr Trump’s [tariffs on China](#) during his first term; recent levies on cars, steel and other sectors have been issued through Section 232.

Such an effort would be cumbersome and create legal vulnerabilities. But, brick by brick, it would enable Mr Trump to rebuild his tariff wall. Another option, if he is feeling braver, would be Section 338, which dates back to the 1930s and has never been invoked to raise tariffs. It allows retaliatory levies of up to 50% on countries with “unreasonable” trade practices, and does not require lengthy investigations.

If the IEEPA tariffs are struck down, the federal government might also owe refunds to the firms that paid them. The sums involved would be substantial—about \$140bn (or 0.5% of GDP), estimates Piper Sandler, an investment bank. One theory discussed by investors, only half tongue-in-cheek, is that the administration might not mind losing all that much. Tariff refunds would represent a form of backdoor stimulus, juicing the economy just in time for the midterm elections.

Nice while it lasted

United States, newspaper articles mentioning trade uncertainty*, January 1st 2025=100



*Based on ten large-circulation newspapers.

Thirty-day moving average

Source: Economic Policy Uncertainty

Yet losing would deny the president the freedom of manoeuvre he has enjoyed so far. As Howard Lutnick, his commerce secretary, has noted in previous testimony, “other tools...are procedurally time-consuming and do not allow for immediate action.” IEEPA’s flexibility makes it a uniquely potent option. Perhaps, then, Mr Trump might stop using levies as a catch-all weapon, making policy less volatile.

That would, however, require a change of presidential temperament—suggesting another outcome may be more likely. Over the summer, tariff policy had at last seemed to be settling down despite spats with Canada and

China (see chart). A Supreme Court ruling against IEEPA use would force a complex, protracted and confusing rejig, meaning another burst of uncertainty. Many businesses, particularly manufacturers, have held off on hiring and investment, patiently waiting for trade policy to become more predictable. Even if the Supreme Court curbs the president's whims, extending the period that firms are in limbo would do little economic good. ■

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Why Wall Street won't see the next crash coming

Even the best traders struggle to predict sudden jumps in volatility

November 6th 2025



A lot of assets, warned Jamie Dimon in mid-October, “look like they’re entering bubble territory”. His voice carries because he runs America’s biggest bank, JPMorgan Chase, but also because it is part of a growing chorus. David Solomon, Mr Dimon’s opposite number at Goldman Sachs, talks of “investor exuberance”; Jane Fraser, Citigroup’s boss, of “valuation frothiness”. The Bank of England recently cautioned that “the risk of a sharp market correction has increased.” The IMF worries about a “disorderly” one, since “risk asset prices are well above fundamentals”.

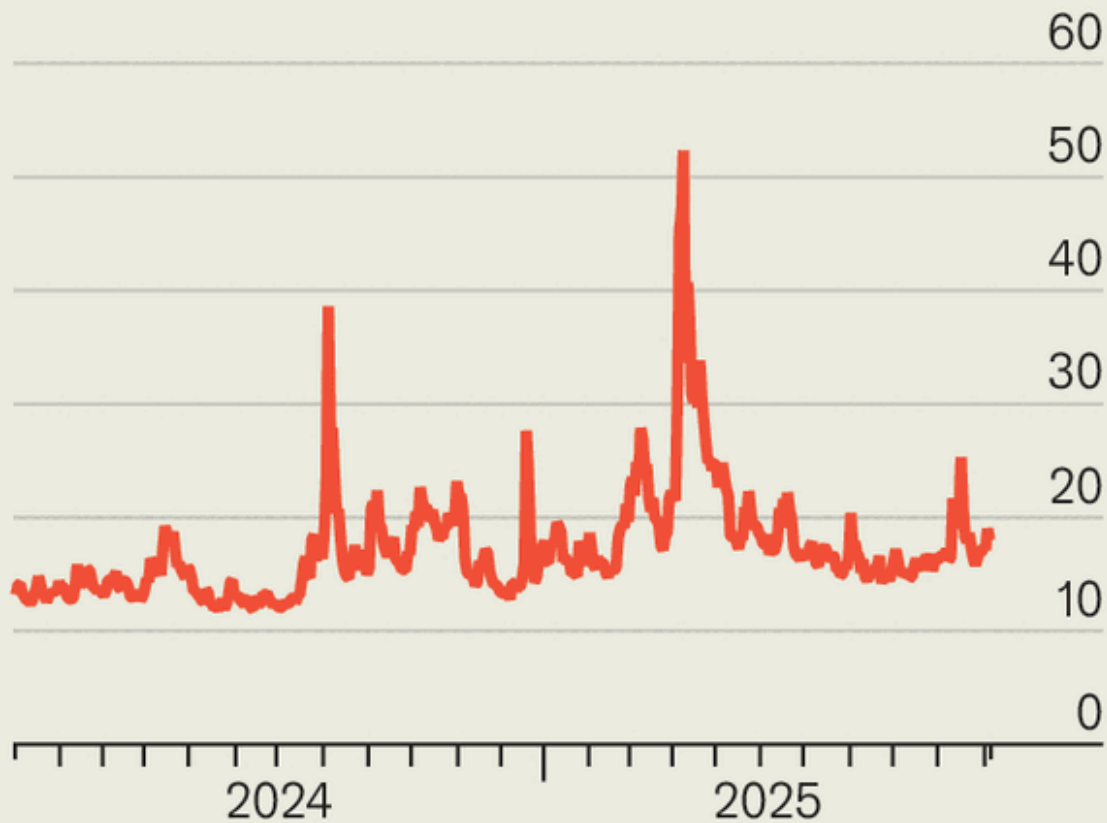
They are all right about one thing: valuations of many assets are dizzyingly high. To buy the basket of stocks in America’s S&P 500 share index, investors now pay 40 times their underlying, cyclically adjusted earnings—a multiple exceeded only during the dotcom bubble, and then not by much. Investment-

grade corporate bonds, on average, yield only 0.8 percentage points more than equivalent Treasuries. The last time this credit spread was so low was in 2005, during the run-up to the global financial crisis. Even gold, normally a haven, seems vulnerable to traders' whims. After soaring to a record high on October 20th its price dropped by 7% in just two days, and is now 9% below its peak.

Perhaps, then, one correction has already begun. When might others follow? For anyone who is hoping to beat the market—including the quant shops and other hedge funds that promise returns whatever the weather—there are few more pressing questions. “The nirvana of macro trading is forecasting these turning-points,” says James White of Elm Wealth, an investment firm. The snag is that achieving nirvana is just about impossible.

Sometimes fear

US stockmarket volatility, VIX index*



*Over 30 indicates a high level of investor uncertainty

Source: S&P Capital IQ

Forecasting a correction comes down to forecasting volatility (or “vol”): the propensity of asset prices to jump around. The traders and quants who attempt this with stocks rely on a set of stylised facts, which become apparent if you stare at a chart of a share-price index for long enough. One is that volatility is “bimodal”, meaning prices spend long periods moving by relatively small amounts each day, interspersed with much shorter ones during which they move a lot (see chart). Volatility, in other words, has a tendency to jump itself: there are low-vol regimes and high-vol regimes, with not much in between. These regimes are correlated with the broad direction asset prices are moving

in. During low-vol periods, prices tend to be stable or rising; during high-vol regimes, they tend to fall.

The fact that volatility mostly stays in one regime or another means that, most of the time, the best way to predict tomorrow's vol is from today's. This is the basis for the "autoregressive" models used by traders at banks and investment firms to gauge risk. Such models are also used to price options—contracts that allow traders to profit from big swings in prices—since this requires an estimate of expected volatility. Yet though useful from day to day, these models are ill-equipped to predict the sudden vol jumps that accompany corrections, when the regime changes.

As a result, many traders build other models to complement their autoregressive ones, based on outside factors that might cause volatility to leap. The state-of-the-art approach is to use machine learning to analyse the impact of every economic variable under the sun. Corporate earnings, GDP, inflation, jobs data—any or all might contribute to a sudden dip in sentiment. Machine learning, meanwhile, is an ideal tool for spotting combinations that might indicate vulnerabilities which are not intuitively obvious. Bridgewater, one of the world's biggest hedge funds, is famous for trading strategies based on intricate combinations of economic variables.

Unfortunately, few such strategies actually seem to work well enough to beat the market. "I know of no other firm than Bridgewater that has been successful with these macro models," says a former trader at a rival hedge fund. And even the best of them cannot be expected to predict a "pure shock", like a pandemic or a run on a bank. The very unpredictability of such shocks means they have the greatest potential to trigger a correction. Macro models can pinpoint situations in which one might have an outsize impact on markets, yet not when it will occur.

Traders do have other tools that they can use to spot a reversal. Since volatility tends to jump at times when prices change direction, momentum traders often dump their positions immediately after the first big move down snaps a winning streak. Correlations between different asset classes also sometimes provide an early warning that a correction is afoot. The classic sign that investors have switched to "risk-off" mode, for instance, is that share prices fall at the same time as those of havens such as gold and Treasuries rise.

A good way of improving on the predictions of flawed models, says the head of quantitative strategies at another big hedge fund, is to combine many independent ones. Even then, the best a trader who lacks divine inspiration can really hope for is to identify a correction early and cut their losses. Wall Street's finest might warn of a crash—do not expect them to say when it will arrive. ■

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Don't blame AI for your job woes

The white-collar chill has more to do with the economy than with tech

November 6th 2025



Tech bosses are rarely restrained when discussing artificial intelligence. Over the past year they have filled conference halls and social-media feeds with visions of an AI job apocalypse. Sam Altman, OpenAI's boss, has warned that "entire classes of jobs will go away". Dario Amodei, chief executive of Anthropic, predicts that AI could wipe out half of all entry-level white-collar jobs and drive unemployment into the double digits. Elon Musk, never to be outdone, recently proclaimed that "AI and robots will replace all jobs."

Now the reckoning seems to have arrived. Corporate giants including Amazon, Target and UPS have together announced plans to shed more than 30,000 white-collar jobs. Amazon said that it needs to operate "more leanly" as it pours money into AI; UPS has slashed managerial ranks in order to cut costs. Meta, too, has trimmed its "bloated" AI unit. The cuts have mostly

landed on office-based staff—the precise workers that Silicon Valley has long predicted would suffer as AI spread.

Across the American economy, firms have announced nearly 1m job cuts this year, some 50% more than at the same point last year. Over the past three months the hiring rate has fallen to its lowest in a decade (apart from the covid-19 pandemic). More than a quarter of the unemployed have been without a job for at least six months, a level rarely seen except following recessions. Young graduates in particular are feeling the squeeze. The jobless rate among 22- to 27-year-olds with a bachelor's degree has risen by more than two percentage points since 2023. To many, the timing feels telling: as firms trumpet their AI investments, the pain is felt by those whose work seems most automatable. Even Jerome Powell, chair of the Federal Reserve, has mused that companies which are “able to use AI more than they had in the past” may be hiring fewer graduates.

Some studies appear to back his view. Research by Erik Brynjolfsson of Stanford University and co-authors finds that in jobs most exposed to AI, such as software development, employment among workers aged 22 to 25 fell by 13% from late 2022 to early 2025 compared with older colleagues. Among the least exposed jobs, young and older workers saw comparable gains. Guy Lichtinger and Seyed Hosseini, both of Harvard University, reach a similar conclusion. Drawing on LinkedIn profiles and job-posting data from Revelio Labs, a workforce-intelligence company, they find that companies hiring for generative-AI roles have cut recruitment at junior levels more sharply than their peers.

Yet broader evidence points in the other direction. The Economic Innovation Group, a think-tank, calculates that from 2022 to mid-2025 the unemployment rate for the most AI-exposed fifth of workers rose by only 0.3 percentage points, against nearly one percentage point for the least exposed. They find a similarly muted effect for young graduates in the most AI-exposed jobs. Researchers at the Yale Budget Lab also find little sign of technological disruption. Examining changes in the mix of occupations since ChatGPT's debut, they discover no discernible shift in America's labour market. Analysts have been sceptical that recent job cuts by the likes of Amazon were really driven by AI, rather than by standard business imperatives.

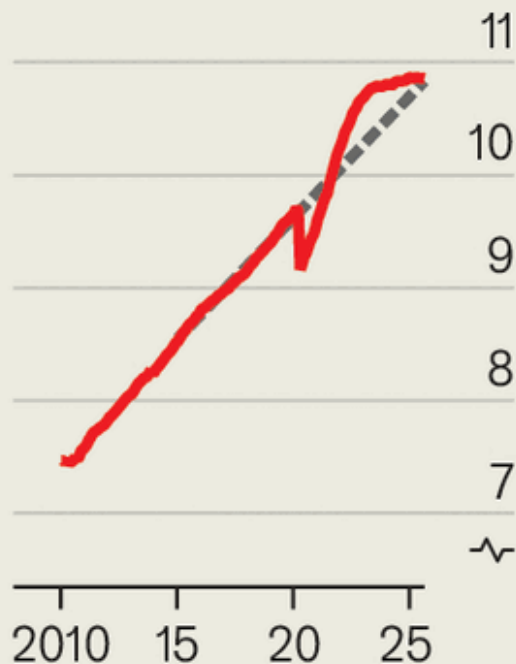
Thanks for the clarification

United States, employees, m

Health and
social care



Professional and
technical services



Sources: BLS; *The Economist*

*Based on 2015-19 data

If AI is not to blame, what is? The simplest explanation is that the white-collar economy is coming down from a post-pandemic high. Sectors employing lots of graduates such as information services (including media and data services) and professional and business services (accountancy and consultancy) grew very fast in 2021 and 2022. Their recent pull-back looks less like AI upheaval than a return to normal. Even software development, among the most AI-exposed work, shows a similar boom-and-bust pattern. Developer job openings more than doubled after the pandemic, then slumped. Martin Casado of Andreessen Horowitz, a venture-capital firm, says the frenzy that sent software startup valuations soaring led firms to “over-hire like crazy”—a

binge still being undone today. In-person industries such as health care and social assistance, which grew steadily, have only now caught up to the trend (see chart).

Another explanation is cyclical. ChatGPT's release coincided with America's tightest labour market in decades: in the summer of 2022 there were a record two job openings for every unemployed worker. Conditions have eased since, and young people are hit hardest when the economy slows. Our analysis finds that youth unemployment typically rises about one-and-a-half to two times as fast as the overall unemployment rate when a business cycle turns. This episode fits the pattern.

Deeper problems nevertheless loom for young graduates. The rewards of higher education have been shrinking. America's college wage premium has stagnated for two decades; graduates now account for a third of those who have been unemployed for at least six months, up from a fifth a generation ago. AI may soon add another obstacle. The technology is not yet taking young professionals' jobs. But it is possible that, when the economy begins to perk up, there will be fewer left to take. ■

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The mystery of China's slumping investment

Its leaders don't seem concerned. Should they be?

November 6th 2025



Critics of China's economy moan that its investment is excessive and its official statistics flatter its performance. Is that still correct? In recent months investment in infrastructure, manufacturing and construction has been alarmingly weak—so weak, in fact, that some analysts think the numbers are too bad to be true.

Each month China reports data on investment in “fixed” assets (ie, things other than inventories). It reports how much has been spent since the beginning of the year and how that compares with the same period in the previous year. In the first nine months of 2025, China spent 37.2trn yuan (\$5.2trn). Although that sounds like a lot, it was 0.5% less than a year earlier. It was also the first time outside of the covid-19 pandemic that China had reported a negative figure going back more than 30 years.

The fall was not evenly spread over the year. Nothing was amiss until the summer. Then spending fell off a cliff. Official figures imply investment shrank by 6.6% in the third quarter compared with a year earlier. On the face of it, this is the kind of collapse that China bears have long predicted and the world economy has long feared—China at last reaching the destination on its “treadmill to hell”, as one critic put it.

Although investment in property has been declining for years, up until the summer it was offset by growing investment in other parts of the economy, such as manufacturing, infrastructure and services. Optimists could point to this resilience as evidence that China’s economic woes stemmed largely from the housing slump rather than a broader loss of faith in the country’s prospects or policymaking. But in the third quarter, investment even outside of property faltered, falling by 3.5% compared with a year earlier.

One potential explanation is the government’s [campaign against “involution”](#), the label Chinese officials have given to disorderly competition. Price wars and other aggressive bids for market share are often the fruit of past overinvestment, building more production capacity than the market can comfortably bear. This overinvestment is itself often the result of arms races between provincial or city governments, keen to cultivate local champions in fashionable industries.

China’s leaders have been worried about this trend for over a year. But their alarm has intensified recently. In July a meeting of the 24-man Politburo, which includes the most powerful people in China’s Communist Party, stressed the need to squash “disorderly competition”. In trying to cultivate “new productive forces”, local governments must avoid “rushing headlong into new initiatives”, Xi Jinping said on October 20th.

There is, however, one problem with this explanation. The investment weakness has not been concentrated in industries that have been targeted by the anti-involution campaign, points out Adam Wolfe of Absolute Strategy Research, a consultancy. For instance, although carmakers have been rapped on the knuckles for cutting prices too steeply, their investment spending grew by 19% from January to September, compared with the previous year.

Local governments may have interpreted the campaign as an invitation to tighten their belts. The finance ministry has arranged for them to issue bonds

this year to replace other “hidden” obligations, including off-balance-sheet debts owed by the infrastructure firms they sponsor. Yet local governments have gone further than the finance ministry envisaged, repaying debt with money that might otherwise have financed investment. Zhao Wei of Shenwan Hongyuan, a Chinese securities firm, reckons the shortfall amounts to about 400bn yuan—enough to account for about half the investment slowdown, he argues.



But is that the whole explanation? The investment collapse is not showing up consistently in other, related figures, points out Andrew Batson of Gavekal

Dragonomics, a research firm. Most glaringly, China's National Bureau of Statistics says that capital spending contributed almost a fifth of GDP growth in the third quarter. If that is true, then investment would have needed to increase by more than 2% year on year, adjusted for inflation (see chart).

There are some technical reasons why the two sets of figures might not line up exactly. The monthly investment figures include purchases of land, for example, which do not enter into the [calculation of GDP](#). They also leave out inventories, which do. But these technical differences do not seem sufficient to explain such a large statistical mismatch.

Mr Batson's alternative explanation is that the monthly figures are for once understating China's performance. Local governments, keen to be seen to be doing their bit in the fight against involution, are underreporting their investment spending. If they have, in the past, exaggerated that spending, the involution campaign gives them an alibi to bring their statistics back into line. The Chinese call it "squeezing the water" out of the numbers.

Perhaps the best evidence the investment collapse is less grave than it appears is that the government itself is not panicking. So far, its policy response has been restrained, falling short of last year's splashy stimulus push. China's planning agency has allowed the country's three policy banks to buy equity stakes worth a combined 500bn yuan in 2,300 investment projects. The finance ministry has also eased the quota of bonds local governments can issue this year.

That leaves two possibilities. Either China's local governments are telling the truth about the investment collapse and the central government is underreacting to the problem. Or China's local governments are "rectifying" involution by falsifying the data. Neither is entirely reassuring. ■

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Investors are telling Britain to cheer up a bit

The country's economic problems are real, but its assets are doing surprisingly well

November 6th 2025



Snap up an asset as its price plummets, and you are “catching a falling knife”. Chase a series of small profits while risking a big blow-up, and you are “picking up pennies in front of a steamroller”. To bet against America’s central bank is to “fight the Fed”; to short-sell Japanese government bonds is to attempt the “widowmaker”.

It feels fitting that another trading strategy—of shunning British assets like the plague—has no slang name. What it does have is a long pedigree. A century has passed since the pound was first overtaken by the dollar as the leading international reserve currency; it now accounts for less than 5% of central banks’ foreign-exchange reserves. London boasts one of the world’s oldest stock exchanges and a market for government bonds, or “gilts”, that helped

decide the outcome of the Napoleonic wars. So far this year, bourses that have raised more equity capital include those of Mexico and Oman. In a game of word association, “gilt market” would most likely be followed by “crisis”.

Investors need not search hard for reasons to give Britain a miss. It has the [worst inflation problem](#) of any big, rich country, with a headline rate of nearly 4%. The economy has stalled and a government elected on a promise to set it whirring again has yet to suggest credibly how it might do so. Rachel Reeves, the chancellor of the exchequer, gave a speech on November 4th setting out three priorities for her upcoming budget; spurring growth was not one of them. Owing to a chronic overreliance on borrowing, the public finances are in a sorry state and getting worse.

Amid this gloom, you might expect British asset prices to have fallen through the floor. In fact, in a remarkable turn of events, they have been doing well. Britons have plenty of reasons to be worried about their economy and frustrated with their government. Markets nonetheless suggest they could cheer up a little.

Start with the pound. After Britain voted to leave the European Union in 2016 and sterling’s value plunged, traders joked that it had become an emerging-market currency. A few crises later, especially after the one that ended Liz Truss’s disastrous prime ministership in 2022, the description was in danger of losing its irony.

Ever since, however, sterling has been broadly strengthening against a trade-weighted basket of other currencies. A pound bought \$1.25 at the start of this year and now buys \$1.31. Since the dollar has weakened across the board, that probably owes more to investors’ assessment of Donald Trump’s presidency than to their confidence in Britain. All the same, it says something about Britons’ mood that not having had their currency crater along with America’s was a pleasant surprise.

British stocks have been doing surprisingly well, too. Even measured in their respective currencies, Britain’s FTSE 100 share index has outperformed America’s S&P 500 so far this year. Measured in sterling (to account for the dollar’s weakness) the FTSE has returned 23% against the S&P’s 12%. That performance is all the more impressive when you consider Britain’s conspicuous lack of big tech firms to benefit from euphoria over artificial

intelligence. And shareholders are not alone in finding reason to be cheerful. Bondholders' long-run inflation expectations have fallen substantially, from 3.5% a year to 2.9%. Yields on Britain's ten-year government bonds, at 4.5%, are [higher than those of any other G7 country](#). But in part because investors are now pricing in lower inflation, they are some way below their peak.

To say that any of this suggests animal spirits are roaring in the City of London would be a stretch. The case against British assets became badly oversold; the pendulum is now swinging back. Still, their outperformance could have some way to run. "Britain's fiscal situation isn't ideal," says Andrew Sheets of Morgan Stanley, a bank. "But where else in the G7 is it that much better?"

He has a point. At over 4% of GDP Britain's deficit looks bad, but America's is 6%. France has burned through one prime minister after another while failing to curb its own outside borrowing. Italy's deficit is smaller but its existing debts are higher; Japan's are vastly more so and its borrowing costs are rising fast. Germany's economy is even more sluggish than Britain's. Canada's access to its biggest export market, America, is threatened by Mr Trump's trade war. Britain's economy has real problems, and investors are not waving them away. They are telling Britons to look to their neighbours and count their blessings. ■

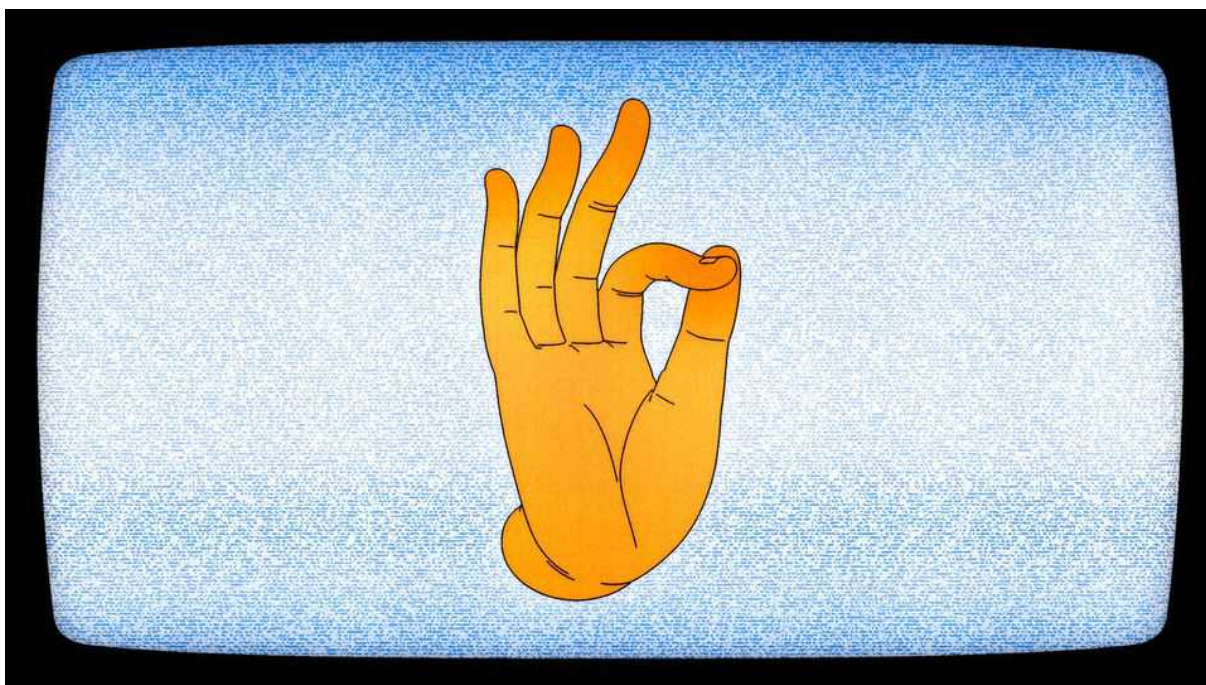
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What explains India's peculiar stability?

In a tricky neighbourhood the country remains calm

November 6th 2025



An economist with super-hero vision might stand in New Delhi, gaze in every direction and see turmoil. In Nepal, India's neighbour to the north-east, "Gen Z" protests erupted earlier this year over inequality, as the scions of political dynasties flaunt their luxury holidays and designer clothes on Instagram while ordinary Nepalis struggle with unemployment. Further east, Bangladesh's students led a revolution last year to overthrow Sheikh Hasina, who had been prime minister since 2009. Among their grievances was a quota system that reserved state jobs for descendants of war veterans. To India's south, Sri Lankans stormed the presidential palace in 2022, forcing Gotabaya Rajapaksa, the president, to flee. Mr Rajapaksa had presided over an economic crisis that left the country bankrupt, with fuel and medicine running out. To the west, Pakistan faces protests by supporters of an imprisoned former prime minister and yet another IMF rescue.

But not India. South Asia's largest economy is surprisingly stable. This year the country has been both a victim of President Donald Trump's trade war, singled out for especially punitive tariffs owing to its purchases of Russian oil, and a participant in a shooting war with nuclear-armed Pakistan. Its economy has barely noticed. Bangladesh, Nepal and Sri Lanka are all participating in IMF programmes, along with Pakistan. Meanwhile, India's ten-year government bonds yield less than 7%, down slightly from the start of the year and far below the 12% that Pakistan and Sri Lanka are forced to cough up. India's foreign-exchange reserves sit at around \$700bn, or 18% of GDP—sufficient for 11 months of imports. Growth ticks along at 6-8% a year.

India has not always been as stable as it is today. Since gaining independence from Britain in 1947, the country has suffered repeated balance-of-payments problems. In 1965 a war with Pakistan, which followed a devastating drought, left it dependent on food aid in return for which America made it devalue the rupee. In 1991 a spike in oil prices caused by the Gulf War, and a collapse in remittances from workers in Kuwait, prompted another blow-up. The government was forced to airlift gold to Britain to act as collateral for loans. Manmohan Singh, India's finance minister, did, however, take advantage of the crisis, using it as an excuse to begin dismantling the "licence raj" system of export controls and float the currency. That helped stabilise the economy.

Yet as recently as 2013 the country was still at the mercy of global capital. It was counted in "the fragile five" group of emerging markets by Morgan Stanley, a bank, alongside Brazil, Indonesia, South Africa and Turkey; all were vulnerable to rising American interest rates. During the "taper tantrum", as America began to scale back its post-financial-crisis quantitative-easing programme, the rupee fell by 20% from May to August. The government responded by cleaning up the country's banks, forcing lenders to recognise bad loans and reforming the bankruptcy code. Non-performing loans fell from 15% in 2018 to 3% this year.

Fiscal conservatism has helped, too. Sri Lanka's recent crisis was prompted by unfunded tax cuts and deficit spending enabled by printing money. India runs twin deficits, both fiscal and current-account, but has trimmed its budget deficit from 9% at the start of the covid-19 pandemic to under 5%. The government plans to cut its debt-to-GDP ratio from 57% to 50% by 2031. Although manufacturing exports have underwhelmed, revenue from services exports—mostly business-process and IT outsourcing—now amounts to 15%

of GDP, up from 11% a decade ago, which has reduced India's dependence on foreign-capital inflows.

Even oil, long India's sore spot, is less of a problem these days. That is partly because oil prices have been relatively low over the past couple of years. But it is also because the government and industry have reduced the economy's sensitivity. Strategic oil buffers and new refinery capacity make a difference; so, too, does cheap imported Russian crude, which last year saved around \$8bn in foreign exchange, even as it attracted Mr Trump's ire. A mandate to mix ethanol into petrol, introduced in 2021, has annoyed drivers who fear for their engines but delighted sugar-cane farmers and reduced the fossil-fuel import bill still further.

The lack of a balance-of-payments crisis is not the only reason young Indians have not taken to the streets. Just as in Nepal plenty of inequality is to be seen on social media (though much of it comes from Bollywood stars, who have at least earned their riches). Access to government jobs, as in Bangladesh, causes grievances: more than half are reserved for "backward" castes or other disadvantaged groups, which annoys everyone else. The graduate unemployment rate was 29% last year, partly because many repeatedly attempt the civil-service entry exams. Others are underemployed in gig work or engage in "timepass", the Indian-English term for aimlessly killing time.

Perhaps other avenues for Indian discontent direct it away from politics. In March riots broke out in Nagpur, a city of 3.5m in Maharashtra. The target was no one currently in power—it was the tomb of Aurangzeb, a 17th-century Muslim emperor who oppressed Hindus. But there is also a more optimistic explanation for the lack of protests: India's obviously growing economy appears to foster a sense that better things really are on the way. A survey by the Centre for Monitoring Indian Economy, a data provider, asks Indians to rate their life satisfaction on a scale of one to ten. Although at the moment most plump for a score of four or five, they are more hopeful about the future. In five years' time they expect a score of six or seven. It is easier to put up with anything, even the stresses and strains of life in a turbulent south Asian economy, if you don't expect it to last for ever. ■

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Science & technology | A sequel to Star Wars

Golden Dome is one of the most ambitious military projects ever

Even a modest missile shield could upset the balance between nuclear powers

November 6th 2025



DONALD TRUMP, America’s president, is fond of grand schemes. He has a weakness for precious metals. And he wants America’s armed forces to pull back from adventures in faraway countries. With his “Golden Dome” project—a plan for a high-tech defensive shield to protect America against all sorts of aerial attack, from drones to nuclear-tipped ballistic missiles—Mr Trump has found something that ticks all three boxes.

If it is actually built, Golden Dome will be one of the most ambitious and expensive military projects ever undertaken. It could lead to big changes in American military strategy, and perhaps even disrupt the uneasy stability that has existed for decades between the world’s nuclear-armed countries. Critics

say the scheme is a vainglorious folly. Its proponents—who include many non-MAGA types in the military world—argue that it, or something like it, is long overdue.

Golden Dome evokes two big missile-defence schemes of the past and present. One is Ronald Reagan's abortive Strategic Defence Initiative (SDI) in the 1980s. Nicknamed Star Wars, the idea was to use all sorts of exotic weaponry, from nuclear-powered X-ray lasers to orbiting missile batteries, to protect America against a Soviet nuclear strike. The other is Israel's Iron Dome system, which since it was switched on in 2011 has used conventional missiles to shoot down thousands of rockets fired at Israel by the likes of Hamas and Palestinian Islamic Jihad.

Mr Trump's system, though, is not really like either. It is far grander in scale than Iron Dome, which aims to protect small areas of a small country against small missiles. Mr Trump would like Golden Dome to protect a country the size of a continent. At the same time, it is intended to shoot down a far broader range of threats than SDI. Reagan's system focused on intercontinental ballistic missiles (ICBMs), which arc up into space on fixed trajectories and can reach speeds of tens of thousands of kilometres per hour. Golden Dome is intended to counter those. But it is also expected to deal with newer threats, which pose their own challenges. Big drones and cruise missiles fly low and slow, but are nimble and can be hard to detect. Hypersonic missiles are a sort of halfway house: faster than cruise missiles, but more manoeuvrable than ICBMs.

How exactly this is to be done is still unclear. America's Department of Defence says it has a rough idea, but has not released any details. Golden Dome will not be a single thing, but rather a collection of things. It will need sensors to track incoming threats. It will need a variety of interceptors—missiles launched from land, sea or space, and perhaps even some Star Wars-style lasers—to shoot them down. And it will require software to connect those things together, and perhaps make decisions about what to do without first checking with its human masters.

Some of what is required already exists. AEGIS, a missile-defence system fitted to some American warships, can shoot down aircraft and some short-ranged ballistic missiles. The Ground-based Midcourse Defence (GMD) missiles based in Alaska and California are designed to tackle small numbers

of ICBMs fired from countries like Iran or North Korea. Mobile batteries like Patriot and THAAD, which have been active in Ukraine and Israel, do well against aircraft and cruise missiles, and have some ability against ballistic missiles as well. “We’re not going to reinvent...tonnes and tonnes of new systems,” observes Tom Karako of the Centre for Strategic and International Studies (CSIS), a think-tank.

Even so, some new things will be needed. One is a way to deal with swarms of cheap drones, a problem plaguing both Russia and Ukraine. Another is the command-and-control software that will allow a sensor in space to pass data to computers on the ground that can decide whether the sensor is looking at a missile or just an unusual bit of weather.

Yet another will almost certainly be new kinds of anti-ICBM missiles stored in orbit. Existing systems like GMD aim to attack the warheads released by an ICBM during the middle of its flight, when they are easy to see against the cold background of space. Golden Dome is planned to use other sorts of interceptors that can attack missiles as they take off instead. At that point they are moving relatively slowly, cannot deploy any countermeasures, and are also easy to see, thanks to the bright exhaust plume from their engines.



Space-borne interceptor missiles designed to do just that were a feature of the original SDI proposal, under the name “Brilliant Pebbles”. Improvements in

computers and sensors, and the plummeting cost of putting things into orbit, have made such missiles more plausible now than they were then. Lockheed Martin, a big weapons firm, plans to test a space-based interceptor (SBI) in orbit by 2028.

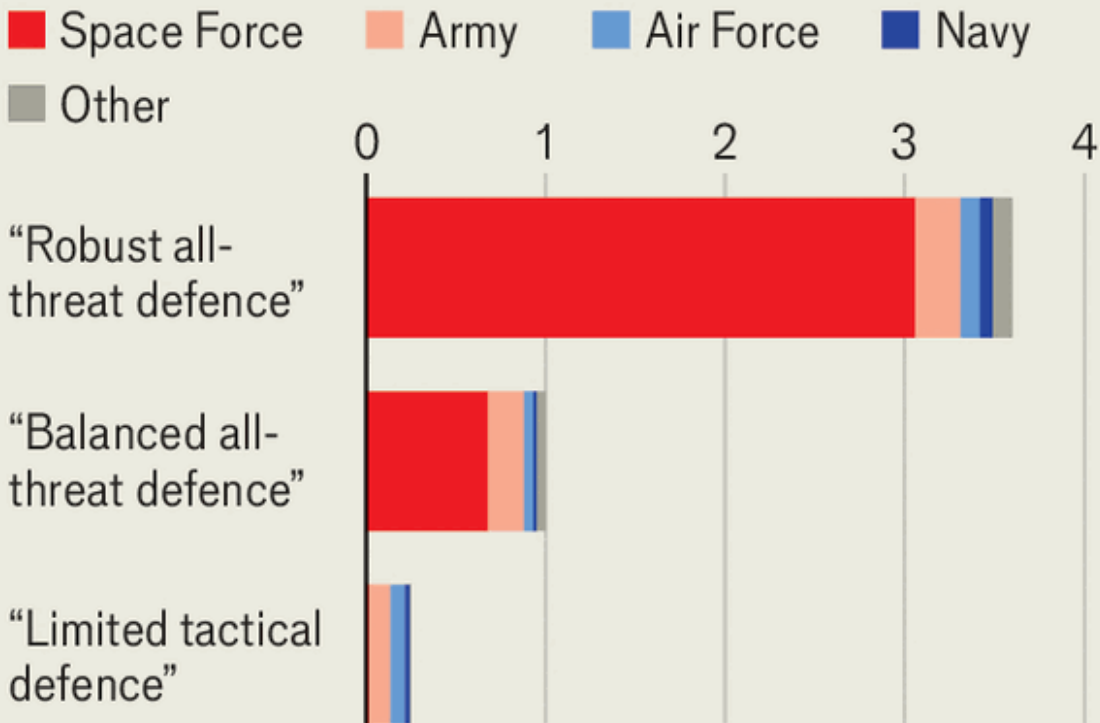
The specific mix of new technologies will depend on exactly what Golden Dome's masters want it to do. Cost estimates come with a large dollop of guesswork. But Todd Harrison of the American Enterprise Institute, another think-tank, has come up with rough estimates for several different levels of performance.

The cheapest option focuses on drones, cruise missiles and planes. Defending the entire United States from those would still cost around \$250bn over 20 years, he calculates—far more than Mr Trump's target of \$175bn, and about the same, adjusted for inflation, as the Apollo Moon programme in the 1960s. The ritziest version is designed to block threats of most kinds, including the sort of ICBM arsenal possessed by North Korea, though not one the size of Russia's. That might set America's taxpayers back by \$3.6trn over 20 years.

The space-based bits of the system drive much of the cost (see chart). Even a basic system would need to keep a lot of interceptor missiles in orbit, and the required numbers rise steeply with the system's capability. Earth is a big place. Orbital mechanics mean Golden Dome's orbiting interceptors would spend most of their time flying over bits of it from which no enemy missiles are ever likely to be fired. The only way to ensure that at least some interceptors are always where they need to be is to have lots of them.

Choices, choices...

Golden Dome, selected architectures, allocation of funding, 2025-45, \$trn*



Source: American Enterprise Institute

*2025 dollars

The Brilliant Pebbles concept aimed to shoot down missiles fired from Soviet territory. SDI's designers assumed America might need 7,000 space-based interceptor missiles. If Mr Trump's orders are read literally, then Golden Dome will have global coverage. In Mr Harrison's top-tier version that needs around 85,000 missile-carrying satellites. That is about ten times the size of SpaceX's Starlink system, by far the biggest satellite constellation ever built.

This number would need to be regularly topped up, too. A ballistic missile's launch phase lasts only a few minutes. To hit one within that window, SBIs would have to orbit so low that they would suffer drag from the remnants of the atmosphere. Like Starlink satellites, each interceptor would have a relatively short lifetime before it fell back to Earth and burned up. Replacing

each satellite three times over 20 years accounts for about \$1.2trn of the total cost, reckons Mr Harrison.

The trade-off between automation and human oversight also affects costs. Letting the SBIs fire automatically when a launch is detected would allow them to react instantly. Political leaders might balk at delegating such decisions to robots in space. Buying time for humans to think, though, means yet more interceptors. The American Physical Society, an academic body, estimates that to defend automatically against a salvo of just ten North Korean ICBMs would require 16,000 SBIs. Adding 30 seconds of decision time more than doubles that to 36,000.

Talk of hundreds of billions or trillions of dollars may give government accountants palpitations. For businesses it represents an irresistible opportunity. In September the Missile Defence Agency (MDA), a branch of the Department of Defence, requested proposals from firms keen to help build Golden Dome. The agency had so much interest that it had to push the deadline back a week to work through the pile of applications.

The competition is shaping up to pit America's defence "primes"—established firms such as Lockheed Martin or L3 Harris, which have dominated weapons making for decades—against a group of newer arms-makers run more like Silicon Valley tech firms. The incumbents have a simple pitch: only they boast the hardware, experience and know-how to run such a gargantuan programme. Lockheed Martin, for instance, already makes much of the needed kit, from radars and missiles to software. The firm's "next-generation interceptor" is intended to replace the older missiles currently in Alaska and California. But it could be tweaked to be fired from space instead, says Robert Lightfoot, the president of the company's space division.

But newer, hungrier firms are also muscling in. Three are reportedly in discussions with the Pentagon: SpaceX, Elon Musk's space behemoth, and Anduril and Palantir, a pair of startups. The insurgents promise sophisticated kit at a fraction of the price charged by the established firms, which have a long and inglorious record of cost overruns. Palantir and Anduril are offering clever software to track and analyse incoming missiles. In an echo of the original SDI, Anduril is even said to be mulling installing lasers in space to zap them. And it is hard to see how Golden Dome's spacefaring bits could be

built without SpaceX, which flies more stuff into orbit than every other company and country in the world put together.

The most likely outcome is a compromise. Golden Dome will be “a mix of both primes and upstarts”, reckons John Holly, a former deputy director of the MDA and now president of Davidson Technologies, another defence company. The primes may be asked to build the larger bits of the system, such as radars, interceptor missiles and launchers, while the newer companies focus on the software that ensures the different elements can work together.

Even if something like Golden Dome is technologically feasible, two questions remain: would it actually work in practice, and would it be worth the enormous price tag? Critics take two lines of attack. The first is the argument that missile defence, particularly against ballistic missiles, is simply ineffective. The second is that the economics of missile defence strongly favour the attacker over the defender.

Take the second argument first. Each interceptor missile used in Israel’s Iron Dome system is thought to cost tens of thousands of dollars. They have been mostly fired against rockets made from bits of steel pipe welded together in garages. ICBMs are far more sophisticated than Hamas’s Qassam rockets, but the same disparity exists: a missile is often a simpler piece of technology than the kind of weapon needed to shoot it down.

When it comes to ICBMs, a defender might need to spend four to 15 times as much as an attacker, reckons Laura Grego of the Union of Concerned Scientists, an advocacy group. The attacker can tilt the balance even further by mixing cheaper decoys among the genuine missiles. If an attacker threw in ten realistic-looking decoys alongside every real missile or warhead, notes Dr Grego, then the defender might have to spend 40 to 150 times as much. This “discrimination” problem is an arms race: an attacker tries to build realistic decoys, which mimic the radar reflectance and heat signature of a real warhead, while the defender has to invest in expensive sensors to try to spot the fakes.

As for the first argument, whether Golden Dome could work depends on what you mean by “work”. Intercepting ballistic missiles in particular, which can reach speeds of 30,000kph, is fiendishly difficult. Detractors point out that, of 21 live-fire tests conducted against ballistic missiles by the GMD missile

system since 1999, nine have failed (a fact that is central to the plot of “House of Dynamite”, a recent Netflix film). Advocates retort that GMD has improved over time. The most recent test, conducted in 2023, marked the fourth success in a row, though there is dispute over how realistic those tests were.

A completely impenetrable shield is almost certainly impossible. But suppose a missile-defence system could manage a (very impressive) 90% success rate. Against conventionally armed missiles of the sort that Russia fires at Ukraine, and which an opponent could plausibly fire at America in wartime, such a system would limit the damage drastically. On the other hand, if one in every ten nuclear-armed missiles gets through, that would count as a catastrophic failure.

Or would it? “There is a difference between losing two American cities and 20 American cities,” notes Vipin Narang, a political scientist at the Massachusetts Institute of Technology who led nuclear-weapons policy at the Pentagon during the Biden administration. American nuclear planners tend to embrace the idea of damage limitation: that America can deter a nuclear war by ensuring that an adversary cannot hurt it as much as it hurts others. The message to adversaries, says Dr Narang, is: “Even though it’s going to be a bad day and maybe I have a broken leg, you will cease to exist.”

The main way planners hope to accomplish that is via “counterforce”: military jargon for getting your retaliations in first by attacking an enemy’s nuclear weapons before they can launch. If many can be wiped out in a pre-emptive strike, a missile-defence shield would have to deal only with the relatively smaller number of surviving missiles. “The theory of Golden Dome that makes the most sense is a limited system that is greater than and more flexible than what we have now,” argues Dr Narang, alluding to the GMD system in Alaska and California, “but still [enough] to account for a residual Chinese or Russian force.”

Damage limitation through counterforce has long been American policy. Nonetheless, the idea that Golden Dome might help make a nuclear war winnable—or at least survivable—is at odds with the “mutually assured destruction” that dominates popular thinking about nuclear strategy. Those who favour more restrained tactics think that Russia and China will try to restore that balance by building more nukes, to ensure enough would be left to

get through. It “could well generate an arms race”, argues James Acton of the Carnegie Endowment, “in which the United States would waste enormous sums of money failing to achieve its objective”.

Similar arguments were made in Reagan’s day about the wisdom of trying to build SDI. In the end, though, it was a mix of immature technology, political opposition, arms-control worries and scarce funding—rather than worries about destabilisation—that sank the original Star Wars. Mr Trump’s sequel could end up being nothing more than an airy fantasy, or an ineffective money-pit. But 40 years of technological progress mean it could also throw the strategic dice into the air in a way that has not been seen since the end of the second world war. ■

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Was the Pacific Palisades blaze a “zombie fire”?

Fires can linger underground in the Arctic. Might they do the same in California?

November 6th 2025



IN OCTOBER an Uber driver called Jonathan Rinderknecht was arrested on suspicion of starting what would eventually become the [Pacific Palisades fire](#). One of several big fires that broke out in California in January this year, the Palisades fire killed 12 people and incinerated nearly 7,000 houses and buildings in the western outskirts of Los Angeles.

Mr Rinderknecht is accused of deliberately starting a much smaller blaze, known at the time as the Lachman fire. It burned around three hectares of land before firefighters managed to put it out. But investigators now think that the Lachman fire had not been extinguished at all. Instead, they think it simply disappeared underground, smouldering away before breaking out during a spell of high winds and growing into the Palisades inferno.

Fires that seem to have been extinguished, but which actually linger underground, are known as zombie fires. That they exist is well-known. But they are not well understood. The best-studied examples happen in the Arctic, where summer fires that seem to have been quenched by autumn rain can re-emerge the following spring. If the Los Angeles Fire Department is right about the Palisades fire, that suggests that something similar can happen in very different environments, too.

Zombie fires in the Arctic are thought to owe their unlikes to the thick layers of peat often found in the soil. Peat is the starting point of the geological process that turns wet, dead organic matter into coal. It is flammable enough that in countries like Ireland it was the main fuel source for thousands of years. Wildfire researchers think that buried peat can keep Arctic fires smouldering even when the land above is covered in snow and oxygen is scarce, ready to break out again when the surface dries out in spring.

But peat needs soggy soils to form, which means there is none to be found in the arid hills of California. Instead those hills are dominated by so-called chaparral ecosystems, named for the Spanish word for a variety of oak that grows there. Such ecosystems are dominated by shrubs that grow rapidly during California's brief winter wet season, before turning tinder-dry as the heat builds during the spring. Interspersed between these shrubs is a mix of trees such as manzanita, chamise and the scrub oaks from which the ecosystem derives its name.

Those trees can survive long dry periods thanks to their deep roots. These can extend up to eight metres down, allowing trees to find groundwater even when the surface is parched. The roots are protected against insect attack by being tough, woody—and loaded with flammable resin. So although California does not have peat in its soil, it does have fuel. Los Angeles officials theorise that the small Lachman fire burned its way down those tree roots and remained there smouldering even when firefighters on the surface believed that it had been extinguished.

If that theory is right, the most immediate question is how to spot such zombie fires in the future. Thermal-imaging devices struggle to see far into the soil. The mineral-rich nature of California's soil, and the layers of ash from previous fires, act as insulators that further damp the transmission of heat.

Add in the fact that the state's chaparral ecosystems are often found in inaccessible canyons and along steep slopes, and things become even harder.

For now the best option seems to be simple elbow grease: more closely monitoring fires that seem to have burned out, whether with drones, satellite imaging or good old-fashioned boots on the ground. The thing about zombies is they are hard to put down for good. ■

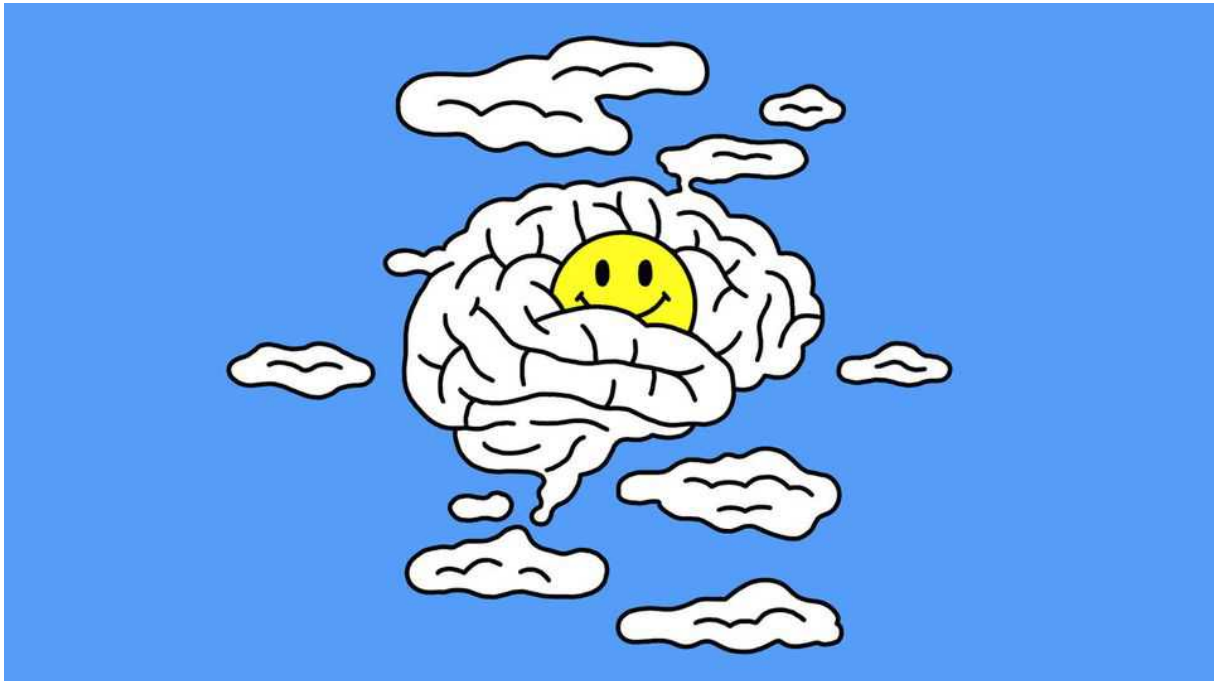
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Can a dopamine detox reset your brain?

Taken literally, the idea makes no sense. But it might still be good for you

November 6th 2025



NO SOCIAL MEDIA. No gambling, alcohol or junk food. Certainly no masturbation, pornography or sex. Sounds dull? Welcome to your dopamine detox. Popular among Silicon Valley types, the idea is to abstain from quick-hit rewards in the hope of rediscovering simpler pleasures.

The claim is that all these vices overstimulate the brain's dopamine system, causing it to become "less responsive" and leaving people disillusioned and burnt out. A few weeks of abstinence, enthusiasts claim, can "reset" the brain.

Taking a purifying break from bad habits is not a new concept—think of Lent sacrifices or Dry January. A dopamine detox is the same idea repackaged with a (pseudo-)scientific twist. Where it goes wrong is the biochemistry.

Proponents imagine that dopamine is the “pleasure molecule”; a finite resource that can be exhausted by overuse.

That is not how dopamine works. It is involved not just in reward, but also in learning and movement. Fully “detoxing” from it would be disastrous. Parkinson’s disease, for example, is caused by the loss of dopamine-producing neurons. Even the chemical’s role in the brain’s reward circuitry is widely misunderstood. “Dopamine is clearly not the pleasure molecule,” says Christian Lüscher, a neuroscientist at the University of Geneva.

Instead, bursts of it signal surprise—what scientists call a reward-prediction error. When something turns out better than expected, dopamine-producing neurons fire more often than usual (when it turns out worse, they fire less). These spikes are teaching signals, strengthening connections between neurons and helping the brain learn which actions are worth repeating. A similar process, known as reinforcement learning, is used to train many modern artificial-intelligence models.

Eventually behaviour that used to be deliberate, such as selecting an app to message a friend, can become automatic: opening it absent-mindedly every time your phone lights up. Habits can be useful. They save the brain from having to think things through from first principles every time. But they can also be traps. Once a behaviour has become habitual, it can persist even when the outcome itself provides no pleasure.

Although taking a break from any harmful habit is a good idea, the idea of “dopamine hits” is most associated with social media. In many ways, apps are designed to be habit-forming, says Georgia Turner, a neuroscientist at Cambridge University, with algorithmic feeds providing a steady flow of low-effort, unpredictable rewards. The dopamine-fasters are right that pausing your use can interrupt this loop—though that happens through normal brain plasticity, not by replenishing dopamine.

Several studies have tested what happens when people take time away from social media. Most find that brief breaks do little for well-being, perhaps because there are short-term costs to being disconnected from social networks. When entire social groups ditch the apps for longer, results seem better. In one school-wide experiment in Britain, conducted by researchers from the

University of York, students avoided social media for three weeks and, afterwards, reported better sleep and mood.

If bad habits can be broken, people have more time for things they truly enjoy. A dopamine detox, in other words, may well be worth trying—even if the mechanism by which it supposedly works is muddled. ■

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Culture | Boxing days

What a hit memoir reveals about work in China

And about the millions of itinerant workers who powered the country's rise

November 6th 2025



NO COUNTRY ON Earth is as mad for online shopping as China. In 2024 consumers there bought 15.5trn yuan (\$2.2trn)-worth of goods online—more than anywhere else in the world. Chinese e-commerce is ubiquitous, quick and easy. But that convenience comes at an onerous cost, as [Hu Anyan](#) details in his memoir “I Deliver Parcels in Beijing”, a bestseller in China recently translated into English.

To make his desired salary of 7,000 yuan for one month's work—which in this job meant 26 days—Mr Hu had to make 270 yuan in each 11-hour shift. Organising parcels and navigating his trike across his delivery fief eats up two hours. Mr Hu received around two yuan per parcel, which meant he had to make one delivery every four minutes for nine hours. He began to see every

minute as a potential half-yuan. Going to the toilet: one yuan. Buying and eating lunch: 25 yuan. He learned to drink less water and skip lunch.

He also learned to plan his delivery routes ruthlessly—an arrangement that slow customers could easily ruin. When a woman who filled in the wrong address asked him to make a 30-minute detour to an unfamiliar area where he could easily get lost, he thinks: “None of this should have been particularly difficult for her to imagine, if only she had been willing to put herself in my position.”

Willingly or not, many Chinese workers are. Around 40% of China’s urban labour relies on some kind of flexible work, including an estimated 84m working for online platforms such as ride-hailing and [delivery apps](#). Last year China’s parcel bearers delivered 175bn packages—an astounding average of 124 for each of the country’s 1.4bn people.

As firms have slashed headcount and wages, many workers have [gone gig](#). For some, the descent has been dizzying: your correspondent, after choosing the cheapest ride-hailing option, has been picked up by a laid-off marketing manager driving a Tesla and a struggling high-end clothing salesman in a Mercedes.

That is one reason why Mr Hu’s book struck a chord across China, selling nearly 2m copies since its release in 2023, and winning him “Author of the Year” from Douban, the country’s leading book-review platform. Though some critics have dismissed his book as liushuizhang—a “running account” that reads like an artless retelling of daily life—even state-run media have praised its “unvarnished” descriptions of “the urgency of algorithms, the trickiness and kindness of customers, the physical and mental exhaustion”.

Mr Hu’s straightforward prose and keen eye for detail capture the drudgery of gruelling [low-wage work](#), and the personal toll it takes. Between punishing night shifts at one of his old jobs at a logistics warehouse in southern China, Mr Hu would return to his cramped room to battle insomnia with dark chocolate and cheap baijiu, the country’s liquor of choice, before reporting for duty again just hours later. He watched the unravelling of a relationship between two colleagues, a young gambling addict and his pregnant girlfriend. He and others did little to help. “No one had anything left over to give,” he writes. “A work environment like that squeezes all life from a person.”

Yet he is forgiving of the many characters he encountered, including a crane operator who loves online shopping. With his customer often far above ground, it took several trips to get his signature. It was only in his final days delivering parcels that Mr Hu enjoyed “the luxury of squandering time, as if it was a form of revenge. I had felt crushed by the constant need to exploit every second for so long, my time as tightly strung as my nerves.”

These days, there is more of a spring in his step. In a mall near his home in the south-western city of Chengdu, he walks with your correspondent to one of his favourite spots: a lounge outside a cinema. It is surprisingly quiet, and offers free wifi and air conditioning—ideal for writing—and a nearby buffet that lowers its price after 1.30pm.

Though Mr Hu no longer needs to count every yuan, he wants to stretch his earnings to give him more time to write. Some workers have to robotically screw nails into [iPhones](#), churning out identical products regardless of whose hands they pass through. Writing, Mr Hu insists, is an opposite pursuit, allowing him to express his individuality and depict that of other people. He has gone from shengchan, producing, to shenghuo, living.

Though Mr Hu, born in 1979, is older than the country’s youngest workers, his book appealed to them. He says the initial wave of curiosity about delivery workers’ lives has given way to more probing questions from young Chinese who are questioning the meaning of work as they ponder their futures. They find comfort in reading about Mr Hu’s setbacks as they, too, figure out how to navigate a changing and slowing economy. Mr Hu’s generation saw work as a path to riches, and the generation before saw it as a selfless, collective effort to build a new China.

Today’s new graduates are entering a comparatively wealthy society and want more leisure time. Many of their parents have savings and property. Nearly 18% of those aged 16 to 24 (excluding students) were unemployed in September, but not all of them are worried. Many have opted to tangping, or “lie flat”, leading lives with less pressure and fewer material cravings.

Mr Hu recalls how his chef colleagues at a bakery guarded their skills for fear that “teaching the disciple might starve the master”. That mindset stems from scarcity, he says, born from a society with limited resources spread thinly

across a huge population. Modern China is different, and may afford future generations the chance to define work on their own terms. ■

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Culture | The ABCs of the ABCs

Why Anglophones use the alphabet so oddly

A delightful history of a mongrel language

November 6th 2025



THE ALPHABET is easy to take for granted. Children memorise it before they know why it matters. Then it's off to [reading](#), and learning the sounds of the letters and how they combine. After that, many people will never again wonder: why is the alphabet in that particular order? Why do C and G have “hard” and “soft” versions? Why is H called aitch, lacking the very sound it represents in its name?

Even fewer will know enough to ask why a former slave invented G. Who made J out of I? Why is K the comeback hero of the alphabet? But all these questions are answered in “Why Q needs U”, a new book by Danny Bate, a linguist. In 26 brisk chapters he squeezes in a vivid portrait of each letter—but also much more than that. The book is a history of writing, a biography of the

English language and an introduction to linguistic science, all smuggled into short, lively and entertaining stories.

The Egyptians invented a complex writing system in which symbols stood for whole words. The Phoenicians then stripped this down both conceptually (one symbol per sound) and graphically (turning an ox's head, for instance, into a simple drawing that looks like a sideways A). The Greeks modified these symbols and added vowels; the Etruscans nabbed the Greek invention for their own language in northern Italy. Their southern neighbours, who were clustered around the mouth of the Tiber, subsequently pilfered and adapted it so successfully that many millennia later, those squiggles, used to write hundreds of languages, are still called the Roman or Latin alphabet.

If the Phoenicians worked out the sensible principle of one sound per letter, how and why did English deviate from it? Mr Bate tells the story, letter by letter. Scribes inserted a B that had never been pronounced in English into debt and doubt to reflect their Latin origins. The “great vowel shift”, which roughly spanned the eras of Chaucer to Shakespeare, changed the long vowels until the letters represented different sounds than their continental equivalents. Soft C and G were the result of sounds such as eh and ee bringing the tongue high and forward, “palatalising” or gradually weakening the preceding consonant. To Anglophones, the name “[Cicero](#)” has two s sounds, but his friends would have called him “Kickero”.

And why does Q need U? The [Romans](#) got the QU habit from the Greeks, who used an archaic letter, qoppa, only before o- and u-sounds, because it was pronounced with the tongue far back by the Phoenicians, just as such vowels are. And conquest by Saxons, then Vikings, then Normans made English the mongrel language that it is; this last group brought Latin's habit of joining Q to U to Britain, turning Saxon cwen into queen.

Mr Bate starts each chapter with an epigraph, such as “‘Queue’ is just one letter followed by four silent letters. They must be waiting for their turn.” For those maddened, baffled or even, for some odd reason, enchanted by the eccentricities of the English language, this charming book will give some idea of how those letters got in the queue, if not exactly in line. ■

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Culture | Dead centre

An enthusiast wanders through the world's graveyards

And learns what the dead can tell the living

November 6th 2025



VISITORS TO GRAVEYARDS fall into three broad categories. Some come to visit or pay their respects to a departed relative, spouse or friend. Others make pilgrimages to see the final resting place of their idol. (Consider the thousands of lipstick marks left on [Oscar Wilde's](#) tomb in Père Lachaise Cemetery in Paris, pictured below.) Finally, there are “cemetery connoisseurs”: people who have a special interest in gravesites, whether their reasons are historical, architectural, artistic or morbid.

Mariana Enríquez is a proud connoisseur. An Argentine writer of gothic and [horror](#) fiction, she has often imagined death in her novels and story collections—including “The Dangers of Smoking in Bed”, which was shortlisted for the International Booker prize in 2021. Her first work of non-fiction translated

into English (expertly by Megan McDowell, her long-standing translator) suggests that her obsession will not soon fade.

In “Somebody Is Walking on Your Grave” Ms Enríquez visits 21 of the world’s most interesting cemeteries. She starts at the Monumental Cemetery of Staglieno in Genoa, Italy, where she had a tryst with a charming local in 1997, aged 25. After the lust and intensity of the encounter, among the statue galleries, colonnades and ornate tombs, she “fell in love with cemeteries”.



Each subsequent chapter takes readers to a different graveyard. Her wandering leads her from Cuba to Chile to the Czech Republic. She goes to the grand tombs of [Highgate Cemetery](#) in London and to Rottneest Island in Australia, where one of the country's largest indigenous burial sites is unmarked, as if to "avoid ruining someone's vacation".

Ms Enríquez's interest in graves is not just morbid. She uses cemeteries as a lens through which to examine history and culture. New Orleans, where bodies are laid to rest above the ground because of flood risks, boasts 42 historically significant cemeteries, many with tombs neatly laid out in rows, like tidy little cities of the dead. It is no surprise, then, that the city has inspired so many vampire and ghost stories. The Paris Catacombs, where bones are "lovingly arranged" into decorative patterns, have encouraged theatrical celebrations of death. In 1897, for instance, a group of rich revellers held a secret concert to listen to funeral marches.

The author visits the graves of many prominent figures, including Karl Marx and [Franz Kafka](#), but some of her most interesting stories are of corpses that have become contested political property. After a military coup overthrew Juan Perón, insurgents stole and desecrated the body of his wife Eva. Her corpse was moved to Italy and its location concealed for more than a decade before she was buried in Buenos Aires—eight metres underground and beneath thick concrete. Her husband is buried elsewhere, and Ms Enríquez notes, "A mausoleum there is awaiting Eva's body, but I think that move would be difficult."

Attitudes towards cemeteries have changed. In Europe graveyards were once kept within a city's walls, near churches to protect them from evil. But in the 18th century corpses started to be linked to disease and "living with the dead came to be seen as repugnant". As buried and entombed bodies "began to inspire horror", burial grounds were moved farther away from where people lived.

For Ms Enríquez, cemeteries inspire not dread but delight. In "Somebody is Walking on Your Grave", her enthusiasm for the macabre is rendered in effervescent prose. She finds Mexico's Day of the Dead, celebrated on November 1st and 2nd, "unbearably joyful". Her husband observes that the rituals, which involve visiting cemeteries and decorating graves, provide her with a "lost paradise". After finishing her book, readers will have a new appreciation for tombs and the wealth of fascinating stories that lie six feet under. ■

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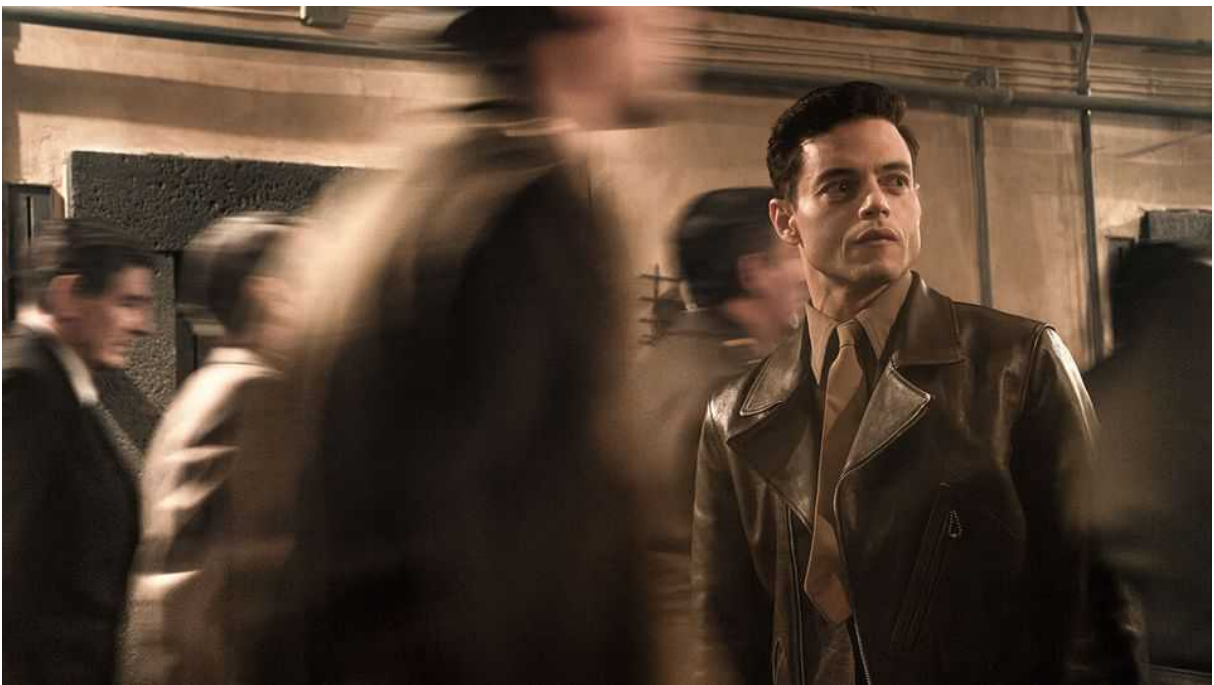
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Culture | Trial by fury

A new film about the Nuremberg trials is gripping but bloodless

And it has an unsettling contemporary message

November 6th 2025



THE TRIAL of Nazi war criminals at Nuremberg, which began 80 years ago this month, might never have happened. There was little precedent for prosecuting members of a foreign government, no international court and no prior definition of “crimes against humanity”. After Adolf Hitler committed suicide in April 1945, heralding the end of war in Europe, Winston Churchill, Britain’s prime minister, [considered shooting](#) the surviving members of the Nazi high command. Other high-ranking German officers were to be imprisoned without trial.

“Nuremberg”, a new film directed by James Vanderbilt, is a timely reminder of the stakes of [holding villainy to account](#). The accused had to be given a fair trial. Though the regime’s crimes were clear, the prosecutors had to establish

incontrovertible evidence of their personal culpability. Based on “The Nazi and the Psychiatrist”, a book by Jack El-Hai, published in 2013, the film explores the relationship between Hermann Göring, Hitler’s second-in-command and the most senior German officer to stand trial, and his psychiatrist, Douglas Kelley. Though Kelley assessed all the Nazis present, he became obsessed with Göring. Perfectly played by Rami Malek, he asks, “What if we could dissect evil?”—before gleaning information in private consultations with Göring about his defence strategy, then passing it on, somewhat reluctantly, to prosecutors.

This sort of film could easily have portrayed everyone on one side as evil and the other as virtuous, but this one does well at depicting the nuanced motives of its American characters. Even as plans for the trial advanced, the alliances it relied on were breaking apart, as mistrust festered between the Soviets and Americans. Kelley himself is egotistical, manipulative and, crucially, allows himself to be manipulated by Göring. From the start, he was thinking at least as much about his legacy as his professional duties, and was obviously driven by his ambition to be the “great scholar of the Nazis”.

Those “20-odd broken men”, as Justice Robert Jackson referred to the accused in the trial’s opening statement, are similarly portrayed as humans, not devils. They weep. They sweat with fear. Faced with their fate, they flinch. Göring, played by Russell Crowe, is a man of contradictions: he committed ghastly atrocities while cherishing the love of his wife and young daughter. As the trial dawns and the legal system creaks into action, Kelley delivers his own psychological verdict on one of the grand questions of history: “What sets them apart from us?” he asks. “Nothing.”

It is an achievement to fit an engaging history of international criminal justice and slippery post-war alliances into a Hollywood blockbuster. But the film’s flaw is that it is written and acted too obviously with distance: it fails to capture the appropriate shock as the nature and scale of Nazi crimes became apparent. Before 1945 few had heard of Auschwitz, Bergen-Belsen or other concentration camps. Though many [people awaited news](#) of family members in occupied Europe, the millions murdered had not yet been counted. But when the details of the atrocities are laid out during the trial, the characters’ responses do not quite ring true.

The film shows footage from recently liberated camps—images that most trial observers were seeing for the first time. Even 80 years later, with full knowledge of what happened, it remains agonising to see starved, skeletal bodies, corpses stretching into the distance and ovens designed for murder. Those clips evoke emotions that those on screen, actors representing people so much closer to the horror both in time and proximity than viewers today, struggle to exude. Though the film successfully resists the temptation to make its characters heroes or monsters, the result is strangely bloodless.

Historical fiction tends to reflect the moment of its creation as well as the period it depicts. So it is with “Nuremberg”. As the film closes, a tormented Kelley urges everyone to pay attention because, even in America such monstrous acts could happen: one group could turn against another. It is a sober reckoning. ■

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Culture | Don't get me to the church on time

Looking for a chic wedding venue? Try a town hall

Low-key marriage ceremonies are back in fashion

November 6th 2025



THE GROOM wore a Giorgio Armani suit. The bride wore a short white dress by Vivienne Westwood with her signature black sunglasses. This summer Charli XCX married George Daniel, the drummer of The 1975, a chart-topping band, at Hackney Town Hall in London. Their nuptials reflected her devil-may-care vibe: the newlyweds posed for pictures on the steps of the public building (pictured above) before decamping to a nearby restaurant to smoke cigarettes and drink [cocktails](#).

The event also reflected a growing trend: many couples, turned off by the ostentation of a [big wedding](#), are heading to town halls instead. (Though few will get the chance to celebrate a second time as “Mr and Mrs XCX” did, by hosting a rave in Italy.) This year marriages and civil partnerships at two of London’s most popular town halls, Old Marylebone and Islington, have

jumped 29% and 51% respectively from pre-pandemic levels. In New York weddings at the Manhattan marriage bureau increased by 22% between 2022 and 2024.

Instead of lavishly designed bouquets, brides can grab something from the local florist. Couples can have their reception at the pub, bake their own cake or take public transport. “There’s just something so chic about getting on the Tube to go to your own wedding,” noted one TikTok user. According to a recent wedding-trends report by Pinterest, an image-sharing platform, searches for “registry-office elopement” were 190% higher in December 2024 than a year earlier.

Town-hall weddings first became properly trendy in the 1970s and 1980s. Sir Mick Jagger, the frontman of the Rolling Stones, got married at a town hall in St Tropez in 1971. Old Marylebone Town Hall has seen more celebrity nuptials than perhaps any other venue in Britain. It has hosted three Beatles weddings—one of Sir Ringo Starr’s and two of Sir Paul McCartney’s—and two [Oasis](#) ones (both Liam Gallagher’s).

Small-scale soirées are back in fashion for two reasons. One is price. Weddings in Britain and America cost on average around \$30,000, but couples can marry at a courthouse or town hall for as little as \$100. Stef Reyes, a wedding photographer in New York, says many couples want to save for the future rather than splurge on a single day.

The other factor is stress. Town-hall nuptials are intimate and quick. According to a survey released this year by the Knot, a wedding-planning website, couples prize authenticity, and want their wedding day to reflect who they are. That may mean a church and all the trimmings for some, but many others prefer a quick trip to the registry office followed by a pint down the road. ■

Culture | Mightier than the knife

Salman Rushdie: stabbed 15 times but still laughing

A long-persecuted author on humour, charlatans and death

November 6th 2025



A fading scar punctuates his cheek. A darkened lens obscures where his right eye once was. Yet for a 78-year-old man who has been stabbed 15 times by a frenzied zealot, he is surprisingly chirpy.

For nearly half his life Sir Salman Rushdie has lived under sentence of death, after a joyless ayatollah told Muslims it was their duty to murder him for writing a novel that allegedly insulted the Prophet. Despite an almost-successful [assassination attempt](#) in 2022, he has survived long enough to write a luminous new collection of short stories, “The Eleventh Hour”.

One of the (less obvious) things that annoys Sir Salman about being famous for the fatwa is that people overlook the comedy of his writing. Sitting in a side room at Cliveden, a British country house that hosts a literary festival,

with bodyguards hovering seriously in the background, the writer enlarges on this theme to *The Economist*. “Because the attack against [’The Satanic Verses’] was not funny, it was assumed that the book couldn’t be funny. And people stopped writing about me as if my writing had humour in it,” he says.

This matters, because humour does. Besides bringing joy, it is a weapon in the struggle against oppression. “Humourlessness is a characteristic of narrow-mindedness; there are very few humorous dictators. Also, humour gets up people’s noses further than anything else, as we see from recent behaviour in America towards comedians.”

His new book slyly mocks a wide range of targets: religious bigots, political charlatans, death itself. In a deliciously satirical tale about piano-playing and revenge called “The Musician of Kahani”, a secular Indian woman starts to feel a “scrap of doubt” about her husband’s atheism, “a doubt that would surge to the forefront of her thinking when [he] walked out of their marriage to follow a religious fraud.” The guru in question preaches that money is “more than okay”; and “money, happy to be given the spiritual thumbs-up, flooded into his accounts.”

The satire is personal. Sir Salman’s life has been blighted by anti-Enlightenment thinking, by the notion that words should be answered with steel. He says he never saw the knife that half-blinded him until his would-be assassin’s trial this year, when it was produced as evidence. (“At the time of the attack, I was busy getting attacked by it.”) What struck him in court about the knifeman, a Lebanese-American called Hadi Matar, was “how okay with everything he was”. At the age of 24, with no prior criminal record, he had tried to kill a stranger in front of hundreds of witnesses. He was never going to get away with it. (He was sentenced to 25 years imprisonment in May.) Yet he was prepared to ruin his own life to snuff out another. “It’s a mystery,” shrugs Sir Salman.

The answer to that mystery may lie in the power of polarisation. For many people today, tribal loyalty trumps morality. It was to “defend” his fellow Muslims (from a book they didn’t have to read) that Mr Matar attempted murder. Then, “every day, coming into the courtroom, he would shout Palestinian slogans...you know, ‘river to the sea’ kind of stuff.” This seemed irrelevant to the man’s crime, which predated the war in Gaza by a year. Privately, a cop suggested to Sir Salman that “when you go to jail in America,

you need a tribe, otherwise you're in bad shape. [So] maybe he's trying to construct for himself a tribe who would be on his side in jail."

Sir Salman fears that free speech is in "bad shape". He cites the atmosphere of fear in India and absurd book bans in some American schools, of works such as "Huckleberry Finn". Attacks from what he calls "traditional" sources—conservatives and authoritarians—are continuing "vigorously". He is especially exasperated by the censoriousness of progressives, however, which "weakens your case when you're trying to argue against the oppression coming from the other side". He throws up his hands at the assassination of Charlie Kirk, a right-wing speaker, which some on the left condemned only half-heartedly. "People shouldn't be killed. Murder: a bad thing."

He sees similarities between religious cults and MAGA. In both cases, followers compete to show their devotion to the leader and hatred of his enemies. In a story called "Oklahoma", he describes a "felonious king" who surrounds himself with courtiers who flatter him and accuse his opponents of the crimes that he is guilty of. This king also changes the meanings of words, so when he marries two nieces the word "incest" is struck from the dictionary, and over time he redefines "rape as love, horror as patriotism, bullying as good governance."

Writers are "the custodians of language", Sir Salman avers. When the powerful twist words to conceal the truth or change the rules, writers have a duty to point this out. (Think of how Mr Trump pretends the figurative "war on drugs" is a real war, as an excuse to grab extraordinary powers.)

Writers also have a role in what Sir Salman has called "a [figurative] world war of stories—a war between incompatible versions of reality". He sees this in Vladimir Putin's rewriting of history to try to justify his invasion of Ukraine; also in the Middle East ("two incompatible narratives about the history of this very small patch of land"); and in India, where Hindu nationalists insist they are victimised by Muslims ("it's very strange that the 85% majority should feel it's the injured party.") "Each side feels that their story is being engulfed and crushed by the other story. So, yeah, stories can be the death of you."

Nearly being murdered naturally makes him reflect on mortality. Asked about ageing, he laughs: "I'm against it." In "Oklahoma", he asks how people

should face their last days of life: serenely, or with rage? One character says that some fools are “moronically serene [and] grateful for ‘beauty’ and ‘love’”. But Sir Salman offers a subtler answer. “It doesn’t have to be either/or. It could be both. You could be peaceful on Tuesday and angry on Wednesday.”

In “Late”, a ghost story set in an old college, the protagonist wakes up dead in the first sentence. Over the next 70-odd pages—a perfect length for a short story—the reader learns about his life and realises that he is a fictional mixture of E.M. Forster and Alan Turing, two of the most illustrious fellows of King’s College, Cambridge. (Sir Salman, an alumnus, recalls playing croquet with the ageing novelist in the college garden; he never met the great mathematician and code-cracker.)

The gradual revelation of how brutally society has treated the protagonist for being gay is both shocking and moving. Yet the story offers hope. Bigotry can be overcome. And literature can help, by forcing people to imagine what injustice feels like. Art, argues Sir Salman, “can re-read the world”. ■

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Economic & financial indicators

- [Economic data, commodities and markets](#)

Economic & financial indicators | Indicators

Economic data, commodities and markets

November 6th 2025

Economic data

1 of 2

	Gross domestic product				Consumer prices			Unemployment rate	
	% change on year ago:				% change on year ago:			%	
	latest	quarter*	2025 [†]		latest	2025 [†]			
United States	2.1	Q2	3.8	1.7	3.0	Sep	3.0	4.3	Aug
China	4.8	Q3	4.5	5.1	-0.3	Sep	-0.1	5.2	Sep [§]
Japan	1.7	Q2	2.2	1.0	2.8	Sep	3.1	2.6	Sep
Britain	1.4	Q2	1.1	1.3	3.8	Sep	3.7	4.8	Jul ^{††}
Canada	1.2	Q2	-1.6	0.9	2.4	Sep	1.9	7.1	Sep
Euro area	1.3	Q3	0.9	1.2	2.1	Oct	2.1	6.3	Sep
Austria	0.3	Q2	-0.5 [‡]	0.3	4.0	Oct	3.4	5.5	Sep
Belgium	1.1	Q3	1.2	1.0	2.5	Oct	3.0	5.9	Sep
France	0.9	Q3	2.0	0.7	0.9	Oct	1.0	7.6	Sep
Germany	0.3	Q3	nil	0.2	2.3	Oct	2.2	3.9	Sep
Greece	1.7	Q2	2.3	2.2	1.8	Sep	2.8	8.2	Sep
Italy	0.4	Q3	-0.2	0.5	1.3	Oct	1.8	6.1	Sep
Netherlands	1.6	Q3	1.5	1.1	3.0	Oct	3.0	4.0	Sep
Spain	2.8	Q3	2.6	2.8	3.2	Oct	2.4	10.5	Sep
Czech Republic	2.3	Q2	1.8	2.2	2.5	Oct	2.3	2.8	Q2 [‡]
Denmark	0.9	Q2	4.2	2.5	2.3	Sep	1.8	2.9	Sep
Norway	-2.1	Q2	3.4	1.1	3.6	Sep	2.8	4.7	Aug ^{††}
Poland	3.3	Q2	3.2	3.3	2.8	Oct	3.9	5.6	Sep [§]
Russia	1.1	Q2	1.5	0.9	8.0	Sep	8.8	2.2	Sep [§]
Sweden	1.8	Q3	4.5	1.5	0.9	Sep	2.3	8.3	Sep [§]
Switzerland	1.3	Q2	0.6	1.2	0.1	Oct	0.2	3.0	Sep
Turkey	4.8	Q2	6.6	3.2	32.9	Oct	34.5	8.6	Sep [§]
Australia	1.8	Q2	2.4	1.9	3.2	Q3	2.5	4.5	Sep
Hong Kong	3.8	Q3	2.8	2.7	1.1	Sep	1.7	3.9	Sep ^{††}
India	7.8	Q2	7.4	6.5	1.5	Sep	3.2	7.5	Oct
Indonesia	5.0	Q3	4.1	4.7	2.9	Oct	1.8	4.9	Aug [§]
Malaysia	5.2	Q3	9.3	4.1	1.5	Sep	1.4	3.0	Aug [§]
Pakistan	3.7	2025 ^{**}	na	3.7	6.2	Oct	3.5	6.3	2021
Philippines	5.5	Q2	6.1	5.5	1.7	Oct	1.7	5.3	Q3 [§]
Singapore	2.9	Q3	5.4	3.7	0.7	Sep	0.8	2.0	Q3
South Korea	1.7	Q3	4.7	1.0	2.4	Oct	2.0	2.1	Sep [§]
Taiwan	7.6	Q3	5.3	5.1	1.3	Sep	1.8	3.4	Sep
Thailand	2.8	Q2	2.4	1.8	-0.8	Oct	-0.1	0.8	Sep [§]
Argentina	6.3	Q2	-0.2	3.8	31.8	Sep	41.8	7.6	Q2 [§]
Brazil	2.2	Q2	1.5	2.1	5.2	Sep	5.1	5.6	Sep ^{§††}
Chile	3.1	Q2	1.4	2.4	4.4	Sep	4.3	8.5	Sep ^{§††}
Colombia	2.5	Q2	2.0	2.5	5.2	Sep	4.9	8.2	Sep [§]
Mexico	-0.2	Q3	-1.2	0.7	3.8	Sep	3.8	2.7	Sep
Peru	2.8	Q2	1.8	3.1	1.4	Oct	1.6	6.9	Sep [§]
Egypt	5.0	Q2	13.7	4.1	11.7	Sep	14.1	6.1	Q2 [§]
Israel	2.3	Q2	-3.9	2.7	2.5	Sep	3.0	3.0	Sep
Saudi Arabia	2.7	2024	na	4.4	2.2	Sep	2.1	3.2	Q2
South Africa	0.6	Q2	3.4	1.2	3.4	Sep	3.3	33.2	Q2 [§]

Source: Haver Analytics *% change on previous quarter, annual rate [†]The Economist Intelligence Unit estimate/forecast [§]Not seasonally adjusted [‡]New series ^{**}Year ending June ^{††}Latest 3 months ^{‡‡}3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

2 of 2

	Current-account balance	Budget balance	Interest rates		Currency units	
	% of GDP, 2025 [†]	% of GDP, 2025 [†]	10-yr gov't bonds latest, %	change on year ago, bp	per \$ Nov 5th	% change on year ago
United States	-4.0	-5.9	4.2	-9.0	-	
China	2.0	-5.6	1.6	-22.0	7.13	-0.4
Japan	4.3	-2.9	1.7	73.0	154	-1.0
Britain	-3.0	-4.9	4.5	4.0	0.77	nil
Canada	-2.0	-2.2	3.1	-11.0	1.41	-1.4
Euro area	3.3	-3.2	2.7	26.0	0.87	5.7
Austria	2.1	-4.5	3.0	8.0	0.87	5.7
Belgium	-0.6	-5.1	3.2	22.0	0.87	5.7
France	-0.3	-5.7	3.5	31.0	0.87	5.7
Germany	5.4	-2.7	2.7	26.0	0.87	5.7
Greece	-5.8	0.6	3.4	-1.0	0.87	5.7
Italy	1.2	-3.1	3.4	-23.0	0.87	5.7
Netherlands	7.8	-2.4	2.8	15.0	0.87	5.7
Spain	2.7	-2.8	3.1	2.0	0.87	5.7
Czech Republic	0.5	-2.1	4.5	41.0	21.2	9.7
Denmark	12.2	2.1	2.5	30.0	6.50	5.4
Norway	13.6	9.5	4.0	15.0	10.2	7.6
Poland	-0.6	-6.9	5.3	-34.0	3.71	7.8
Russia	1.8	-2.7	14.7	-211	81.0	19.8
Sweden	6.5	-1.3	2.6	49.0	9.58	11.9
Switzerland	6.0	0.5	0.1	-25.0	0.81	6.2
Turkey	-1.2	-3.6	29.8	75.0	42.0	-18.3
Australia	-2.1	-1.8	4.2	-22.0	1.54	-1.3
Hong Kong	11.1	-4.9	2.9	-28.0	7.77	nil
India	-1.0	-4.4	6.5	-27.0	88.7	-5.2
Indonesia	-1.1	-3.1	6.2	-58.0	16,714	-5.6
Malaysia	0.8	-4.0	3.5	-47.0	4.20	4.0
Pakistan	-1.5	-5.5	11.9	-12.0	281	-1.1
Philippines	-3.6	-5.4	5.9	1.0	58.6	-0.3
Singapore	14.6	0.2	1.9	-95.0	1.31	0.8
South Korea	5.5	-2.4	3.1	4.0	1,444	-4.8
Taiwan	15.3	0.6	1.3	-22.0	30.9	3.3
Thailand	2.0	-5.8	2.1	-48.0	32.6	3.5
Argentina	-2.3	0.1	na	na	1,458	-31.9
Brazil	-3.2	-8.1	13.9	89.0	5.40	7.2
Chile	-2.6	-1.7	5.5	-19.0	947	0.8
Colombia	-2.5	-7.5	11.6	95.0	3,872	14.0
Mexico	-0.4	-3.8	8.9	-124	18.7	7.5
Peru	1.9	-2.5	5.8	-95.0	3.39	11.2
Egypt	-2.6	-7.7	na	na	47.3	3.7
Israel	2.4	-4.6	3.9	-91.0	3.27	14.7
Saudi Arabia	-2.0	-5.5	na	na	3.75	0.3
South Africa	-0.8	-4.4	8.8	-53.0	17.5	nil

Source: Haver Analytics [§]5-year yield ⁺⁺⁺Dollar-denominated bonds

Markets

In local currency	Index Nov 5th	% change on:	
		one week	Dec 31st 2024
United States S&P 500	6,796.3	-1.4	15.6
United States NAS Comp	23,499.8	-1.9	21.7
China Shanghai Comp	3,969.3	-1.2	18.4
China Shenzhen Comp	2,497.9	-2.1	27.6
Japan Nikkei 225	50,212.3	-2.1	25.9
Japan Topix	3,268.3	-0.3	17.4
Britain FTSE 100	9,777.1	0.2	19.6
Canada S&P TSX	30,103.5	-0.1	21.7
Euro area EURO STOXX 50	5,669.1	-0.6	15.8
France CAC 40	8,074.2	-1.5	9.4
Germany DAX*	24,049.7	-0.3	20.8
Italy FTSE/MIB	43,438.5	0.5	27.1
Netherlands AEX	970.9	-0.5	10.5
Spain IBEX 35	16,098.4	-0.3	38.8
Poland WIG	111,560.0	-1.5	40.2
Russia RTS, \$ terms	988.1	-1.2	10.6
Switzerland SMI	12,363.5	0.4	6.6
Turkey BIST	10,970.4	0.9	11.6
Australia All Ord.	9,071.2	-1.6	7.7
Hong Kong Hang Seng	25,935.4	-1.6	29.3
India BSE	83,459.1	-1.8	6.8
Indonesia IDX	8,318.5	1.9	17.5
Malaysia KLSE	1,621.6	0.6	-1.3
Pakistan KSE	159,578.2	0.7	38.6
Singapore STI	4,417.1	-0.5	16.6
South Korea KOSPI	4,004.4	-1.9	66.9
Taiwan TWI	27,717.1	-2.0	20.3
Thailand SET	1,295.3	-1.5	-7.5
Argentina MERV	3,048,196.5	8.8	20.3
Brazil BVSP*	153,294.4	3.1	27.4
Mexico IPC	63,394.6	0.1	28.0
Egypt EGX 30	39,132.3	2.4	31.6
Israel TA-125	3,410.1	2.4	40.5
Saudi Arabia Tadawul	11,256.7	-4.2	-6.5
South Africa JSE AS	108,795.9	-1.4	29.4
World, dev'd MSCI	4,347.5	-1.7	17.3
Emerging markets MSCI	1,393.4	-1.6	29.6

US corporate bonds, spread over Treasuries

Basis points	Dec 31st	
	latest	2024
Investment grade	98	95
High-yield	358	324

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Oct 28th	Nov 4th*	% change on	
			month	year
Dollar Index				
All items	138.1	139.1	2.3	6.3
Food	144.2	147.7	4.1	7.2
Industrials				
All	133.0	131.9	0.8	5.5
Non-food agriculturals	126.0	124.6	-1.7	-6.5
Metals	134.8	133.8	1.4	8.8
Sterling Index				
All items	133.6	137.0	5.4	6.0
Euro Index				
All items	135.3	138.3	3.9	0.9
Gold				
\$ per oz	3,963.9	3,963.6	-0.6	44.5
Brent				
\$ per barrel	64.2	64.5	-1.5	-15.2

Sources: Bloomberg; CME Group; FT; LSEG Workspace; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; USDA; WSJ *Provisional

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Obituary

- [Dick Cheney divided Americans](#)

Obituary | Architect of the war on terror

Dick Cheney divided Americans

The most powerful vice-president in American history died on November 3rd, aged 84

November 6th 2025



Should they shoot it down? That was the question. It was 10.15am on September 11th 2001. Two passenger planes had already hit the Twin Towers. A third had hit the Pentagon. A fourth was still out there. And they did not know where. What they did know was that President George W. Bush was not available—he had been in a primary school, listening to some children read “The Pet Goat”. In the White House bunker, a uniformed aide approached the vice-president. They had, said the aide, found that plane. It was 80 miles out and heading towards Washington, DC. Did they have authorisation to engage?

Later people would ask him: how did he feel? How did it feel to be asked if American troops should shoot down an American plane? What he felt was: this was not about his feelings. He had a job to do. You could wring your

hands and get emotional about it. But there was a hijacked plane 80 miles from Washington. It could arrive in a matter of minutes. The aide spoke up once more: the plane was now 60 miles away. The people in the bunker looked at the vice-president. He gave the order: shoot it down. The room fell silent. At the order. And at his reaction: he had not even hesitated.

Richard Bruce Cheney was not a hesitant man. Some saw that as a fault. But he did not spend a lot of time thinking about his faults; that did not help him do his job. Quite what his job actually was, many muttered, was not very clear. Before him it had been far clearer. The job of vice-president, one predecessor had said, was “not worth a bucket of warm piss”. After Mr Cheney—after 9/11 and Iraq and Guantánamo—it was worth a lot more. He would become known as “the most powerful vice-president in US history”.

After 9/11 they called him other things, too—many of them unflattering. He was called the architect of the war on terror and of the invasion of Iraq. The left called him “sinister” and “Satan” and “Darth Vader”. Even moderates, said Sir Tony Blair, Britain’s former prime minister, tended “to reach for the garlic and crucifixes” at the mere mention of his name. All sides said he was “Machiavellian”. He shrugged: if you wanna be loved, go be a movie star. If you wanna get stuff done, you will have critics. Although when the Washington Post called him a “moderate” he requested a correction. He was a conservative.

Through and through. From his teens he had been brought up in Wyoming, where he had learned to love those big American skies and fishing in those big American rivers. Eventually he would leave Wyoming, first for Yale (though he dropped out), then for Washington, where, under Gerald Ford, he became the youngest White House chief of staff in American history. But he would always keep his home state’s homely habits. A day on the river with a fly-rod: that, to the end of his days, would be his idea of happiness. His autobiography, “In My Time”, contained three mentions of the phrase “Geneva Conventions”; ten of “human rights”—and 53 of the word “fish”. The code name given to him by the secret service was “Angler”.

Angling, his critics felt, was not just a pastime but his persona. In office, just as on the river, he was watchful, still, patient. He was, others felt, a cold fish: he had a chill, one-sided smile; he gave away little; he found out a lot. Staffers

used to call his office the “Star Chamber” after a secretive English Tudor court. For, as one put it, “If you have to go see him, you must have been bad.”

He, by contrast, was very good at what he did. By 2001 he had been sworn in as vice-president to Mr Bush. Then came 9/11. Later that day, after his order to shoot the plane had come to nothing (the passengers had downed their own plane), he had taken off in a helicopter from the south lawn of the White House. He would always remember that flight: the sight of the Pentagon, with a still-smoking hole in its side. The image spoke volumes. Americans remembered that flight, too—presidents take off from the south lawn, not vice-presidents. That image spoke volumes as well.

That day changed him, and America. From now on, he said, America would have to work with the dark side. To critics, America became the dark side. The 1949 Geneva Conventions said prisoners of war must be “humanely treated”. He felt terrorists did not deserve to be treated as prisoners of war. He listed how they could, now, be treated: a face slap. Push ’em up against a wall. You could—and here he mimed pouring—waterboard them. People asked him: isn’t that torture? He asked in return: are you gonna allow terrorist attacks because you don’t want to be a mean and nasty fella? Or are you gonna do your job?

He knew what his job was: to do whatever it took, whatever the cost, to defend America. And that cost, said his critics, was high. With Iraq, he had involved America in a war that cost thousands of lives and lowered its international reputation. Far from making America safer, Iraq would come to be seen as its biggest foreign-policy disaster in a generation.

It cost him, too. He suffered eight cardiac events in eight years. He came to be seen as a cartoon villain, a role that he, in part, embraced: Darth Vader was, he said, one of the nicer things he had been called. When he accidentally shot a hunting partner in the face, the event—a near-tragedy—was treated by the nation as slapstick comedy. “We can’t get bin Laden,” observed David Letterman. “But we nailed a 78-year-old attorney.”

He was unmoved. History would see: in his work he had done what he thought was right. He had tried to protect America. He would keep trying to, too. Even when he was out of office and out of favour. In 2024 he announced that he was going to vote for Kamala Harris: in his nation’s 248-year history there

had, he said, never been anyone who was a greater threat to it than Donald Trump. Some criticised him for this. Some praised him for it. But he had not done it for the praise. He was, as always, just doing his job. Trying to protect America. ■

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The Economist

China's global power play

The meaning of Mamdani

Nigel Farage: Captain Sensible

Wake up, Airbnb

NOVEMBER 8TH-14TH 2025

The relationship recession

