The Economist

Britain's riots and the response

Bangladesh begins again

Thailand: a desperate dissolution

How to prevent dementia

AUGUST 10TH–16TH 2024

WILL THE ECONOMY SWING THE ELECTION?


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The Economist

[8月 09, 2024]

The world this week

The world this week

Politics

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Sheikh Hasina was ousted as prime minister of **Bangladesh** and fled the country, following weeks of mass protests led by students. Hundreds of people were killed by the security forces in a crackdown on the demonstrators. Sheikh Hasina had ruled Bangladesh for 20 of the past 28 years with an iron fist. The recently appointed head of the army described the uprising as a "revolutionary period". Khaleda Zia, a former prime minister and leader of the opposition, was freed from house arrest after the dictator fled. Muhammad Yunus, a Nobel peace prizewinner, was named interim leader.

The Constitutional Court of **Thailand** ordered Move Forward, the main opposition party, to disband for trying to reform the country's *lèse-majesté* law, which protects the monarchy from any criticism. It also banned its senior leaders from politics for ten years. Move Forward came first in an election last year, but it was blocked from taking office by Thailand's royalist establishment. Its MPs will retain their seats in parliament and probably reorganise as a new party. Amnesty International said the court's decision was a "serious violation" of the freedom of expression.

Vietnam's president, To Lam, was confirmed as general secretary of the Communist Party, the country's most important political job. His predecessor, Nguyen Phu Trong, who died in July, was elected party chief in 2011 and spent the following years consolidating his power. Mr Lam led a crackdown on corruption when he was security minister. He became president only in May.

Venezuela's attorney-general opened a criminal investigation into two leaders of the opposition, Edmundo González and María Corina Machado, for calling on the rank and file of the armed forces to reject the government's claim that it won a presidential election on July 28th. Voting receipts obtained by the opposition show that Mr González in fact won. Government forces have killed 24 people during protests and arrested 2,200 more.

A summer of discontent

Britain experienced its worst rioting in over a decade, after far-right activists exploited the murder of three girls to indiscriminately attack asylum-seekers and ethnic minorities. Social-media disinformation stoked the disorder, for example by falsely claiming the murderer was an immigrant. The rioting spread across the country, the first serious test for the month-old new Labour government, led by Sir Keir Starmer. Public opinion is strongly against the rioters, but more people think the prime minister handled the situation badly than well.

Evan Gershkovich, a journalist with the *Wall Street Journal*, returned to America, after being incarcerated for 16 months in Russia. Mr Gershkovich's release was part of a wider **prisoner swap** that saw 16 Americans, Germans and Russians freed by Russia in exchange for eight Russians (and two children) in the biggest such exchange since the cold war.

Ukrainian pilots have started flying F-16s, according to Volodymyr Zelensky. The first ten fighter jets (out of a promised 79) arrived in **Ukraine** at the end of July. It is unclear how many are currently flying. Meanwhile, Ukrainian defences shot down four missiles and 15 drones in another Russian attack. And the Kremlin was embarrassed by its failure to repel an incursion by as many as 1,000 Ukrainian soldiers into Russia's **Kursk** province, which seems to have been penetrated by at least 10km (6 miles).

The European Union imposed sanctions on 28 officials in **Belarus**. The assets of judges and prosecutors who sent opposition activists to jail were frozen. Officials in the interior ministry's department for tackling corruption were also targeted. The EU described the bureau as "one of the main bodies responsible for political persecution in Belarus."

Three Taylor Swift concerts were cancelled in **Vienna**, after the authorities uncovered a plot by Islamist extremists to target the events. One 19-year-old suspect had allegedly collected explosive materials to mount the attack.

Hamas named Yahya Sinwar, its leader in Gaza and the architect of its terrorist attack on Israel on October 7th, as its new supreme leader. The surprise choice will tie the group more closely to Iran and reduce the chances of a ceasefire that might end a war that has claimed almost 40,000 lives.

America deployed additional fighter jets and other forces to the Middle East to help defend **Israel** and existing American forces in the region from a possible attack by **Iran** and its proxies. Seven American citizens, including five service members, were injured in a rocket attack on a military base in **Iraq**. A militia aligned with Iran carried out the attack.

B'Tselem, a human-rights organisation in Israel, published details of what it said was a "systemic institutional policy focused on the continual abuse and torture" of **Palestinian prisoners** held by Israel since October 7th.

The UN's Famine Review Committee confirmed that after nearly 16 months of civil war, famine is under way in **Sudan**. This is only the third time the UN has used the word “famine” since the Integrated Food Security Phase Classification system was established two decades ago.

At least 21 people were killed in demonstrations in **Nigeria**, according to Amnesty International. People have taken to the streets to protest against a deepening cost-of-living crisis, the removal of a fuel subsidy and food inflation.

Al-Shabab, a jihadist group in **Somalia** linked to al-Qaeda, claimed responsibility for a suicide-bombing and attack by gunmen on a popular beach that killed at least 37 people and injured more than 200.

America’s defence secretary, Lloyd Austin, revoked the recent deal through which the **plotters of 9/11**, Khalid Sheikh Mohammed and two of his abettors, agreed to plead guilty to conspiracy and murder in exchange for a life sentence rather than face the death penalty. Mr Austin said that “responsibility for such a decision should rest with me”. The families of some of the victims of 9/11 had been angered by the plea deal.

Kamala Harris picked [**Tim Walz**]() as her running-mate in America’s presidential election. Mr Walz has been governor of Minnesota since 2019. By selecting him Ms Harris hopes to boost the Democratic ticket across swing states in the Midwest. Mr Walz delighted Democrats recently when he described Donald Trump and J.D. Vance as “weird people”.

The **Democratic National Committee** officially confirmed Ms Harris as the party’s presidential candidate, after holding a virtual roll call of delegates. The DNC wanted to avoid any potential legal challenges at the party’s convention, which starts in Chicago on August 19th.

The less-awkward squad

A second member of the progressive “Squad” and critic of Israel in the House of Representatives was booted out by voters in a Democratic primary. Cori Bush lost her bid for re-election in **St Louis** to Wesley Bell, who was backed by pro-Israel campaign groups.

The world this week

Business

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Global **stockmarkets** had a rollercoaster week, underlined by the VIX index of volatility reaching its highest level since the start of the covid-19 pandemic. The S&P 500 fell sharply and the NASDAQ Composite entered correction territory in a rout triggered by news that job creation in America had slowed substantially in July, raising fears of a recession. Both market indices clawed back some of their losses in subsequent sessions.

In Japan the **Topix** plunged by 12% in a day, its worst performance since 1987, as the yen strengthened at a blistering pace. Investors are betting that America's Federal Reserve will now be forced into making more and deeper cuts to interest rates. That combination has hit investors who borrow cheaply in yen to make higher-yielding investments in dollars. The Bank of Japan recently increased its main rate, which makes that trade less attractive. Japanese stocks rallied in subsequent days, in part because the BoJ suggested it would not raise rates again in the short term.

Investor skittishness over the value of **artificial-intelligence stocks** was also a factor in the market turbulence. **Intel's** share price plunged by 26% after it announced plans to cut 15,000 jobs and reduce capital spending. The sell-off spread throughout the tech sector; **Nvidia's** stock fell by 6%. Elliott Management, an influential hedge fund, reportedly told its clients that AI technology is "overhyped" and that shares related to AI, especially Nvidia's, were in "bubble land".

Warren Buffett's Berkshire Hathaway sold half its stock in **Apple** during the second quarter, as part of a scaling back from equity markets and towards short-term bonds. Meanwhile, Apple reported a solid year-on-year rise in quarterly revenue and profit, though sales from China fell again.

America's Justice Department won its antitrust lawsuit against **Google** over online search. The judge found that Google acted to maintain a monopoly, in part by paying companies such as Apple and Mozilla to make it the default search engine on their devices or browsers. How Google must rectify that will be determined at a later date. It is appealing against the decision. A separate antitrust trial over Google's ads business starts next month.

The not-so-golden state

Chevron said it was moving out of California, its home for 145 years, and relocating its headquarters to Texas. The oil giant has faced an increasing number of lawsuits in California from climate-change activists over its business. Last September the state government sued Chevron and four other oil companies, alleging that they had deceived the public about the impact of fossil fuels. Other companies, including Oracle, have moved from California in recent years.

Elon Musk (who has moved Tesla's corporate base to Texas and is doing the same for X and SpaceX) launched a new lawsuit against OpenAI and its co-founder, Sam Altman, claiming that investors had been taken in by

OpenAI's "fake humanitarian mission". Mr Musk filed a similar suit earlier this year, only to drop it after three months. Meanwhile, John Schulman, another OpenAI co-founder, left the startup to join Anthropic, a rival outfit created by former OpenAI employees in 2021.

Glencore decided not to spin off its coalmining assets, after shareholders said they would rather keep the highly profitable business. Sentiment has drifted away from high-minded ESG goals and towards bottom-line profits at other energy-related companies, too.

Meanwhile, **Saudi Aramco** announced that its shareholder dividend this year would top $124bn. Amin Nasser, the chief executive of the world's biggest oil company, said markets were "largely ignoring" the continuing huge demand for oil.

Warner Bros Discovery wrote down the value of its legacy TV channels, which include CNN, by $9.1bn, reflecting changes in the broadcasting industry in just two years since Discovery and WarnerMedia merged.

Trying to stay in shape

Increased competition in the market for **weight-loss drugs** meant that Novo Nordisk's quarterly sales and profit came in slightly under market expectations. The Danish maker of Wegovy and Ozempic has boosted its spending on R&D to stay ahead of its competitors. WeightWatchers' share price dived after it reported slimmer earnings. The company has started providing anti-obesity drugs to boost its weight-loss programme.

Australia's biggest wine producer, **Treasury Wine Estates**, is selling off its cheaper brands, such as Blossom Hill and Wolf Blass, in order to focus on higher-priced plonk, including Penfolds and Squealing Pig. Consumers are drinking less wine (hic), apparently, but spending more per bottle.

The world this week

KAL’s cartoon

8月 08, 2024 07:33 上午

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

Kamala Harris leads Donald Trump in our nationwide poll tracker
The wisdom in calling Donald Trump weird
How the Trump campaign has become more professional

KAL’s cartoon appears weekly in The Economist. You can see last week’s here.

The Economist

This week's covers

How we saw the world

8月 08, 2024 07:33 上午

THIS WEEK WE published three covers. In America we considered whether the country's economy is entering recession. We conclude that it is not, but it is slowing. That is bad news for Kamala Harris, the Democratic nominee. Although the economy does not determine elections in America, it is important.


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Leader: Will America’s economy swing the election?
Briefing: Can Kamala Harris win on the economy?
Briefing: Swing-state economies are doing just fine
Briefing: America’s “left-behind” are doing better than ever

In Europe we asked how Britain should respond to its race riots. The clashes may not be over. Immigration has become the running sore of British politics, owing to a mix of real problems and political opportunism. To prevent its far-right problem from getting worse, Britain must punish thugs, stand up for immigration and improve local services.


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HOW TO RESPOND

Leader: How to respond to the riots in Britain
Britain: Are Britain’s rioters representative of views on immigration?
Britain: How hotels became targets
Britain: The evolution of Britain’s extreme right

In Asia and the Middle East we published a cover on Bangladesh, where Sheikh Hasina, an autocrat, was ousted this week. Now Bangladesh must clean up a rotten political system. That will be the job of a caretaker government, led by Muhammad Yunus, a Nobel peace laureate.


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BEGINS AGAIN

Leader: Bangladesh has ousted an autocrat. Now for the hard part
Asia: Can hope beat hatred in Bangladesh?

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A week of violence

How to respond to the riots in Britain

Punish the thugs. Stand up for immigration. And improve local services

8月 08, 2024 07:59 上午

REPULSIVE IS A strong word. It is not strong enough for the behaviour marring Britain's streets. Ever since three little girls were slain in Southport on July 29th, indefensible anti-immigration protests have flared across towns and cities in England and Northern Ireland. Mosques and police officers have been attacked. In Rotherham criminals tried to set fire to a hotel they thought was housing asylum-seekers. Thugs in the streets have been egged on by hatemongers online.

Some of the worst race riots since the second world war hardly fit the image of a newly stable Britain sought by the incoming Labour government. Some countries have issued warnings urging people to exercise caution visiting Britain. Elon Musk, a man who must be clever but constantly finds new ways to make you wonder, has given his view on X, the social-media platform he owns: "Civil war is inevitable."

That is patently false. Many of the troublemakers over the past few days have been youngsters drawn by the thrill of mindless violence rather than by the application of revolutionary theory. Justice will have a deterrent effect on many: rioters have been a lot less defiant in front of a judge than when they were part of the mob.

One reason the extreme right has gone from being an organised political force to something amorphous is that Britain is an increasingly liberal country. Large counter-protests have begun to take place in support of immigrant communities. Only 17% of people now say that it is very important for being truly British to have been born in Britain, down from 48% in 1995. The recent election was a crushing defeat for a government that had campaigned to clamp down hard on illegal immigration.

Yet the clashes may not be over. And even if Britain is not about to wage civil war, the rioting is more than just a passing bout of summer violence. Immigration has become the running sore of British politics, owing to a mix of real problems and political opportunism.

The asylum system is in a mess. Although extremists do not thrive in elections, the right wing of British politics does provide cover for hostility to migrants. When the Conservatives were in office, they were prepared to flout international law to deport asylum-seekers arriving across the English Channel in small boats. Nigel Farage, the leader of Reform UK, uses dog-whistle language about "societal decline" and "two-tier policing" to signal that his party is the natural home for people who may not take to the streets but do dislike migrants. Polling by YouGov shows that a third of Reform UK voters believe the disorder is justified, compared with 12% of Britons overall.

It would therefore be unwise to think the riots should be forgotten as soon as they die down. Because the violence may accelerate the online processes of radicalisation and counter-radicalisation, Britain's far-right problems could get worse. That means the government must combine robust justice and thoughtful policy—punishing the lawbreakers but drawing people who are open to democratic politics away from the fringes; being careful not to indulge anti-immigrant prejudice but tackling the sense of grievance on which populists feed.

Robust justice is the simpler part of this equation. Speedy trials and sentencing are the best way to deter continued violence: the first criminals have already been named and jailed. Given the role that online networks play in organising protests and fomenting hatred, pursuing people who call for violence from their keyboards is also crucial. The police themselves must also become more agile in their response to misinformation; it took them several hours to rebut posts that said the Southport attacker was a Muslim asylum-seeker—lies used by influencers to incite the first disturbances.

An unequivocal response to thuggery is not enough, however. To gradually draw the poison from immigration requires three parallel approaches. The first is to take every opportunity to bust anti-immigration myths. The riots have prompted much talk about the failure of multiculturalism. In fact, integration is something the country does exceptionally well. In England teenagers who do not speak English as their first language are more likely to obtain good grades in maths and English in national GCSE exams than native English-speakers. Not every migrant assimilates, but every ethnic group has become less segregated since the census started keeping track in 1991. Talk of two-tier policing is false, too. Although the authorities have sometimes trodden too lightly for fear of offending sensibilities, the claim that white people are treated less fairly than ethnic minorities is nonsense. In the year ending in March 2023, the police carried out 24.5 stop-and-searches for every 1,000 black people and 5.9 for every 1,000 white people.

Telling people that immigration works will not succeed so long as bits of the system patently do not. The second element is to end the most damaging and visible policy failures. Processing asylum claims as fast as possible would make it easier to stop cramming large numbers of migrants into hotels, often in deprived areas. That policy has done more than any other to waste money and provoke locals' fury.

Back to basics

The third approach involves the unglamorous work of local politics. Some people are angry because of immigration itself. But many more are angry because of run-down local government and public services, starting in the years of austerity. The miles covered by bus routes fell between 2009-10 and 2019-20; in that time, a third of England's libraries closed; GP appointments are harder to come by. When public services are scarce resources to be fought over, immigrants are more likely to become targets; when lives are hard, confidence in mainstream politics falls and people take action themselves.

In an online essay for *The Economist*, Dame Margaret Hodge, a former Labour MP, writes how tackling bread-and-butter local concerns sidelined white nationalists in her constituency in the 2000s. That is good policy anyway. It is also a vital response to the violence disfiguring Britain's streets. ■

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Growth scares

Will America’s economy swing the election?

It is not entering recession, but it is slowing down. That is bad news for Kamala Harris

8月 08, 2024 07:33 上午

AMERICA'S VOTERS have not given credit to the Biden White House for their country's economic boom. Will they punish Kamala Harris for a bust? After growing at rates that were the envy of the rich world, the American economy now seems to be slowing. Investors are worried that a recession is just around the corner. On August 2nd, following a disappointing survey of manufacturers and a rise in claims for jobless benefits, they took fright at the news that the country's unemployment rate had risen to 4.3% in July, its highest since 2021. On August 5th stockmarkets slumped worldwide, before recovering a little lost ground the next day.

The economy does not determine elections in America, but it is important. Its course over the next 90 days will weigh on the incumbent Democrats' chances in November's presidential election. An outright recession would probably spell doom for Ms Harris. But even if the economy is only cooling, as is likely, it could harm her and help Donald Trump.

Is America really on the brink of recession? Some indicators look ominous for America's economy. The unemployment rate has risen significantly from its recent lows, a move that has often signalled recessions in the past. Rules of thumb suggest that, given the state of the economy, interest rates are probably one to two percentage points too high. Indeed, yields on long-term Treasuries have fallen below those on short-term bonds, in anticipation of a weakening economy and steep interest-rate cuts by the Federal Reserve.

Yet by most measures America seems to be experiencing not a crash landing but a gradual slowdown. High interest rates have gradually cooled the labour market since the unemployment rate reached its lowest in April 2023. That in turn has suppressed the growth in wages and dented shoppers' confidence. Some consumer-facing companies, such as McDonald's, have reported disappointing sales. But others have done much better and GDP is still expanding. In the second quarter of the year it grew at an annualised pace of 2.8%, which is above its long-term trend. Estimates of economic growth in the current quarter stand comfortably above 2%. Restaurant bookings, air travel and tax collections all suggest that growth continues to be strong.

Moreover, lower long-term interest rates are already giving the economy a prophylactic shot in the arm—and it has become more powerful as skittish investors have rushed into bonds this week. Surveys of banks show some easing in credit conditions. The Fed will need to cut its policy interest rate in September in order to fulfil investors' expectations, but that is a formality. Rates on mortgages and credit-card debt are falling in anticipation.

What, then, of the political consequences of a slowdown but not a recession? Ms Harris still has a problem. Even if voters deny Democrats any credit for the economic boom, they may nonetheless blame her if the economy loses steam.

On the face of it, Ms Harris should be able to campaign on the Biden administration's economic record. Workers' median real earnings are 9.4% higher than when Americans went to the polls in 2016. Even among men without a high-school diploma, the unemployment rate is only 5.1%. As we report this week, swing states such as Pennsylvania have enjoyed mostly lower inflation and unemployment than the national average. Given all that, the complaint of J.D. Vance, Mr Trump's protectionist running-mate, that America has sacrificed jobs to import "knockoff toasters" is nonsensical.

Republicans' perceptions of the economy are warped by their politics—as are Democrats' in the other direction. But voters as a whole give the Democrats' economic management a worse rating than Mr Trump's and one reason may be because every time they go shopping, they suffer sticker-shock. Even if inflation is falling, prices are nearly 20% higher than when Mr Biden entered office.

Today's bout of stockmarket wobbles are unlikely to make this worse on their own. Nor do they deserve to—even if Mr Trump has, with predictable hyperbole, christened them "the Kamala crash". As we published this, the S&P 500 index of stocks was 8% below its peak, yet the stockmarket had been due for a correction, because it was priced so dearly relative to firms' earnings. The index is still up by 9% this year and American firms have on average beaten profit forecasts. The biggest slump has taken place not on Wall Street but in Japan.

The real threat to Democrats is the underlying slowdown that helped unnerve the markets. Research suggests that voters weight recent economic events most heavily, meaning that the performance of the economy in the run-up to the election matters most for the result. Growth in after-tax real incomes per person in just the two quarters before a poll, combined with the time a party has been in office, is closely correlated with American presidential-election results.

Here the Democrats have something to worry about. At the start of the year, real incomes were rising at an annualised quarterly pace of about 1%. As the economy has cooled, this has fallen by roughly half. Consumer confidence was already unusually low, given strong growth and a jobs boom. With the slowdown, it is even lower today than in January and it may take another knock from stockmarket falls, or a surge in oil prices if war spreads in the Middle East.

A swing and a miss

None of this means that Mr Trump is destined to win. Barack Obama returned to the White House in 2012 despite a poor economy, and Mr Trump is vulnerable on other issues. In a tight race, many factors could be the difference between victory and defeat.

A surge of enthusiasm for Ms Harris gives her a narrow lead in our poll tracker this week—though not yet enough to carry the electoral college. She is also favoured by voters on subjects such as abortion and health care. But if she wins, it will not be because she was helped by the economy. ■

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Leaders

Is Tim Walz the right vice-presidential running-mate for Kamala Harris?

Progressives like him, but the presidential candidate will need to find ways to win over moderates

8月 08, 2024 07:33 上午

GEOGRAPHY TEACHER, lunchroom monitor, high-school football coach, National Guard reservist, congressman, state governor: in a world of careful CV-builders, the path Tim Walz has taken to the undercard of the presidential election is refreshingly random. Mr Walz first ran for office in his 40s. He won a rural district in Minnesota that most politicos thought was a lost cause. He likes hunting, maps and making jokes about the small-town world he grew up in. He is the first non-lawyer to be on the Democratic ticket since 1980.

All this makes him a good pick for Kamala Harris, who had a talented field to choose from. The shortlist, which included an astronaut-turned-senator and two impressive state governors, makes you wish the Democrats had found time for a proper primary. Yet there is a question-mark against Mr Walz, which the Trump campaign is already trying to exploit.

From that shortlist, he was the favoured candidate of the party's online left and of the unions. If Ms Harris picked him for this reason, it would suggest that she herself is either a creature of that wing of the party, is inclined to pander to it, or values party unity above all else. That would be a worrying sign for her campaign. To win Michigan, Pennsylvania and Wisconsin, she needs to appeal to voters who think that Democrats are a bit too lefty but do not like Donald Trump either. That was core to Mr Biden's appeal in 2020. Despite Mr Trump's undoubted weirdness, Americans on average still say that Democrats are more out of touch than Republicans.

But perhaps Ms Harris picked Mr Walz because his CV and his politics mean that he can help counter this perception. In Congress his voting record was moderate. He sat on the veterans' affairs and agriculture committees, neither known as incubators of red revolution. As governor of Minnesota, he has behaved like other midwestern Democrats, such as J.B. Pritzker in Illinois or Gretchen Whitmer in Michigan. Governors cannot afford to be as partisan as legislators, because they are responsible for ensuring that things actually work. Within the microcosm of Minnesota politics, Mr Walz is seen as being anchored in the centre and having opposed the worst excesses of the party's leftward surge in 2020. For example, he backed reasonable progressive causes like child-tax credits and resisted foolish ones like defunding the police.

Mr Walz's folksiness will not be enough on its own to persuade moderate voters that Ms Harris is on their side, too. In the Democratic primary in 2020 she favoured a ban on fracking, endorsed Medicare for All and suggested that crossing the border without a visa should be decriminalised. She has since ditched those positions, but too quietly for lots of voters to have noticed. To win over moderates, she should make it clear that she is opposed to illegal migration and that she is not the pet of the teachers' unions or indeed of any other special-interest group.

The choice of Ms Harris at the top of the ticket has changed the race. In our polling average, the Democrats' candidate is now ahead in the national vote for the first time since October 2023. Yet this election is still very close. That slender national lead, if it is real, would probably translate into something that approaches a 50% chance of winning in the electoral college. When Mr Trump is just a coin-toss away from another four years, a safety-first strategy is not wise.

By picking Mr Walz, Ms Harris has placated her party's left, whether or not that was her intention. That has bought her some room to move to the centre. She should use it. ■

A desperate dissolution

Banning the opposition won’t save Thailand’s unpopular regime

Once again, the army pretends its critics are anti-royal

8月 08, 2024 07:33 上午

THAILAND’S LAW against insulting the monarchy is arguably the world’s strictest. Each insult is punishable by three to 15 years in prison, and what counts as rude is broadly defined. People have been charged for such things as wearing a crop top similar to the king’s, throwing dog food at the police (implying they are the king’s attack dogs) and questioning whether an exclusive contract to manufacture covid-19 vaccines should have been awarded to a royal-owned firm.

Anyone can file a *lèse-majesté* complaint against anyone else, and the police are obliged to investigate. The law is therefore often used to harass members of the opposition. It is crying out for reform. But when the most popular political party in Thailand suggested reforming the law, it was accused of wanting to overthrow the monarchy—Catch-22 for the opposition.

The results were predictable. On August 7th a Thai court ordered the dissolution of Move Forward (MFP), a liberal party that won more votes than any other at the most recent election, in 2023. It also banned senior members of MFP from politics for ten years.

This is an extension of tactics long used by the army-backed establishment that rules Thailand. After the election in 2023, an appointed Senate prevented MFP—which has pesky ideas about curbing cronyism and military influence—from forming a government. That ruse may not be possible in future, owing to constitutional changes, so the regime seems to be doubling down on "lawfare"—a method of using the legal system to hobble the opposition. As Pita Limjaroenrat, MFP's charismatic former leader, argued in an online essay for *The Economist* on August 1st, the courts are now "the weapon of choice to muzzle those who seek to challenge the status quo".

This fits into a dismal global pattern. Most authoritarian regimes are not openly despotic. To seem legitimate, they adopt at least some of the outer forms of a rules-based democracy. Weaponising the courts is a favourite tactic. A regime can claim it is merely upholding the law, and that the opposition are common criminals. All it takes is a few tame judges. Thus, the most popular politician in Pakistan has been jailed for "corruption"; a Zimbabwean dissident has been jailed for breaking a law that was abolished a decade ago; and Venezuela's opposition leaders are accused of treason for saying they won an election last month, which they did.

In Thailand, however, it is far from clear that the government's latest attempt to suppress the people will work. Authoritarian regimes often look impregnable until they are suddenly swept away, as the former prime minister who fled from Bangladesh in a plane this week discovered.

Thailand is ripe for democratic renewal: it is an upper-middle-income country with a large, sophisticated middle class and an electorate that is clamouring for change. The government is unpopular, and a fiscally reckless plan to hand out cash later this year does not seem to have made a great deal of difference. Many Thai voters see through the regime's increasingly desperate attempts to hide behind the monarchy. And the monarchy itself is not as revered as the regime pretends. The previous king was beloved; his playboy successor, Maha Vajiralongkorn, much less so.

Less majesty

There is only so much outsiders can do. Thailand's South-East Asian neighbours are always loth to interfere in each other's politics. America will be muted in its criticism, for fear of pushing Thailand into China's willing arms. So it is up to Thais to keep pressing for a government that truly represents them. The omens are not all bad. The opposition has plenty of plausible new leaders. It will regroup under another name, as it has before, and try again. Wish it luck. ■

Glass half full

Why Ethiopia and Nigeria must press on with reforms

Currency liberalisation alone is not enough

8月 08, 2024 08:38 上午

FOR YEARS Nigeria and Ethiopia, sub-Saharan Africa's second- and third-biggest economies, defied the market orthodoxy embraced elsewhere on the continent. But reform is in the air. Barely a year into his term, Bola Tinubu, Nigeria's president, has twice let the naira depreciate. At the end of July, meanwhile, Ethiopia floated the birr and received an IMF programme as a reward. In both countries reform-minded technocrats are now at the helm of the central bank.

Africa's most important holdouts on reform are shaking things up at last . That is good news, but the job is only half done. Unless it is matched by changes at home, currency reform will do little to put the two economies on a more sustainable footing.

Both countries were spurred to action by a balance-of-payments crisis and a shortage of dollars. When Ethiopia let the birr float, it was down to its last $1.5bn in foreign reserves, just two weeks' worth of imports. Devaluation is meant to tilt the trade balance by boosting exports, while discouraging consumers from buying too many imports. As a consequence, it inflicts pain on ordinary voters. Annual inflation in Nigeria has risen to nearly 35%, and protests earlier this month brought thousands out on the streets of Abuja and Lagos, its political and commercial capitals. But the idea is that, over time, as exporters benefit, productivity and real wages will rise.

Yet Ethiopia and Nigeria face two barriers to realising these gains. One is that politically important state-owned enterprises have gobbled up scarce capital and resources, preventing private exporters from being able to take advantage of the cheaper currency. Manufacturing is a mere 4% of GDP in Ethiopia, and investment in commercial agriculture lags behind the average African country. Manufacturing productivity in Nigeria, meanwhile, has fallen since 2000. Starved of capital, ambitious farmers, manufacturers and entrepreneurs cannot easily respond to increases in foreign demand.

The second barrier is wasteful public spending. In Ethiopia the prime minister, Abiy Ahmed, is rolling out generous new subsidies for fuel, extending a fiscal deficit that is already wide. That shelters households from the brunt of austerity, but it discourages them from giving up expensive imports, while worsening strained public finances.

In both countries the demand for imports is being further boosted by ambitious government projects. Much of this takes the form of buildings and infrastructure, which rely on foreign materials. For his part, Mr Tinubu has refused to abandon work on any of the cities and airports of Muhammadu Buhari, his predecessor. In Ethiopia spending has also been diverted to the horrific war in Tigray.

Such profligacy will worsen both countries' fiscal problems. Without further reform, the only remaining alternative may be to inflate away their debt. Soon after Mr Tinubu entered office, he shut down a loophole at the central bank that allowed it to create cash to lend to the government. Now the facility is active again.

Although Abiy and Mr Tinubu have made promising noises about becoming less interventionist, so far they have done little. Taking on entrenched interests is hard. But until they do, both countries will continue to struggle with unsustainable trade deficits, making more painful adjustments unavoidable. The danger is that Nigeria and Ethiopia become like Egypt and Pakistan, cycling in and out of IMF programmes. Time is running out for the two leaders to start the wider reforms they have both promised. ■

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People power

Bangladesh has ousted an autocrat. Now for the hard part

A caretaker leader, Muhammad Yunus, must try to rebuild democracy

8月 08, 2024 08:34 上午

AS EXITS GO, it was dramatic. On August 5th Sheikh Hasina, the prime minister of Bangladesh, fled the country she has ruled with an increasingly harsh grip since 2009. She was driven out by a vast display of people power on the streets of Dhaka, the capital, and will be replaced by a caretaker government, backed by the army and led by Muhammad Yunus, a Nobel peace laureate. Like him, many Bangladeshis are calling it a "second liberation", half a century after independence.

Yet to meet the promise of the moment, Bangladesh must do more than oust an ageing autocrat: it must also clean up a rotten political system. The good news is that the economy is resilient and civil society is robust. The problems are venal political dynasties and the enfeebled institutions that have failed to stand up to them. Mr Yunus has a short time to set the country on a democratic path. His success or failure will shape the lives of 173m Bangladeshis, and influence the rivalry between China, India, Russia and the West.

Bangladesh has been in turmoil for some time. A rigged election in January confirmed the country had descended into thuggish one-party rule. In July mass student protests erupted against the reimposition of reservations of 30% of government jobs for descendants of veterans of the war of liberation in the 1970s, which protesters saw as patronage for supporters of Sheikh Hasina's party, the Awami League (AL). The unrest became a broader uprising and the government responded with a shoot-to-kill curfew. Over 450 people have died.

After the army withdrew its support for Sheikh Hasina rather than spill more blood, mobs ransacked her palace. They vandalised statues of her father, who led Bangladesh to independence, and around whom Sheikh Hasina had built a personality cult. Mr Yunus, 84, a revered microfinance pioneer, finds himself in charge. It is not yet clear who will be in his administration, how it will work or for how long.

For much of the time since Bangladesh broke off from Pakistan in 1971, it has endured either military rule or a messy form of democracy, in which power has alternated between two dynasties, the AL and its rival, the Bangladesh Nationalist Party (BNP). Things looked up in 2008, when Sheikh Hasina won a free election. Economic growth, already robust, approached 7% a year for the next decade, fuelled by garment manufacturing. Rising incomes and feisty NGOs helped cut poverty, boost literacy and get more women into jobs. Bangladesh was a star among emerging markets. Diplomatically, Sheikh Hasina had close ties to India but also forged military and commercial links with China and sought cordial relations with the West.

However, at home she grew ever more oppressive. Many opposition politicians were locked up before January's farcical election; the BNP boycotted it. Bangladesh's economic model began to show strain. Two-fifths of young people lack regular employment. The AL exercises control over the allocation of everything from teachers' jobs to graduate openings in business. Since 2020 inflation and capital flight have undermined stability. The country's foreign reserves have fallen by more than half since 2021, to $19bn. In 2023 it took out a $4.7bn loan from the IMF to stabilise its balance of payments. From the street corner to the boardroom, disillusion has spread.

Mr Yunus faces an immensely difficult task. His priority should be to restore order and prevent waves of retributive violence, which have blighted Bangladeshi politics in the past. This means ensuring that the caretaker government, while run by technocrats, also includes representatives of the protesting students and of all political parties, including the AL.

Even harder will be to avoid some pressing dangers. The country could fall prey to Islamist extremism, as Pakistan has. If the financial squeeze worsens, Bangladesh could become dependent on China for cheap loans and arms. That would destabilise relations with neighbouring India and could erode democracy even further. And a fresh election might restore an unreformed BNP to power. Having suffered persecution under Sheikh Hasina, its leaders are eager to take charge again. Yet their party also has a record of thuggery and cronyism.

Mr Yunus needs to work fast. The unelected caretaker government must not remain in office for too long lest it lose legitimacy or, worse, its military backers are tempted to cling to power indefinitely. Mr Yunus should therefore aim to hold proper elections on a reasonable timescale, but first he will have to clean up institutions that Sheikh Hasina captured, such as the electoral authority and the courts. When it comes to the economy, the government should raise more external funding to lower the risk of a balance-of-payments panic, and press for a crucial new trade deal with the European Union. The existing generous terms under which Bangladesh exports its garments will expire in 2029. In the coming years, the country will lose its broader status as one of the least developed countries, which grants it various trade and financing privileges.

Most important, Mr Yunus must urge the political system to open itself to new ideas and leaders, reflecting the aspirations of the country's young, growing and increasingly urban population. This requires it to ensure that new parties can form and campaign without harassment. It also means asking the AL and BNP to install new leaders who are not part of the founding dynasties. Sclerosis at the top has poisoned politics.

A tall order in Bengal

Despite its daunting problems, which also include a severe vulnerability to climate change, Bangladesh has advantages. Unlike most troubled countries, it has an economy capable of rapid growth. And in Mr Yunus it now has a leader with moral authority. Western powers should help him, especially if his military backers try to meddle. America, Europe and Japan are Bangladesh's biggest markets and big sources of finance, so they have influence. India, which has often backed strongman rule, needs to do its bit: if it wants a stable neighbourhood it should urge democratic renewal and offer financial support. Bangladesh matters; it must not be allowed to fail. ■

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Letters

On nutrition and IQ, the Paris Olympics, Kamala Harris, Mark Zuckerberg

Letters to the editor

A selection of correspondence

8月 08, 2024 07:33 上午

Letters are welcome via email to letters@economist.com

Brain capital

As you outlined in "How to raise the world's IQ" (July 13th), our brains are essential to the modern economy, which demands ever more cognitive, emotional and social expertise instead of manual skills. The World Economic Forum's *Future of Jobs Report 2023* noted that employers will prioritise cognitive skills, requiring brain health to excel and adapt to new technologies in our lives.

So a transition is under way. But vital development in brain skills is being hampered by some big health challenges. One in three people will experience a neurological disorder and nearly half will face a mental-health condition, disproportionately affecting women and those in low- and middle-income countries. Nearly $2trn a year is spent on brain and mental disorders globally, and that is rising by 5% each year.

We have created a Global Brain Capital Dashboard that captures the drivers of brain and mental disorders, which include food and nutritional insecurity, a lack of prenatal health care, the natural and cultural environment and education. We must transition to a brain-positive economy, reversing the worldwide underinvestment in brain capital needed to unlock the skills for huge economic transitions.

DR HARRIS EYRE
Head of the neuro-policy programme
Rice University
Houston

DR SHEKHAR SAXENA
Adjunct professor of global mental health
Harvard University
Cambridge, Massachusetts

Raising the world's IQ is one of the most important and most neglected tasks of science and policy. Maths and words, the main codes used by our societies, are too complex for a large part of the world's population. There is also an association between cognitive health at young and old ages. The findings from a randomised controlled trial that evaluated the impact of supplements with more than 20 micronutrients, polyphenols and large amounts of omega-3 fatty acids showed astounding success regarding cerebral blood-circulation improvement and cognitive-test performance of children in Guinea-Bissau with widespread undernutrition (published in the *British Medical Journal*, July 2020). Efforts to test a similar supplement to increase cerebral blood-circulation and cognition are in progress for older adults in the United States. Protecting the cognitive health of seniors should be part of the strategy of how to raise the world's IQ.

DR BIANCA CURI BRAGA
Nutrition policy consultant
Rio de Janeiro

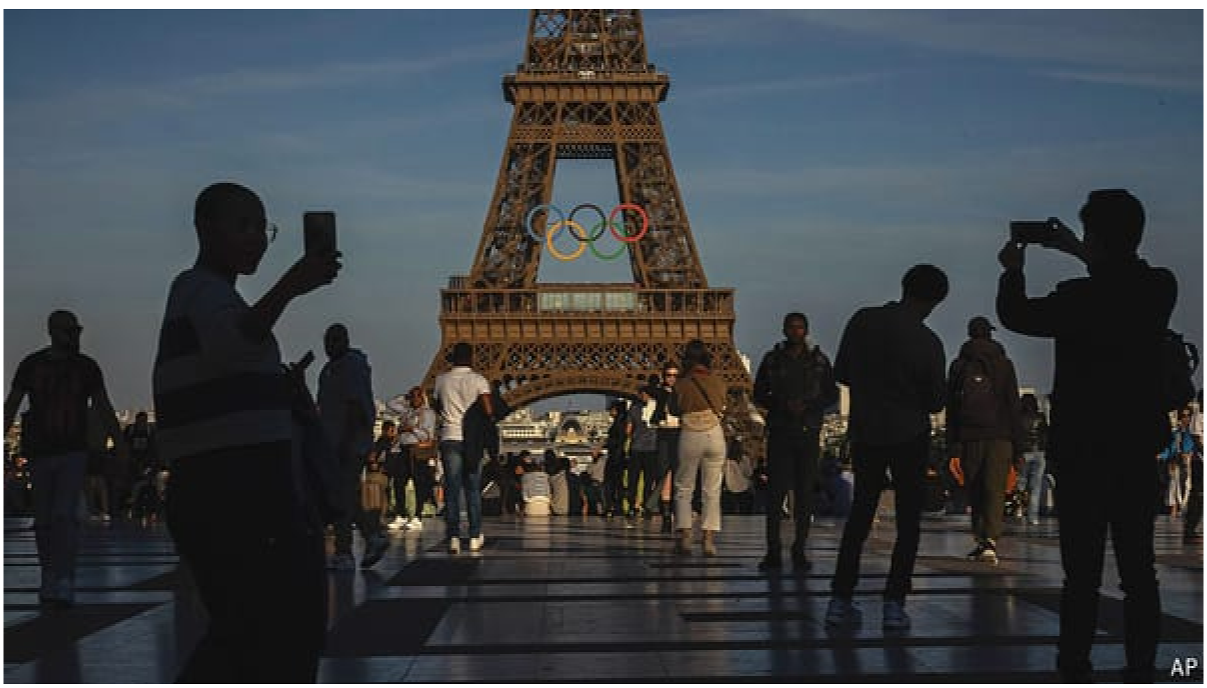
DR SUSAN ROBERTS
Professor of epidemiology and of medicine
Dartmouth College
Hanover, New Hampshire

Regarding the view that the world is getting cleverer, Socrates famously put forward an opposing hypothesis that the invention of reading would stunt our memories and our intelligence. Surely it is rash to be confident that our ancestors, such as the hunter-gatherers who painted the cave art in Lascaux, or the short-statured medieval builders and craftsmen who built our cathedrals, were more stupid than we are? Proponents of the view that the world is getting cleverer might argue that these were the works of unusual talents, in populations where everyone else was less intelligent than we are today. We need much more convincing evidence to be persuaded of that. Cultural evolution has made our world more technologically advanced, but that is not the same thing as making us cleverer.

A long history of research into IQ has revealed the measure to be culturally specific and very dependent on experience of learning in a particular way. Failure to recognise its inherent biases has led many IQ researchers to produce, often unintentionally, racist science, as well as biases against anyone who is poor or without formal education.

We already know that poverty can severely impact life chances and health. Poverty and stress have been associated with so many correlated social, economic and developmental outcomes, that identifying a single causal pathway to a particular outcome is hard. Of course, who can oppose measures aimed at preventing childhood malnutrition and deprivation? There is just no need to hang the case for relieving poverty on the perilously unsafe peg of increasing IQ.

RUTH MACE
Professor of evolutionary anthropology
University College London



Paris can be a winner

As a professor of public management and chairperson of SIMICO, the Italian state-owned enterprise responsible for executing the infrastructure plan for the Milan-Cortina 2026 winter Olympics, I want to respond to your article on Paris and the Olympics ("Changing the games", July 27th). The Olympic village in Paris represents a permanent investment in Seine-Saint-Denis, a deprived and neglected area. The project, valued at €2bn ($2.2bn), includes €560m in government funding. Much attention has been paid to the environmental sustainability of the project, but the true challenge and opportunity lies in its social dimension. The area is characterised by high rates of immigration, unemployment and crime, with public housing making up 40% of the residences. The Olympic investment promises to allocate 25% of the housing units to vulnerable groups and students.

We cannot ignore the lessons from the London Olympics, where promises regarding housing allocations fell short. Thus, Paris carries a significant responsibility. How the social dimension of the Olympic village is managed will be the true legacy of this project. Will it lead to the gentrification of the area, or will a more inclusive approach be adopted, combining both tangible and intangible interventions to ensure value for society?

The Olympics should serve not only as an opportunity to showcase world-class infrastructure with minimal environmental impact but also as a platform to test and implement innovative solutions for the social challenges faced by major cities.

PROFESSOR VERONICA VECCHI
Milan

Music to her ears

"The 'brat' vote" (July 27th) gave us an insight into Kamala Harris's meme-mentum. As a young voter, a lover of TikTok and with the rise of the brat-girl summer, seeing Ms Harris labelled "brat" is entertaining, though also slightly concerning. If it were not for the coconut-tree remixes and Charli XCX confirming that Kamala is brat I may not have been so eager to learn more; but there lies the problem of meme culture. The memes may eventually harm her campaign if more voters don't take the time to also learn about her accomplishments. Kamala has generated a sense of excitement and energy among younger voters that has not been felt or seen in a long time. Let's see if this brat summer turns into a brat presidency.

THALIA WEISSMAN
Walnut Creek, California

Imperial ambitions

Schumpeter tells us that Mark Zuckerberg is fond of using Augustus Caesar, the first emperor of Rome, as a role model (July 27th). Augustus presided over Rome’s transition from a long tradition of self-government to authoritarian rule by impossibly rich tyrants, supported by foreign mercenaries and a bureaucracy of highly trained slaves. The parallels are uncanny.

MATTHEW DRAPER
Charlottesville, Virginia

By Invitation

- **Bangladesh has achieved its second liberation, says Muhammad Yunus**
  Bangladesh :: The interim government's new leader argues for releasing political prisoners and holding a free election
- **The real winner of Venezuela's election urges the regime to face facts**
  Venezuela :: A peaceful transfer of power is still possible, says Edmundo González

Bangladesh

Bangladesh has achieved its second liberation, says Muhammad Yunus

The interim government's new leader argues for releasing political prisoners and holding a free election

8月 08, 2024 07:33 上午

***Editor's update**: Since this article was published Bangladesh's president appointed Mr Yunus to lead the new government.*

OVER THE past 30 years Bangladesh has become known for many achievements and positive characteristics: declining poverty rates; being the birthplace of microcredit and the Silicon Valley of social entrepreneurship and social business; developing the concept of holding elections under neutral caretaker governments to inspire trust in the competing parties; developing an industry that employs millions of women to export billions of dollars' worth of garments to clothe the world; and becoming the eighth-most-populous country in the world. Only four languages have more native speakers than our national tongue, Bengali.

Unfortunately, we have also become known for having our democracy erode into autocracy, with sham elections in 2014, 2018 and most notoriously 2024 overshadowing the vibrant ones held in 1991, 1996 and 2008. No Bangladeshi younger than 30 has ever cast a vote in an unrigged national election. Over the past 15 years the government corrupted many of our institutions, most tragically the judiciary and education system, at all levels.

As a result, many of our talented leaders across every field have left for other countries. Those who remained faced the choice between pledging their support to the prime minister, Sheikh Hasina, or being persecuted. I chose the second option, and as of last week I had 190 court cases pending against me. One criminal case I am facing has a maximum sentence of life in prison. I was charged with forgery, embezzlement and money-laundering.

I have spent more time in courtrooms and preparing my legal defence than on the things that I love, such as designing social businesses that use market-based approaches to solve urgent social and environmental problems. I am hardly alone in facing this harassment; just ask the award-winning photojournalist Shahidul Alam, and many others.

Over the past month Bangladesh earned its independence from this autocracy through a student-led movement. Although it originated in opposition to civil-service quotas, it quickly galvanised the nation to rally around one demand: the resignation of Sheikh Hasina's government. On August 5th the protesters' demand was met when the prime minister fled the country. Like virtually all of my fellow citizens, I was overjoyed, even as I mourned the loss of more than 300 lives to state-sponsored violence against peaceful protesters and bystanders. We must commit ourselves to ensuring that those lives weren't given in vain, but instead usher in a golden era of democracy, prosperity and unity for Bangladesh.

The next step will be to form an interim government that should release all political prisoners and ensure a free and fair election is held within a few months. I am willing to help support this process, and I hope other people will join me. We urgently need new politicians, and new leaders to step forward. Above all, we need young people who are not obsessed with settling scores, as too many of our previous governments were, but are instead intent on becoming a new generation of leaders focused on the future of our great nation. The student leaders who were at the forefront of our second liberation—after the war of independence from Pakistan in 1971—should continue to provide leadership in all respects.

I will wish them well and will continue to support them enthusiastically. I'll try to encourage them to work towards creating a world of three zeros: zero net carbon emissions, zero wealth concentration and zero unemployment.

I am grateful to the people, institutions and nations that supported the democratic aspirations of the Bangladeshi people during the dark years under Sheikh Hasina. Human-rights organisations such as Amnesty International and the Clooney Foundation for Justice have been especially helpful. Citizens around the world have made their voices heard in advocating justice, democracy and freedom of expression for our people. Members of the Bangladeshi diaspora, especially students and other young people, have worked tirelessly from abroad to bring justice and liberation to their native land. I hope some of them will return to help revitalise our democracy and build our economy.

Although some countries, such as India, backed the ousted prime minister and earned the enmity of the Bangladeshi people as a result, there will be many opportunities to heal these kinds of rifts and to resume bilateral alliances and close friendships soon. In fact, I hope that our liberation can revive the suspended South Asian Association for Regional Co-operation and make it a powerful force for integration in our region and beyond.

For too long, Bangladesh's politics have been backward-looking. Starting today, let us focus on building a future together that springs from the second liberation that occurred on August 5th. A new generation of young leaders should emerge from among those who led us to this important new victory. Their energy and vision for the nation can help sanctify the sacrifices of those who gave their lives for this new opportunity—an opportunity that we must not squander. ■

Muhammad Yunus is a Nobel prizewinning economist and microfinance pioneer.

Venezuela

The real winner of Venezuela's election urges the regime to face facts

A peaceful transfer of power is still possible, says Edmundo González

8月 08, 2024 07:33 上午

I HAVE BEEN been a public servant of Venezuela all my life—a career diplomat whose service culminated during the presidency of Hugo Chávez as ambassador to Argentina.

I accepted the presidential candidacy of Plataforma Unitaria Democrática (Unitary Democratic Platform), a coalition of parties opposing the current regime, with the support of María Corina Machado. Ms Machado was the clear winner of the primary election held by that coalition in October 2023.

She was, however, prevented from running in the presidential election owing to an unconstitutional disqualification. I decided to accept the candidacy because I considered it my duty to my country and to my conscience as a citizen who believes that the ballot box is how the people should decide who represents them and who governs them.

After a brief and unequal campaign, marked by restrictions and abuses of power, the Venezuelan people participated peacefully in huge numbers in the election on July 28th. The result was clear: I obtained a large, indisputable majority. We have proven this with the data issued by the automated voting system in the vast majority of the country's roughly 16,000 polling stations. Our witnesses obtained the individual results from more than 80% of the voting machines in the country and they are available for the world to see on a website. According to this detailed tally, I received 67% of the vote.

That result, it should be noted, is consistent with the findings of the most respected polls in the run-up to the election, as well as with the exit polls and quick counts conducted on election day. Even the members of Nicolás Maduro's Partido Socialista Unido de Venezuela (United Socialist Party of Venezuela) who were present in the polling stations witnessed how citizens throughout the country voted overwhelmingly in favour of change and freedom.

In my campaign I promised a democratic and orderly transfer of power, as demanded by our constitution. I also promised a government for all, respectful of the rule of law and dedicated to promoting national reconciliation, to resolve the crisis affecting the lives of Venezuelans, especially the most vulnerable. So severe is this crisis that some 8m of my compatriots—a quarter of the population—have emigrated over the past decade or so.

The regime led by Mr Maduro has ignored the result of the election and hastily proclaimed a false and unprovable one. Western and other powers should roundly reject the official result.

What I stand for is respect for the free and peaceful will of our people. It would be against my principles and against my lifelong record to advocate any violence, let alone a coup d'état. The regime, on the contrary, seems to be willing to stay in power by any means possible, including the use of violence.

The logical and fair thing to do is to carry out a competent, impartial verification of the election results with urgency, as Latin American governments have proposed. Only through truth will Venezuela find a way to move forward from this critical moment. The world's democrats must defend that principle while pushing for an immediate solution to the crisis.

I have always been, by vocation and conviction, a man of peace. It is in peace that I will seek a way for Venezuelans to resolve this situation responsibly. ■

Edmundo González Urrutia was the opposition coalition's candidate in the Venezuelan presidential election.

Briefing

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  Pursuing happiness :: A visit to a crucial swing state reveals the problems she will face
- **Swing-state economies are doing just fine**
  Nevada gets lucky :: They would be doing even better if the Biden-Harris administration had been more cynical
- **America’s “left-behind” are doing better than ever**
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Pursuing happiness

Can Kamala Harris win on the economy?

A visit to a crucial swing state reveals the problems she will face

8月 08, 2024 07:33 上午 | Bethlehem, Pennsylvania

KAMALA HARRIS has all but erased Donald Trump's polling lead in America's seven swing states, which is testament to the excitement generated by her late entrance into the presidential race. This week, her campaign revved up in each of these battlegrounds. The blitz started on August 6th at a rally in Philadelphia, Pennsylvania, the most crucial of the swing states, where she introduced Tim Walz, Minnesota's governor, as her running-mate. From there the two were due to hold rallies in the other six states: Wisconsin, Michigan, North Carolina, Georgia, Arizona and Nevada.

In their first joint appearance, she and Mr Walz repeated their warnings that Mr Trump wants to ban abortion, is a threat to democracy and cares only about the rich. Underlying it all was another message—that the American economy is the world's strongest, and that the country remains a place where people who work hard get ahead. "We fight for a future where we build a broad-based economy, where every American has the opportunity to own a home, to start a business and to build wealth," Ms Harris told a roaring crowd of her supporters in Philadelphia.

Just 50 miles (80km) up the road from the rally is a town where this sunny message rings true. Bethlehem was immortalised in 1982 by Billy Joel in "Allentown", a song about Pennsylvania's industrial decline. The rusted carcass of Bethlehem Steel, once its leading firm, still dominates the skyline. Today, though, it is an atmospheric backdrop for music festivals, outlet shops and a casino. The unemployment rate in the area was just 3.6% in June, a whisker above its lowest in decades and half a point less than the national average. What makes the town fascinating is how it maps onto national politics. It is located in a county, Northampton, that serves as a bellwether for the state as a whole: most voters backed Barack Obama in 2008 and 2012 before defecting to Donald Trump in 2016 and returning to Joe Biden in 2020.

Yet Bethlehem also shows why Ms Harris will struggle to campaign on the strength of the economy. Although plentiful jobs and rising wages would normally boost an incumbent, for the past couple of years surveys have shown that Americans are downcast about the economy. The Democrats have been trying to overcome this by touting development around the country, and in Northampton they have much they can point to. In January Mr Biden visited Allentown, a 20-minute drive from the old steel mill, to highlight how well the economy was faring. The area has added over 30,000 jobs since his election. Real wages are up since before the covid-19 pandemic. Manufacturing is actually making something of a comeback: local investments include $500m in packaging facilities and $7.5m in a bottle factory.

Josh Shapiro, the state's Democratic governor who was on Ms Harris's shortlist in her search for a potential vice-president, is also a regular visitor to the area. On July 16th he stood in front of a redbrick office building that once belonged to Bethlehem Steel for a ceremonial signing of the state budget. And in January he was in town to launch an economic strategy. He has a good story to tell: the state's median hourly wage is nearly a dollar above the national median, just as it was in 1979, before the collapse of the steel industry, according to the Keystone Research Centre, a Pennsylvanian think-tank. The economy helps explain Mr Shapiro's popularity. About 50% of those in the state approve of his performance, against just 35% who do not.

The hole truth

The halo does not extend to the White House's management of the economy. Polls gave Mr Biden low marks, with more confidence placed in Mr Trump on economic affairs. Ms Harris is faring better than her boss but is starting in a hole. One explanation is inflation, which voters, rightly, see as more of a national problem than one made locally. Inflation has cooled recently but prices are still up by roughly 20% since Mr Biden took office.

It is something people feel everywhere, says Wayne Milford of Birthright Brewing, a craft brewery and restaurant in Nazareth, a town next to Bethlehem. "I'm having to overpay staff just to keep them working," he says. Costs have also soared for ingredients—flour, tomatoes, beef, pork and chicken wings. He has fewer customers, and those who come spend less. This might sound inconsistent with resilient consumption figures at the national level. But restaurants reveal that all is not well: in the first half of this year spending on dining out barely rose, growing at its slowest since the start of the pandemic.

The Economist

Northampton's politics are muted. More homes fly American flags than display signs for either candidate. Still, party allegiances run deep. At a hardware store the owner, Barbara Werkheiser, greets a stream of customers, politely helping them find paint, valves and tools. But ask her, a Republican, about the economy, and it is a picture of utter gloom. "I don't see growth. I see struggle. I see supply-chain issues. I see higher costs for products. I see that it's hard to get reliable help," she says. She is convinced that things would be better under Mr Trump. "He may be an ass but he was an ass that got things done," she says. Partisanship has become a crucial variable in the past couple of decades. Republican voters are more optimistic about the economy when a Republican is in the White House, just as Democrats are more positive when one of theirs is president. Motivated reasoning of this sort guarantees tightly contested elections in any state where the population is divided fairly evenly between the two parties.

For Ms Harris there is an extra frustration. In theory, she has a reasonable record to run on, with Mr Biden signing into law big spending programmes for electric vehicles (EVs), infrastructure and semiconductors. In practice, it will be a while before residents notice the results. For instance, the first major slug of EV-factory funding for the region was announced just a few weeks ago, when the administration gave Volvo more than $200m to expand production at facilities including a truck plant. The checkpoint at the local airport, Lehigh Valley International, has been modernised using a $5m federal grant. But a bigger project—$40m for a new logistics and cargo hub—was just approved at the start of this year. "I think it's a little too early to talk about the actual impact," says Nicole Radzievich Mertz of the Lehigh Valley Economic Development Corporation.

Each state has idiosyncrasies, and in Pennsylvania one is the tension between energy production and environmental protection. A fracking boom has made it America's second-biggest gas-producing state. In her failed run in the Democratic primaries in 2020, Ms Harris called for a ban on fracking; Mr Trump is using that as ammunition. But in surveys roughly half of the state's residents oppose fracking on environmental grounds. Ms Harris has now retreated from her calls for a ban, and appears to support a continuation of fracking with stricter safeguards—basically the same as Mr Shapiro's position. In Northampton, a hundred miles away from intense fracking activity, that is probably closer to the median view than Mr Trump's "Drill, baby, drill" mantra. That may help Ms Harris make up for votes she is sure to lose in gas-rich parts of the state.

On the up

As for the big question—which candidate is better for jobs and growth—Northampton also yields an insight into why recent strength is no clinching argument for Ms Harris. Simply put, America's economy has done well regardless of who occupies the White House. Mr Biden talked about Northampton as if it were a broken rustbelt community before he came to office. In fact, it has been on an upward trajectory for a while. The unemployment rate in the Bethlehem area trended lower throughout most of Mr Obama's presidency and Mr Trump's, and went lower still under Mr Biden as the pandemic faded. And household incomes have climbed, rising about 20% in real terms over the past decade.

Politicians love manufacturing. Yet Northampton's true strength lies in its diversification. During Bethlehem Steel's glory days, manufacturing accounted for about a fifth of jobs; now, no single industry accounts for more than 11%. Less than two hours' drive from both New York City and Philadelphia, it has also transformed itself into a logistics hub. Coupled with good schools, pretty town centres and affordable housing, Bethlehem and its neighbouring towns have attracted newcomers. In the past five years their population has risen by 4%, whereas the rest of Pennsylvania's has grown by 1%.

Many local firms are growing, too. Michael Woodland, owner of a signage franchise, sees a cross-section of Northampton's economy in his contracts with hospitals, sports teams, the airport and more. Demand has been so robust that he recently bought a new building with nearly 10,000 square feet (930 square metres) of floor space. "We tempered some of what we were doing these past couple of years because the experts were all saying that a recession was coming. Well, it didn't come, and we kept getting busier," he says. The main issues in the election are, he thinks, personal and cultural rather than things that will affect business. The one risk that worries him is violence triggered by the election. "But unless it's completely catastrophic, businesses are going to continue moving forward," he says. Politics may swing; the economy stays steady. ■

Nevada gets lucky

Swing-state economies are doing just fine

They would be doing even better if the Biden-Harris administration had been more cynical

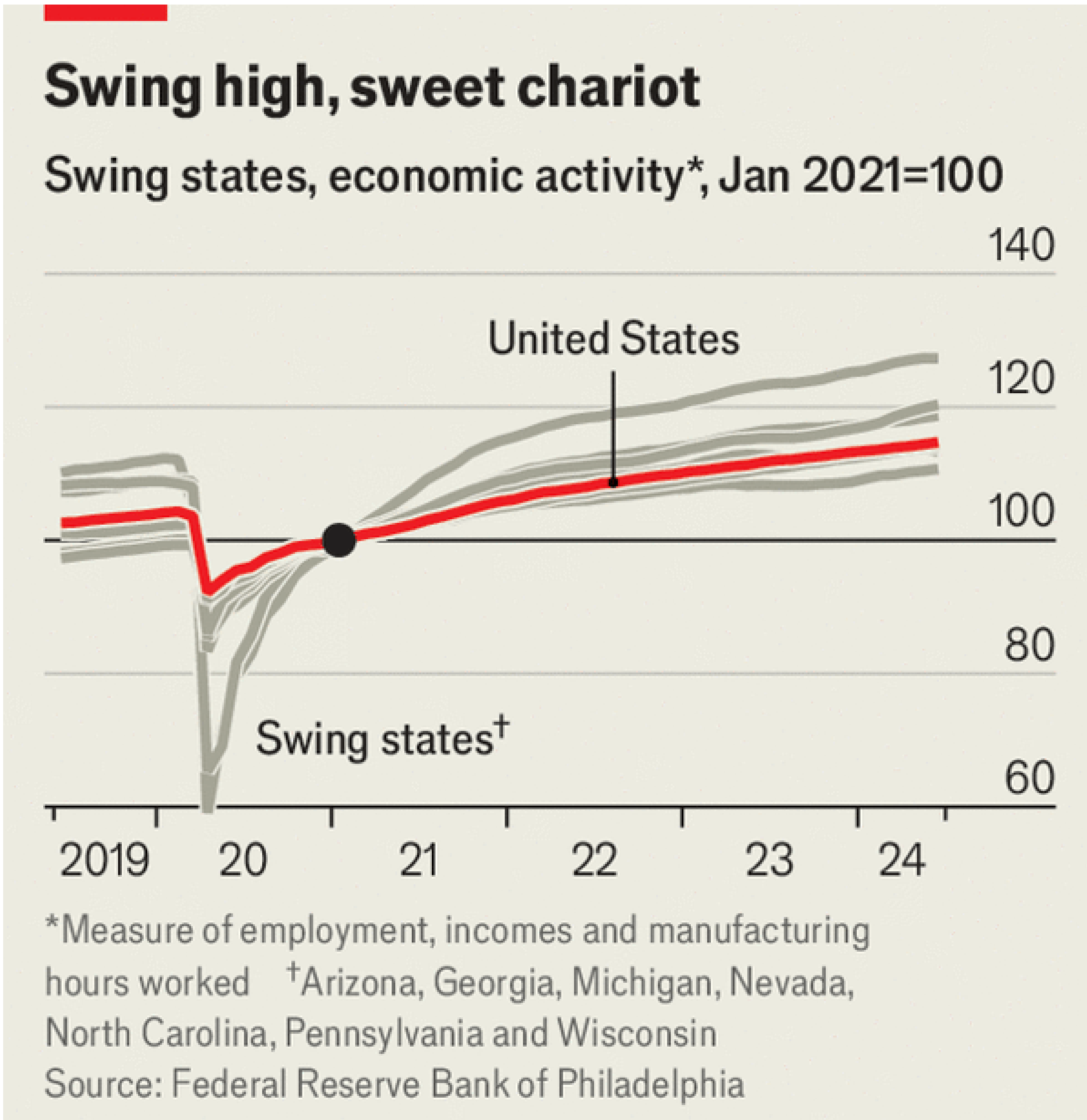
8月 08, 2024 01:34 下午 | Washington, DC

Klawe Rzeczy

AS WE EXPLAIN in our analysis of Pennsylvania's economy, strong economic fundamentals will not be enough to propel Kamala Harris to the White House. Still, the health of the economy in the swing states should give Democrats some confidence in the final months of campaigning. Most have performed well in recent years relative to national benchmarks.

Start with inflation, the biggest black mark against the Biden-Harris administration. Since President Joe Biden took office in 2021, consumer prices have risen by 20%, America's worst inflation since the early 1980s.

Of the seven swing states, Arizona, Georgia, Nevada and North Carolina have seen slightly higher overall inflation, while Michigan, Pennsylvania and Wisconsin have had slightly milder bouts. Most striking, though, is their improvement. Apart from Pennsylvania, the other six have enjoyed slower inflation than the national average over the past year.



The Economist

Their job markets are also healthy, for now. American unemployment has drifted up since mid-2023, hitting 4.3% in July. In June, the most recent month for which state-level data are available, five swing states—Arizona, Georgia, North Carolina, Pennsylvania and Wisconsin—had lower unemployment rates than the national one. Michigan's was the same. Only Nevada's was higher. What is more, in the 12 months leading up to June they held up well. Whereas America's unemployment rate rose by half a percentage point, all seven of the swing states had more gradual increases, averaging a tenth of a point.

The growth picture is more muddled. Despite Nevada's higher jobless rate (a feature of its tourism-heavy economy), its economy has grown by 14% between the start of Mr Biden's presidency and this year's first quarter, eclipsing national GDP growth of 8%. The other six swing states have grown a little more slowly, though the gap has been minor for most. Wisconsin is the one laggard, with growth of just 3%, but it too has picked up speed recently.

One curiosity is that the Biden-Harris administration has not made more effort to spend extra money in the swing states. Together, they account for 13% of America's economy. Their share of the administration's big investment packages (infrastructure, semiconductors and green technology) has matched that, at 12% of allocations. With more pork-barrel cynicism, Ms Harris would have had an even better story to tell swing-state voters. ■

The left-behind

America’s “left-behind” are doing better than ever

But manufacturing jobs are still in decline

8月 08, 2024 07:33 上午 | Atlanta

REPUBLICANS AND DEMOCRATS do not agree on much, but both parties want to help America’s “left-behind”. Presidents Donald Trump and Joe Biden enthusiastically pursued policies to boost the economic fortunes of people who have, in some sense, struggled amid globalisation and deindustrialisation. Both Mr Trump and Kamala Harris, the Democratic nominee, promise that if elected in November they will do more of the same. On the face of it, their efforts seem to be working. The left-behind are doing better than they have done in years. But there is a catch. The manufacturing jobs that once sustained them are still in decline.

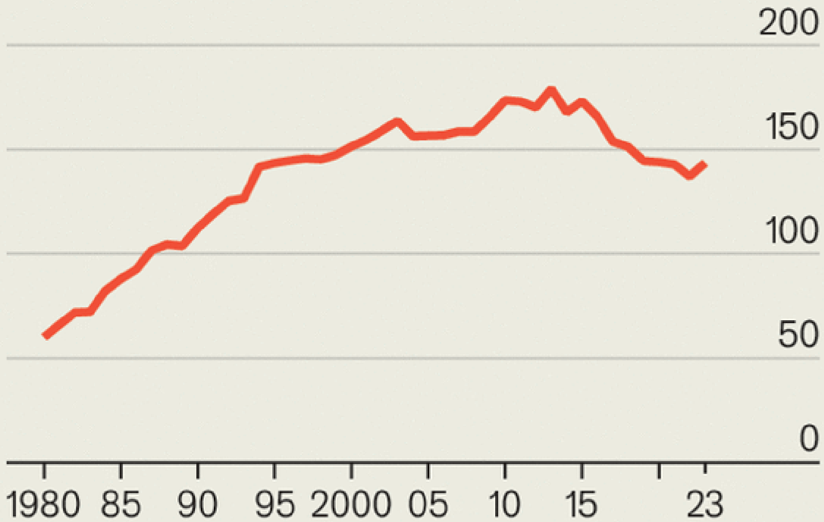
In the decades before Mr Trump's election in 2016, few groups fared worse than men without a high-school education—one definition of the left-behind. The decline of America's manufacturing sector closed off economic opportunities to workers whose hard and soft skills were weak. In 1979 a man with a college education earned about 60% more a week than one who had dropped out of high school. By 2016 the "college-wage premium" was 170% (see chart). The relative risk of unemployment grew. Thousands dropped out of the labour force entirely. Much of this economic misery was concentrated in out-of-the-way, unfashionable places, in parts of rustbelt states such as Michigan and Ohio, which received little attention from either politicians or the national press.

All that changed in 2016. Mr Trump campaigned, won and governed on a promise to help the left-behind, raising tariffs in an attempt to boost manufacturing jobs. Americans in the political centre and on the left decided that they also needed to do more to help globalisation's losers. Many of them pored over J.D. Vance's "Hillbilly Elegy", a book published that year about the left-behind, as if they were 19th-century anthropologists trying to understand a long-lost tribe. The results of this soul-searching are visible in Mr Biden's policies to boost manufacturing jobs. His administration is pouring hundreds of billions of dollars'-worth of grants and subsidies into job-creation efforts in the rustbelt and beyond.

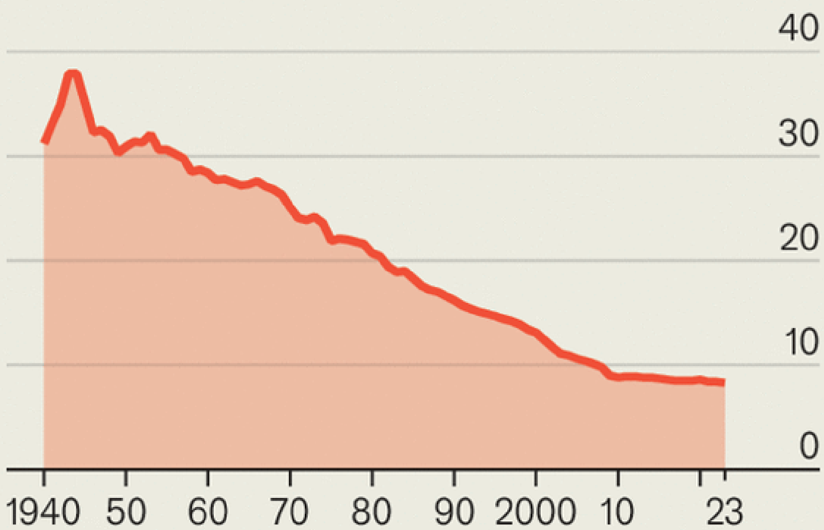
Not making it

United States

Male college-wage premium*, % 1



Manufacturing jobs, % of total 2



*Extra pay earned by college graduates compared with workers without a high-school diploma
Source: Bureau of Labour Statistics

The Economist

Happily, the economic fortunes of the left behind have massively improved. Since Mr Trump came to office the college-wage premium has steadily shrunk. In recent years wage growth among poorer Americans has easily outpaced that enjoyed by richer folk. A man without a high-school diploma, in full-time work, now earns about $40,000 a year on average. And more of them are in a position to do so. In 2022 and 2023 just 5.1% of men without a high-school education were unemployed, in line with the lowest rate since records began in the early 1990s. Labour-force participation is near an all-time high. America's left-behind are still relatively poor. But things are clearly moving in the right direction.

A number of factors explain why this is so. Under both Mr Trump and Mr Biden the labour market has been unusually tight, driving up the demand for people with poor qualifications. Both presidents implemented large amounts of fiscal stimulus, while the covid-19 pandemic created labour shortages. Men without high-school diplomas have found work in all sorts of industries, from driving trucks to working in hotels. A raising of minimum wages, especially at the state level, has consolidated these gains. Since 2016 Ohio's minimum wage has risen from $8.10 an hour to $10.45, for instance. Analysis by Goldman Sachs, a bank, suggests that, in effect, the national minimum wage has risen by more than $3 since 2016.

It is hard, however, to make the case that the industrial policies favoured by Mr Trump and Mr Biden have made much of a difference. The manufacturing jobs that both presidents wish to revive are nowhere to be seen. The share of Americans employed in manufacturing has steadily fallen since 2016 (see chart). The decline has occurred as the number of manufacturing jobs in competitor countries has risen—by 1% in Germany, 3% in Canada and 5% in Italy. Meanwhile, wages in America's manufacturing sector have fallen relative to the overall average. Manufacturing industry, in sum, is struggling. It looks like a poor return for all American politicians' efforts to restrict imports and channel money to favoured industries.

Even as manufacturing has withered, the employment it offers has become less welcoming to people with poor qualifications. Our analysis of official microdata finds that, since 2016, the share of manufacturing workers without a high-school diploma has fallen from 9.6% to 7.9%. (Other industries saw a decline too, though that of manufacturing was unusually large.) Companies have automated out of existence many of the jobs that once suited people with poor qualifications. Some have been outsourced to cheaper countries. Job growth in manufacturing, such as it is, now largely benefits people with fancy qualifications. Since 2016 the number of male PhDs working in American manufacturing has risen by over 50%. The sector today is more about twiddling computer code than banging bits of metal together.

True, success stories do exist. Over the same period manufacturing employment in Harris County, Georgia, a two-hour drive from Atlanta, has doubled. Korean car companies have piled in, raising wages (and giving the area plenty of excellent Korean restaurants). The car factories employ not just PhD graduates, but also people who like NASCAR racing. Still, Harris County, like many of the places that have seen manufacturing grow, has long been prosperous. It was never left behind.

Zoom in on the places that Mr Trump and Mr Biden really care about, and fewer wins are to be seen. Data on "left-behind places" from the Economic Innovation Group, a think-tank, suggest that since 2016 their combined manufacturing employment has fallen slightly, even as it has risen in better-off parts of the country. Some places are in real trouble. Although Michigan, for example, has had a lower rate of unemployment than the national one, the picture is uneven. In its Roscommon County manufacturing employment is down by 40% from its pre-pandemic level. And the losses keep coming. So far this year companies across Michigan have announced over 4,500 lay-offs, 20% more than in the same period last year.

It may be too soon to expect a renaissance in manufacturing jobs as a result of Mr Biden's drive to create them. After all, it takes time to build a factory and then staff it. But that merely illustrates the bigger, quicker and more durable returns of sensible macroeconomic policy. Both Republicans and Democrats will continue to push for industrial policies. Be sceptical of what they can achieve. ■

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Minnesota nice

Tim Walz's life story is appealing, but his record is complex

Kamala Harris's running-mate is hard to categorise

8月 08, 2024 07:33 上午 | CHICAGO

ALMOST EVERYTHING about the scene in a packed 10,000-seat basketball arena in Philadelphia on the evening of August 6th would have been unimaginable just six weeks ago. First, there was the sheer size and Swiftie-like zeal of a Democratic crowd waving their glow-in-the-dark wristbands, fired by belief that their ticket might actually win in November. Then there were the star attractions on stage: Kamala Harris, now formally ratified as the party's presidential nominee, and Tim Walz, the governor of Minnesota, her new vice-presidential running-mate. Not since 1968 has one of America's two major parties switched out a presumptive presidential nominee months before an election. On current evidence of the move's effects, they might consider doing so more often.

The rally's purpose was to begin selling the rich Americana in Mr Walz's biography. Ms Harris selected him after a moderately fraught veepstakes in which progressives campaigned to prevent the possible choice of Pennsylvania's governor, Josh Shapiro, who is Jewish, and who has voiced support for Israel and school choice. The left rallied around Mr Walz and Ms Harris went their way. Republicans accused her of capitulating to her party's base, but many Democrats rejoiced, as was evident at Mr Walz's raucous debut.

Mr Walz vaulted to prominence in recent weeks as an energetic advocate for Ms Harris on television. It was his critique of Republicans—"these guys are just weird"—that became a popular Democratic attack line. Mr Walz's personal history also contrasts with Ms Harris's Californian upbringing. He was born in rural Nebraska in 1964—six months before Ms Harris—and he likes to say that half his school classmates were his cousins. He taught social studies for two decades, served in the National Guard for 24 years, and retired as a command sergeant major in 2005. He is a committed hunter, and in his early years in Congress he was given an A rating by the National Rifle Association. Ms Harris seemed particularly impressed by Mr Walz's long-ago side job as a "Friday Night Lights" American-football coach at his high school.

Ms Harris describes her running-mate's life story, which is appealingly free of law school or Wall Street fortune-hunting, as a testament to her campaign's Bidenesque focus on the middle class. At the rally, Ms Harris made no mention of foreign policy or immigration, and her forays into domestic policy largely stuck to familiar ground. Apart from relentless attacks on Donald Trump, Ms Harris's still-incipient campaign remains long on autobiography and short on an agenda for governing. This is likely to continue through the made-for-TV Democratic convention in Chicago later this month—and perhaps all the way to the election in November, if strong polling numbers allow the campaign to get away with it.

The Trump campaign's glaringly obvious strategy is to paint Ms Harris and Mr Walz as "dangerous liberals". At a competing rally in Philadelphia on the 6th, J.D. Vance, Mr Trump's running-mate, called Mr Walz "one of the most far-left radicals in the entire United States government". The rhetoric was over-the-top, but it raises the question of what sort of Democrat Mr Walz has actually been during his Minnesota career, and therefore, what his selection says about Ms Harris's still-elusive brand of liberalism.

The answer is nuanced. Mr Walz first won office in 2006, when he stood for Congress in Minnesota's first district, a heavily rural area where only one other Democrat had won in the preceding century. Ken Martin, the chairman of the Democratic-Farmer-Labour Party (DFL), Minnesota's affiliate of the Democratic Party, says that he remembers hearing of Mr Walz's candidacy and thinking: "There's no way in hell he's going to win." But Mr Walz got 53% of the vote. During 12 years in Congress, he won marksmanship contests against other gun-toting members and voted with moderates in his party caucus, which helped him hold onto his district even as other rural Democrats lost theirs.

It is as Minnesota's governor, since his initial election in 2018, that Mr Walz has developed an unambiguously progressive record. When he was re-elected in 2022, his party won the state house and senate. Mr Walz used the opportunity of this trifecta to increase spending on public schools, introduce free school meals, create a system of paid family leave (due to start operating in 2026), legalise marijuana, expand background checks for gun buyers and strengthen abortion rights. He does not apologise for this record. "Don't ever shy away from our progressive values," he told attendees on a fundraising call in late July, adding that "one person's socialism is another person's neighbourliness."

Heartland and soul

That folksy formulation reflects a long tradition of progressive and populist politics in the upper Midwest. Mr Walz is best understood as part of the same heartland liberal strain that produced other national candidates, including two vice-presidents from Minnesota who failed in their bids to win the White House: Hubert Humphrey in 1968 and Walter Mondale in 1984, whom Ronald Reagan defeated in a landslide.

Mr Walz's greatest vulnerability to attack advertising down the campaign stretch may arise from the riots that hit Minneapolis in 2020, following the murder of George Floyd. Mr Walz waited a full day to respond to a call from the city's mayor to send in the National Guard. While he hesitated, a mob set a police station on fire. Mr Walz argued that the National Guard could not be deployed that quickly, but Republicans are already attacking him for being soft on looters and aligned with left advocates who want to "defund the police". Rather awkwardly for them, there is tape of then President Trump calling Mr Walz and praising him for calling in the Guard and subduing the riots.

Mr Walz has in fact consistently been a thorn in the side of the defund caucus and a strong proponent of policing. In 2021 the Minneapolis city council proposed to genuinely defund the Minneapolis police department and replace it with a new department of public safety. When the idea came to a public ballot, Mr Walz opposed it. Last year he proposed making more than half a billion dollars available to hire police.

The day after their debut in Philadelphia, Ms Harris and Mr Walz carried their pre-convention barnstorming tour of swing states to Eau Claire, Wisconsin, where they appeared before another fervent crowd of thousands. The candidates beamed again and reprised their set list from the night before. Ms Harris said she and her running-mate would be "joyful warriors" on the campaign trail. Mr Trump has long taken pride in his emotive, well-attended rallies as an expression of his committed support. For now, at least, he has credible competition. ■

Pouches of resistance

Why do conservatives in America love Zyn?

A nicotine pouch has stimulated America’s young men—and the culture wars

8月 08, 2024 07:33 上午 | New York

YOU HAVE probably heard of Tucker Carlson, a former Fox News host. But what about Tucker Carlzyn? Mr Carlson has earned the moniker for his enthusiasm for Zyn, a small white pouch, placed between the lip and the gum, that delivers a jolt of nicotine. He has called it “a powerful work enhancer, and also a male enhancer, if you know what I mean”, and likened its effect to “the hand of God reaching down and massaging your central nervous system”. Thanks in part to Mr Carlson, Zyn has become a symbol for a new boyish blend of conservative masculinity.

Mr Carlson is the most visible of “zynfluencers”. They speak in a laddish lingo about “popping” a “lip pillow” or “Zynbabwe” on their “upper decky” or “lower decky” (the top or bottom gums).

Cigarette smoking in America has plummeted since the 1960s, yet nicotine pouches are more popular than ever, albeit from a low base. Only 0.4% or so of Americans regularly partake. But pouch sales increased sixfold between 2019 and 2022.

Consumers can choose from a bevy of brands such as On!, Rogue and Velo, but Zyn accounts for 74% of the American nicotine-pouch market, according to Philip Morris International, which owns the company that manufactures Zyn. In 2023 Zyn sales grew by 62%. In July the firm said it will spend $600m to build a new factory in Colorado to satisfy demand.

In America Zyn comes in a variety of flavours, including spearmint, coffee and menthol, with doses of 3mg or 6mg of nicotine. (A cigarette, by contrast, contains around 13.5mg of the chemical, of which a smoker absorbs 1-1.5mg.) Zyn’s makers say the product provides a safe alternative to cigarettes, and promote the pouches as a step toward a “smoke-free future”.

But the little research so far is inconclusive on pouches’ usefulness for quitting, and while in theory a smokeless, tobacco-free pouch is safer than cigarettes, Zyn and its competitors may get more people hooked on nicotine, particularly youngsters. “We can’t say it’s a safe product,” says Mary Hrywna of Rutgers University.

The public-health conversation has, predictably, become polarised. In January Chuck Schumer, the Senate majority leader, urged the government to investigate Zyn, which he called “a pouch packed with problems” . In response, Marjorie Taylor Greene, a Republican congresswoman, called for a “Zynsurrection”.

Conservatives contrast the left’s negativity towards nicotine with its acceptance of marijuana. “Nicotine is politically incorrect,” says Michael Knowles, a conservative commentator. A spokesperson for the National Republican Senatorial Committee wrote on X that Mr Schumer’s anti-Zyn zeal would "make a lot of people single-issue Republican voters"—or, as he might have said, zyngle-issue ones. ■

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Head to head

Kamala Harris leads Donald Trump in our nationwide poll tracker

It is the first lead for a Democratic contender since October 2023

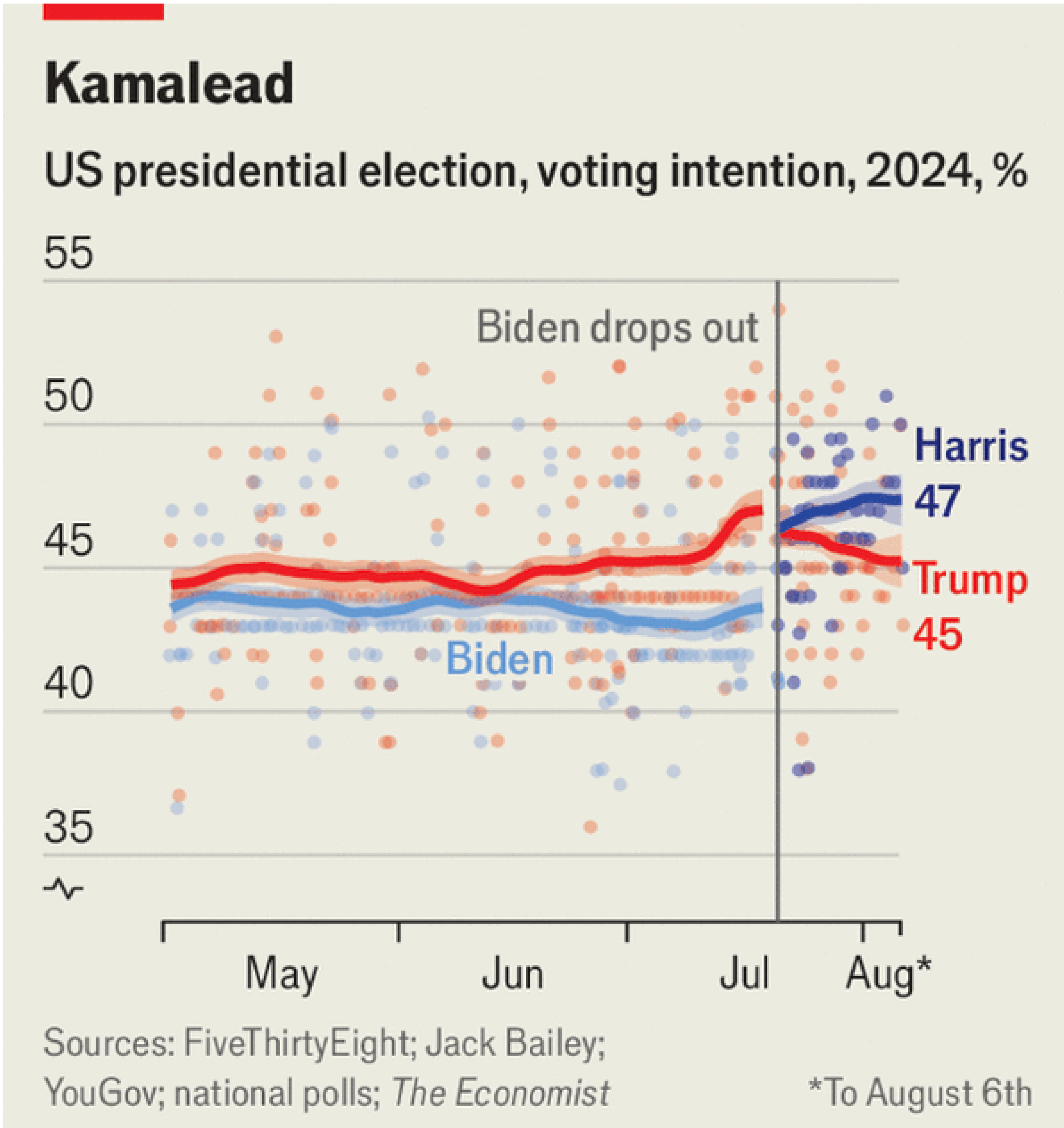
8月 08, 2024 07:33 上午

THERE ARE no “quick fixes” in election campaigns. Kamala Harris’s entry into the presidential election puts this conventional wisdom to the test. In two weeks as the Democratic Party’s presumptive nominee, the vice-president has broken fundraising records and enthused the Democratic base. Her rise to the nomination has been smooth, although Republican attacks on her have barely begun. Now, with enough polling to see the effect of her candidacy, *The Economist* has published an updated poll tracker. It shows Ms Harris leading her opponent, Donald Trump, by 47% to 45% in the national popular vote. This is the first lead for the likely Democratic candidate since October 2023.

Along with the new candidate, our tracker has an updated methodology, designed to account for the rapidly shifting race. Support for each candidate changes each day. Each poll is an imperfect estimate of the state of play. We use a Bayesian statistical model to simulate the most likely "true" support for a candidate on each day, taking into account differences in methodology and the partisan tilt of individual polling firms. To reflect election-day dynamics and the importance of turnout in American elections, our tracker puts greater weight on head-to-head polls (which exclude third-party candidates) and those that survey "likely voters" (rather than all registered voters or all adults).

Our tracker relies on polls that included Mr Trump and Joe Biden up until July 21st, when Mr Biden withdrew from the election, then switches to polls that take in Ms Harris. It does not use "hypothetical" polling from before she became the candidate, which can be misleading. Instead, the tracker jumps on July 21st to reflect the new election campaign, but retains useful information about polls from before that date. Polls, after all, do not fall out of a coconut tree.

With all these factors accounted for, we can see how Ms Harris has changed the race. On her first day as a candidate, with the endorsement of Mr Biden, she was tied with Mr Trump on 46%. Since then she has increased her support by a point. This is a substantial improvement over the showing of Mr Biden, who trailed by around three points when he ended his presidential campaign.



The Economist

Winning the nationwide popular vote may not be enough to win the presidency, though—as Hillary Clinton and Al Gore, former Democratic candidates, can attest. To secure the 270 electoral-college votes needed to win, Ms Harris must win battleground states, such as Pennsylvania and Michigan, which have leaned to the right of the country in recent elections. In 2020, Mr Biden won the popular vote by 4.5 percentage points nationwide, while eking out a win in Wisconsin—which gave him his 270th electoral vote—by only 0.6 percentage points. If Ms Harris faced the same swing-state disadvantage compared with the national vote, a three-point lead nationwide would win her only 247 electoral votes, and would return Mr Trump to the White House.

Polls also come with plenty of uncertainty, especially with three months to go before the election. Most political scientists agree that voters pay little attention to election campaigns until the final stages of the race. Until then, polling will tend to respond to the ebbs and flows of media coverage, before converging on the eventual result as the election approaches. Our presidential-election model, which will be updated shortly to reflect Ms Harris's candidacy, accounts for this variation to forecast the final result. Our poll tracker is simply our best guess of where Americans stand today. And it shows that Mr Biden's decision to drop out of the contest has put the election on a knife-edge. ■

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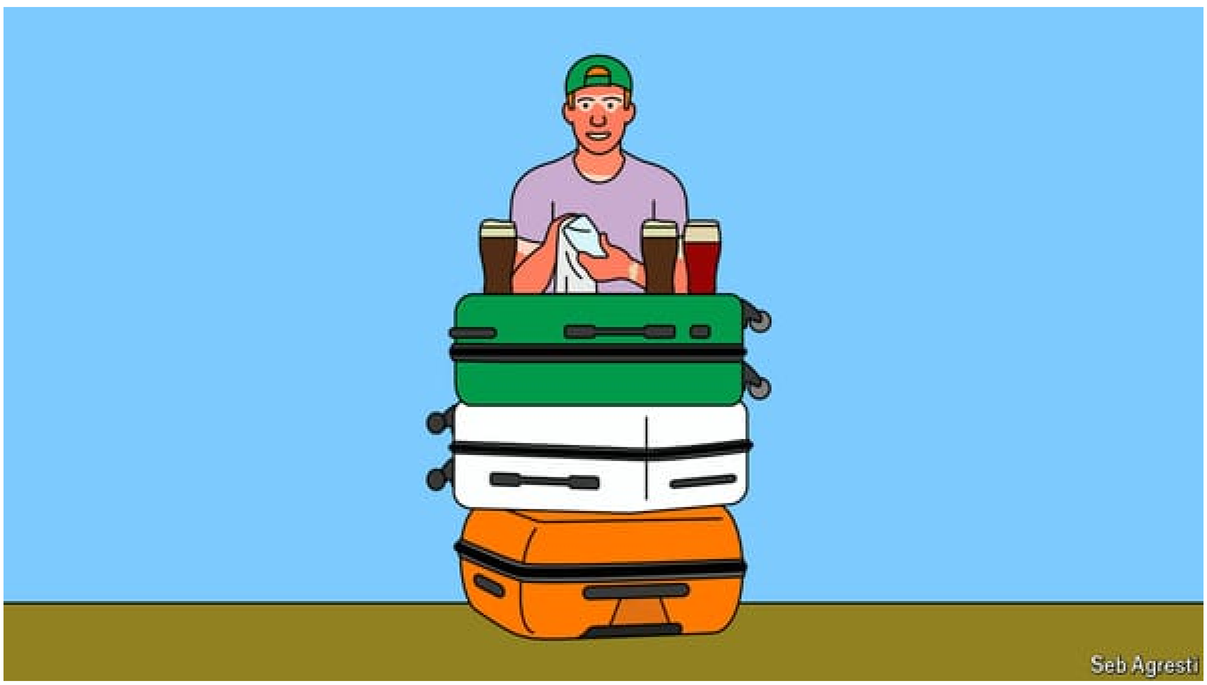
The Irish hello

A short-term work visa shows the benefits of immigration

America's J1 visa programme shows how open borders can build cultural links

8月 08, 2024 07:33 上午 | CHICAGO


Seb Agresti

IN POPULAR IMAGINATION, it is around St Patrick's Day that Chicago reaches peak Irish. Each year, on the Saturday before March 17th, the city's plumbers union dyes the river green and thousands of people flock downtown to swig pints of green beer. In a more real sense, though, Chicago is probably at its most Irish on a Saturday somewhere in early July. That is when the J1 visa-holders are in town.

The J1 is a visa issued by the State Department for various sorts of "cultural exchange" programmes. The largest of these is a short-term summer work programme, which allows recipients to work in seasonal jobs in America for three months during university summer holidays. For Chicago, it means at least 1,000 young Irish men and women descending on the city to work in bars and restaurants. Stop somewhere for a drink downtown in the summer and you are very likely to be served by somebody sporting a melodic accent, a bad case of sunburn and quite possibly a Gaelic-football jersey.

The J1 programme rarely features in discussions of American immigration policy. Each year around 300,000 are issued, but the vast majority are for very short stints and so there is no lasting demographic change. Yet as visa programmes go, it has an outsize impact. Recipients get a hint of what life in America is like. American businesses get an influx of labour. And restaurant patrons can meet people from countries that do not otherwise send all that many workers to America.

The largest sending country is in fact the United Kingdom—over 13,000 Brits came to America last year on J1s. A large majority of them worked as camp counsellors, another part of the programme. If you send your children to summer camp, there is a chance they will come back with an English accent. That is probably because Camp America, one of the biggest providers, has an extensive recruitment programme in Britain. Similarly, if you visit a ski resort in Colorado in winter, your lift ticket may well be scanned by somebody from Argentina or Peru, where the summer holidays coincide with the North American ski season.

Proportionate to their population, however, the Irish are among the largest recipients of all. And they run the bars. Each year as many as 5,000 Irish students visit America to work. That is more than a tenth of the number of Irish students who enrol in universities each year.

To “do your J1” is “like a rite of passage”, says Siun O’Connor, a 22-year-old politics student from Dublin working at D4, an Irish pub in downtown Chicago. The Irish often take advantage of long-standing links with Irish businesses to find jobs; hence they flock to places like Chicago and Boston with lots of Irish pubs. Ms O’Connor says she found her summer job through her father, who knows the bar’s Irish owner. Her sister had also previously worked on a J1 in Chicago.

A century or more ago, Irish immigrants in America filled up crowded tenements and spent time mostly with one another. So it is today. Ms O'Connor is living in a student-accommodation building south of downtown, paying around €700 ($765) a month for a bunk bed in a small apartment with five others. At least 500 Irish students are living there, she guesses; the provider is a company in Dublin. It is a bit grotty, Ms O'Connor admits, but nobody cares. Free hours are spent at the beach, or in nightclubs that cater specifically to Irish visitors. "We've gone up [to] a few bars that are, like, American," she says. "But there's a lot of Irish nights."

Unlike Irish immigrants of the past, almost all go home. And almost none of the money they earn leaves with them. Instead, they spend it on cross-country trips at the end of their stints. "Maybe I will?", says David Walsh, another J1 student, on being asked if he will take any cash home. "If I win big, you know, in Vegas." What many do leave with is a desire to come back. "No one's had a bad experience," says Ms O'Connor. She wants to move to America full-time after graduating. Three months is a short stint, but it is perhaps a first craic at immigrant life.■

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Yes in God’s backyard

Can churches fix America’s affordable-housing crunch?

The promise of the YIGBY movement

8月 08, 2024 07:33 上午 | Riverdale, Maryland

THE PURITANS who founded America’s divinity schools could not have imagined that they might need a course on property negotiation. But these days, in addition to counselling the dying and giving sermons on Sundays, some pastors are at the forefront of a new housing project. Churches across the country are working with non-profit groups to convert their under-used land into affordable flats. Riffing off the anti-development slogan “Not in my backyard” (NIMBY), they are advocating something cheerier: “Yes in God’s backyard” (YIGBY).

The movement is the result of two trends colliding: a worsening housing crunch and the hollowing-out of places of worship. In the past decade house prices rose by 42%, mortgage rates nearly doubled and, as cities filled up, restrictive zoning laws prevented new building, leaving the country with a deficit of up to 7m homes of the sort that ordinary folk can afford. Meanwhile the share of Americans who attend church weekly fell from 31% to 24%, according to the Public Religion Research Institute, a pollster. Covid-19 left pews emptier and many churches had to close. YIGBY-proponents, like David Bowers of Enterprise Community Partners, a housing charity, reckon that provides an opportunity to repurpose the properties. “We call it radical common sense,” he says.

Building flats on godly land has its perks. Churches tend to be in the heart of neighbourhoods that people want to live in, where land is priciest. And their leaders, more charity-minded than typical developers, are often willing to rent out space at below-market rates. Sometimes plots are already zoned for residential use, which lets builders bypass planning constraints. Where they are not, carve-outs are being arranged in some cases. Two states, California and Washington, have passed laws allowing faith-based groups to override local restrictions; New York recently introduced one, too.

The Church of God In Christ (COGIC), a black denomination and one of America’s biggest, is unusually well-suited for the YIGBY mission—and is the first to do it on a large scale. Born out of the Los Angeles revivals of the early 20th century, the church brought Pentecostalism to the South and fought for the economic mobility of its parishioners. During a sanitation workers’ strike in 1968, Martin Luther King gave his last speech at COGIC’s headquarters in Memphis. “The American Negro collectively is richer than most nations of the world,” he said. “That’s power right there, if we know how to pool it.”

Today COGIC has 6.5m congregants and 12,000 churches across America—and it is pooling its power for good. A survey run by church leaders found that the denomination owns at least 21,000 acres of latent land across 222 cities, equivalent to about half the footprint of Washington, DC. In suburbs they identified empty parking lots; in cities vacant terrace housing. Last November they joined up with Enterprise to start building 18,000 new flats for 37,000 people. Rich congregants, like Magic Johnson and Denzel Washington, pitched in several million dollars.

Refreshing Spring in Riverdale, Maryland, is one of 200 churches that have been chosen for development. On a recent Sunday worshippers convulsed and hollered as the spirit overtook them in the pews. Across the street, meanwhile, a ten-acre forest is quiet as can be. The church has leased the land there to a developer for nearly $1m and plans to build 250 flats for local poor people and asylum-seekers. “This is part of the strategy to continue to give Refreshing Spring a financial foothold for several years,” says Lisa McDougal, a church employee. The assistant pastor, a former intelligence analyst who sports sunglasses in the sanctuary, has become the congregation’s real-estate guru.

Other communities see dire need among their own. In Southaven, Mississippi, a pregnant church-member fell through the floor of her second-storey flat last year. More than 2,000 units surrounding the Tabernacle, the local COGIC church, ought to be condemned, but remain occupied because residents have nowhere else to go. The church is now developing 18 acres of bare land into homes.

Yellin’ a YIGBY

The promise of this model seems extraordinary. However, housing experts say it will not answer all their prayers. One of the biggest constraints to developing affordable housing is the lack of funds to do so—a flat in California, for example, can cost $1m to build.

Federal, state and local governments offer tax credits, which lower what banks owe if they finance projects, but the waiting lists to participate in those programmes are long. (And a bill to increase funding for the federal scheme was blocked by Senate Republicans this month.) If churches are to make proper use of their assets they will need more cash. In Michigan COGIC identified 60 congregations with substantial landholdings that they cannot afford to build on.

Nonetheless Derric Scott, a developer and church elder, reckons their projects will have a catalytic effect. In March Ohio's senior senator introduced a bill to give $375m for technical assistance to congregations and local governments keen on YIGBY. Buy-in from cities is the next step. There, too, COGIC may have an edge. Eric Adams, New York City's mayor, and Brandon Johnson, Chicago's mayor, were both brought up in the church. ■

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Turning pro

How the Trump campaign has become more professional

In Pennsylvania at least, it has upped its ground game

8月 08, 2024 07:33 上午 | Delaware County

STANDING OUTSIDE a quaint house in the Philadelphia suburbs of Delaware County, Dawn Stensland sounds like an agony aunt. “I was a closet conservative, like maybe some of you,” she claims to a crowd. “It’s time to come out of the closet and wear your Trump hat.” The house expresses this advice: the windows are plastered with posters advertising it as the local Trump Force 47 office, Donald Trump’s get-out-the-vote operation for 2024. During his previous presidential runs, Mr Trump took a haphazard approach to his ground game. This time, in Pennsylvania at least, his effort looks more formidable.

That Trump Force is bothering to open an office in Delaware County is evidence of that. The Philadelphia suburbs have not been friendly to Mr Trump or other Republicans in recent years. Mr Trump lost the county by 27 points in 2020. This time, another close election in Pennsylvania looks likely. (In 2016 Mr Trump won Pennsylvania by just 0.7 points; in 2020 Joe Biden won it back by 1.2 points.) To improve its prospects, the campaign is pledging to open an office in almost every county.

The Trump ground game has overlapping elements. Trump Force 47 is concentrating on occasional voters. State and county Republican parties target moderate voters and are running turnout efforts that will also benefit down-ballot candidates. Lastly, they and other Republican-leaning outside groups are trying to encourage the use of postal ballots, which Mr Trump used to denounce as vessels of fraud.

The focus of Trump Force on occasional voters reflects a doubling-down on Mr Trump's appeal to working-class supporters. As in many states, looser voting rules during the pandemic contributed to high turnout in Pennsylvania in 2020, especially among white non-college voters, who have increasingly broken for Republicans. A key aim for Mr Trump's door-knocking volunteers is to ensure that these people turn up (and ideally bring friends).

The heart of Trump country in Pennsylvania lies between Philadelphia and Pittsburgh. Seventy miles west of Delaware County, at the York state fair, the local Republican Party is in full force attempting to reach voters by handing out bedazzling swag. These activists are now also pushing postal-ballots applications. "If you vote by mail, perfect," Therese Laucks, secretary of the county party, explains in the livestock barn. "Many countries around this world, they don't have the choices that we have."

Across the fairground is Turning Point Action, one of many groups registering voters. New rules from the Federal Election Commission allow more data-sharing between an official campaign and outside organisations. Cliff Maloney is the founder of The Pennsylvania Chase, which focuses on making sure absentee ballots get returned. Mr Maloney says they will have 120 professional staffers in Pennsylvania. Previous Republican outreach efforts have relied mostly on volunteers, in contrast to a professional ground game on the Democratic side. The old way was "like playing T-ball versus the Yankees".

County parties are leading the charge for down-ballot candidates. "Trump Force really just focuses on Trump," says Amy Haviland, a Republican committeeperson in Abington Township, a Philadelphia suburb. The Republican Senate candidate, Dave McCormick, is trailing the Democratic incumbent, Bob Casey, in the polls. Control of the statehouse is also in play, along with a clutch of congressional seats. In these races, appealing to moderate voters is key and the local party is opening three satellite offices to help.

Still, rebuilding Republican strength in the suburbs will take time, admits Christian Nascimento, the party chair in suburban Montgomery County. "My kind of mantra is 'points on the board'…Don't expect that that's going to happen overnight." Similarly, restoring faith in postal votes will take a while, says Christopher Borick, a pollster at Muhlenberg College. There has been a slight rise in Republican confidence in postal voting, but it has been modest. "Undermining trust in something, it's pretty easy to do. Building that trust back up is anything but easy," he says. ■

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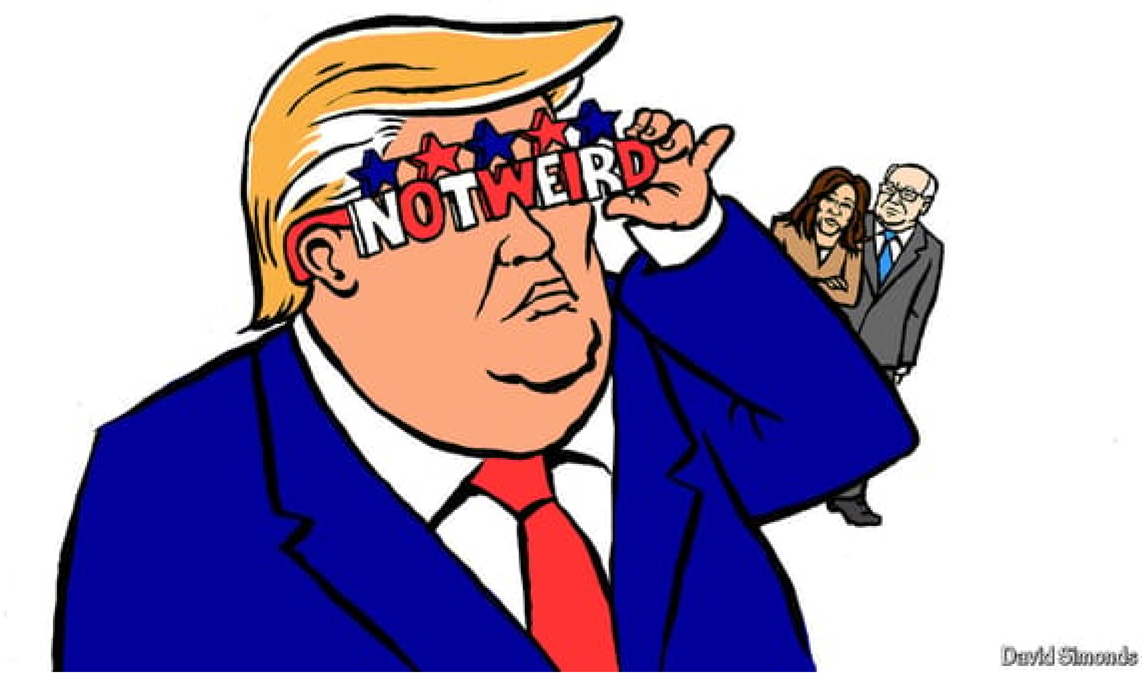
Lexington

The wisdom in calling Donald Trump weird

Kamala Harris and Tim Walz are trying to make Democrats normal again

8月 08, 2024 07:33 上午



THE BICKERING among Democrats and Republicans over which party's nominee is weirder is among the more hopeful developments of this presidential campaign. It implicitly brings to the forefront of politics the question: what is normal? President Joe Biden's bid to be re-elected at the age of 81 was obviously not that. Voters knew it all along, even as Democratic leaders, while secretly sharing the opinion, laboured to insist otherwise. The exultation within the party over what should be quite normal—having a candidate who campaigns vigorously, speaks clearly and laughs easily—is an index of how strange Mr Biden's wan, creaky candidacy had become.

Mr Biden’s abdication cleared the way for Vice-President Kamala Harris to focus attention on the abnormality of the Republican nominee, Donald Trump. Rather than stick with Mr Biden’s sombre approach, warning of a menace to America’s soul, she and her allies began needling Mr Trump. Tim Walz, the governor of Minnesota and now Ms Harris’s running-mate, started calling him “weird”, and as she and other Democrats joined in, the former president foolishly took the bait.

Mr Trump might instead have chosen to wear the adjective as a badge of honour. He has pulled off that trick with more daunting challenges, such as having his mugshot taken or being convicted of felonies. By comparison, interpreting the word “weird” to suit his politics seems simple. Being “weird”, in the sense of not following the herd, is a good thing, and Mr Trump’s message from the beginning has been that he is not a conventional politician. Of course he would seem weird to the swamp creatures. The T-shirts practically write themselves.

But it is conceivable that being called “weird”, with its whiff of high-school stigma, of relegation to a low-status social group, pokes some particular sore spot deep inside the Republican nominee. In any event Mr Trump’s I’m-rubber-you’re-glue reflex is to bounce any insult back to its source, from Hillary Clinton’s claim he was a Russian puppet (“No puppet—you’re the puppet”) to Mr Biden’s warning that Mr Trump was a threat to democracy (“I’m the opposite. They’re the threat to democracy.”) Hence: “They’re the weird ones. Nobody’s ever called me weird.”

This time he has a point: Democrats have traditionally been the weird ones, particularly Democrats from California. The last serious Democrat to run for president from California was Jerry Brown, known, because of his mix of idealism and eccentricity, as “Governor Moonbeam”. Ms Harris’s move to seize the high, if flat, ground of normalcy—think football pitch in midwestern suburb—is a clever act of pre-emption. It has been accompanied by reversals that suggest she thinks Democratic politics, including her own, recently got pretty weird in a bad way.

Ms Harris has clarified that she no longer wants to ban fracking or create a federal jobs guarantee. She also opposes a single-payer health-care system and forcing gun owners to sell their assault weapons to the government. She has begun boasting about her years fighting crime and trying to strengthen the border. She is disappointing leftists by calling for the restoration of the protections of *Roe v Wade*, which established a right to abortion until the fetus was viable, rather than a more expansive guarantee.

She is also presenting herself as an optimistic fighter for the future and warning that “Donald Trump wants to take our country backward.” That wish may not seem as weird as hoping to disguise the death of a bear cub as a bicycle accident in Central Park, as Robert F. Kennedy junior, an independent candidate, says he did. But it is an axiom of American politics that elections are about the future, and Mr Trump often seems obsessed with the past.

How serious Ms Harris is about repositioning the party, and whether voters will buy it, are open questions. Her choice of Mr Walz shows she is trying to walk a line between antagonising the left and appealing to moderates. A veteran, former geography teacher and hunter with a zest for dad jokes, Mr Walz radiates normal-guy vibes. But he is to the left of other candidates Ms Harris considered. For now, polls show many independent voters do not know much about Ms Harris, which gives her a chance to establish herself as normal. Mr Trump sees the challenge. As he put it at a rally on August 3rd, “We have to work hard to define her.” He has chosen to do that not just by emphasising her former positions but by mocking her identity and intelligence.

Going for gold

Mr Trump is falling back on the politics that helped him in 2016 to carve a path to victory in the electoral college through states such as Pennsylvania, turning out alienated white men who do not usually vote. The approach reflects his long-held view of the motivating power of racism. Back in the 1990s (as Maggie Haberman reported in her biography of Mr Trump, “Confidence Man”), a consultant showed Mr Trump a projection that non-whites would eventually constitute the American majority. Mr Trump replied that would never happen, because a revolution would prevent it. “This isn’t going to become South Africa,” he said.

Are such views normal? Even some on the left nowadays treat racism as a barrier Americans cannot surmount. Yet while Ms Harris's candidacy was coming into focus, Americans were cheering their Olympic team as it presented a daily display of diversity, teamwork, excellence and patriotism. Attitudes change. In 1958 just 4% of Americans approved of marriage between people of different races, according to the Gallup polling group; by 2021 that proportion was 94%, a change the organisation hailed as "one of the largest transformations in public opinion in Gallup's history". The arc of history may not inevitably bend towards justice, but in America it is weird to argue otherwise. ■

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The Americas

- **How the mad, bad Maduro regime clings to power**
  Venezuela's election :: Behind-the-scenes negotiations seek to ease him out of office
- **Colombia prepares for a vanilla boom**
  Perfume of the Pacific :: Purveyors of scented products and posh ice-creams take note

Venezuela's election

How the mad, bad Maduro regime clings to power

Behind-the-scenes negotiations seek to ease him out of office

8月 08, 2024 07:33 上午 | BOGOTÁ, CARACAS AND SÃO PAULO

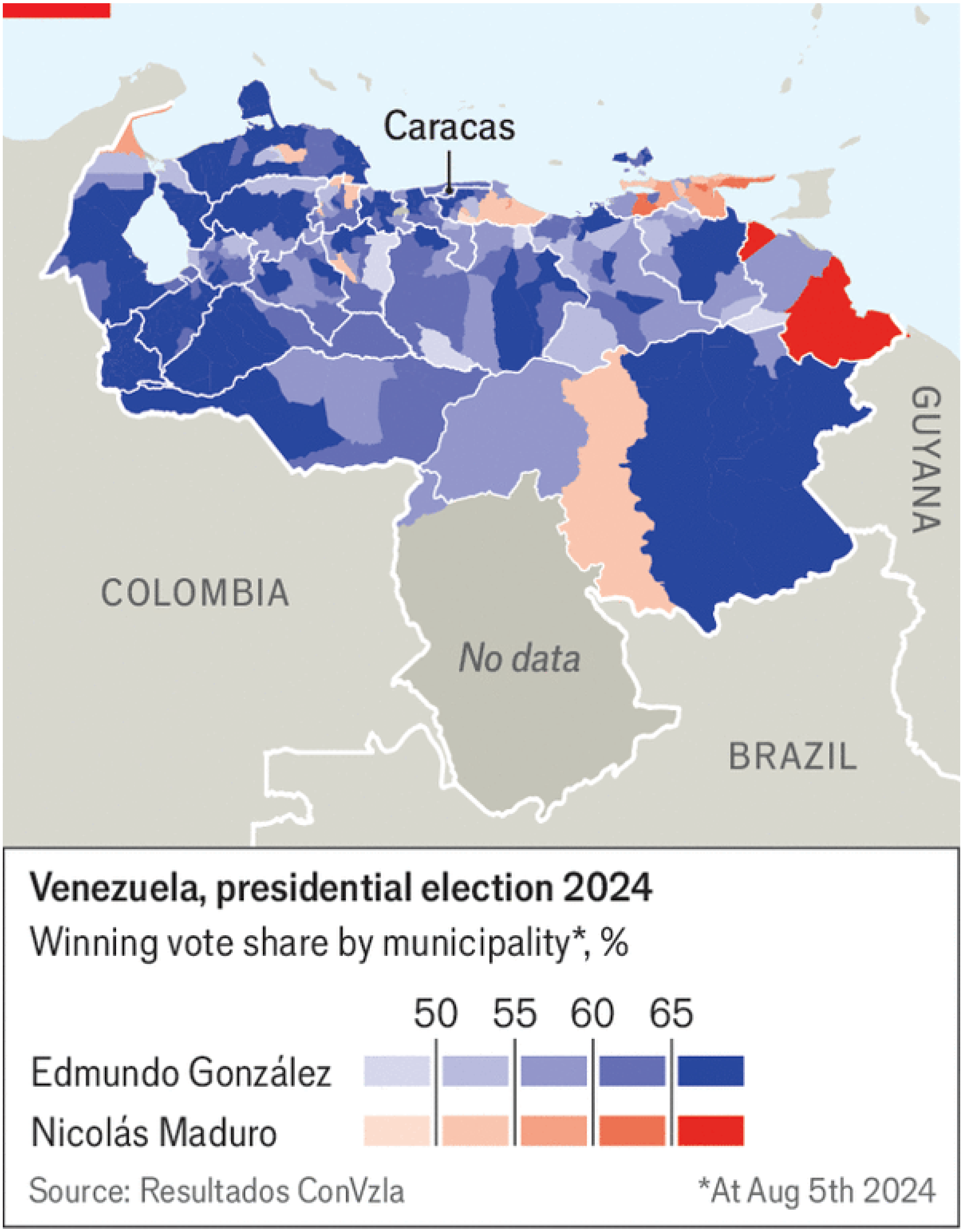
Getty Images

FOR A MAN who supposedly won an election, Venezuela's president, Nicolás Maduro, looks worried. The gaudy tracksuit he sported during much of the campaign has been swapped for a solemn business suit. He seems irritable and exhausted in the repeated television rants in which he rails against "fascist" enemies. Days after a rigged election, it remains unclear whether he can remain in power.

Mr Maduro's problem is that he has been busted. Everyone, from the army to his erstwhile left-wing Latin American allies, now knows just how unpopular he is. An overwhelming majority of Venezuelans voted against him on July 28th. Even though he barred the most popular opposition leader, María Corina Machado, from running, he still lost by a landslide. A little-known former diplomat, Edmundo González, stood in for Ms Machado. The two are working closely together.

Whether Mr Maduro concedes defeat depends on three interconnected factors. The first is domestic unrest. The second concerns attempts by Brazil, Colombia and Mexico to jointly mediate a solution between the opposition and the regime. (*The Economist* spoke to several diplomats with knowledge of the negotiations, who asked to remain anonymous.) The willingness of the regime to take part in talks hinges on a third factor: the loyalty of the armed forces.

Start with the demonstrators. The opposition has sought to prove that the election was stolen by collecting *actas*, the individual receipts that every voting machine prints out. Despite concerted efforts to stop them, volunteers smuggled *actas* out, in some cases by stuffing them into their underpants. All told, the opposition collected four-fifths of the print-outs and put them online. They show that Mr González received over 7m votes to Mr Maduro's paltry 3m (see map).



The Economist

When Mr Maduro was declared the winner by the electoral council, which he controls, protests erupted. At least 24 people were killed. Mr Maduro boasts that over 2,200 have been arrested. He says he cannot produce tally sheets because the electoral computer system was subjected to a "criminal cyber coup d'état" involving Elon Musk, the owner of X, formerly Twitter. The regime is betting that the protesters will not stand the repression for long.

So far, the opposition remains astonishingly brave. Under threat of arrest, Ms Machado has gone into hiding. Yet at a rally in the capital on August 3rd a figure cloaked in a white hood clambered up onto a truck, suddenly unveiling herself. "Venezuela will be free soon!" proclaimed Ms Machado to a crowd of tens of thousands. After the speech she melted into the traffic on the back of a motorbike.

Outside powers, meanwhile, are trying to maintain pressure. In the months leading up to the election the United States eased sanctions on Venezuela, in effect giving the vote its endorsement. Its overt role is now limited. It has recognised Mr González as the winner, though it has not gone as far as to acknowledge him as president-elect. It could fully reinstate sanctions again, but these have been ineffective in eliciting regime change in Venezuela.

An alternative source of pressure could come from the governments of Brazil, Colombia and Mexico. The left-wing leaders of all three countries have had cosy ties with Mr Maduro. The hope is that this gives them more sway. They are pushing a two-pronged strategy: getting the regime to publish detailed voting results and setting up direct discussions between the opposition and Mr Maduro. The presidents of the three countries have called for "impartial verification" of the results, though what counts as impartial is unclear.

Their task is fiendishly difficult, not least because the strategy has holes and the trio is less united than it seems. For one thing, no deadline has been set for the regime to produce evidence on voting counts. Delay works in the regime's favour as it waits for the opposition's momentum to flag. In theory the next president will be inaugurated on January 10th.

There is also little progress on talks. “María Corina has told us clearly: ‘Why am I going to negotiate electoral results when the Venezuelan people have already decided?’” says a foreign official involved in the negotiations. The regime is also not keen. One idea is for Ms Machado to be excluded from discussions on the basis that Mr González is more palatable to the government. Yet that is “close to a last-ditch effort”, admits another observer.

Even if a meeting between the rival camps is arranged, the objectives remain unclear. One source claims that the United States has said that if Mr Maduro steps down “we will give him whatever he wants”, including a promise not to demand his extradition. Nonetheless, the source concedes, Mr Maduro is unlikely to resign unless he is pushed. Others suggest that the parties may have to try power-sharing for a while and then hold new elections. The opposition would rightly balk at this.

It is not even clear whether Brazil’s and Mexico’s leaders believe that Mr Maduro lost. President Luiz Inácio Lula da Silva of Brazil, known as Lula, has expressed confidence in the ability of Venezuela’s courts, which are stacked with regime cronies, to verify the results and described the election as “normal”. Mexico’s government seems even more reluctant to condemn the fraud. Fractures among outside powers contrast with Mr Maduro’s government, which is “very united at the moment”, according to the official in the talks.

The two countries’ indulgence of Mr Maduro may reflect domestic pressures. The Landless Workers’ Movement in Brazil, part of Lula’s base, was quick to congratulate Mr Maduro and denounce the opposition as “fascist”. A wing of Morena, Mexico’s ruling party, wants to congratulate Mr Maduro, too. A former Mexican diplomat says that their country’s ambassador in Caracas is a Maduro sympathiser. He is “a very leftist activist”, they add.

Domestic pressures also weigh on Colombia’s president, Gustavo Petro. Colombia already hosts 2.9m of the nearly 8m Venezuelan migrants who have fled tyranny and collapse; Mr Petro is negotiating peace with guerrilla groups that receive safe haven in Venezuela. If the regime hangs on, it could scupper talks and prompt more migration. Yet prolonged instability could do the same. One Colombian official says the government will not break diplomatic relations with its neighbour, even if Mr Maduro stays.

Amid all the manoeuvring, a crucial question is how the army's calculations will change. So far, its leadership has fiercely defended Mr Maduro. On August 5th Mr González and Ms Machado published a letter asking the army rank and file to "stand by the people" and promised that an opposition government would offer "guarantees to those who complete their constitutional duties". In response, Venezuela's attorney-general opened a criminal investigation into both of them. Since the election the regime has promoted soldiers wounded in the protests and released a social-media campaign that depicts the Venezuelan National Guard under the slogan: "To doubt is treason."

For now, army defections are unlikely. The two foreign powers that have most influence over Venezuela's armed forces are Russia, which provides it with weapons, and Cuba, which helps run its intelligence. Both are staunch regime allies. The bloated military leadership profits from Mr Maduro's crony capitalism. He has repeatedly warned the army that it has much to lose if it abandons him. Venezuela's future turns on whether the soldiers believe him. ■

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Perfume of the Pacific

Colombia prepares for a vanilla boom

Purveyors of scented products and posh ice-creams take note

8月 08, 2024 07:33 上午 | EL VALLE, CHOCÓ

VANILLA IS "a product of time and patience", says Cristian Garcia Murillo. In 2016 his father trained vines around cacao trees on their farm in El Valle, a town on Colombia's Pacific coast. Last year Mr Murillo sold 50kg of cured pods, partly supplied by local growers, to restaurants across the country. It is a sweet deal. One kilogram fetches up to 2.5m pesos ($600), more than 100 times what the region's fishermen net for the same weight of tuna.

Vanilla, an orchid, is native to Central and South America. In the 18th century vines were smuggled from Mexico to Europe and later implanted in

Réunion, where a child slave discovered how to hand-pollinate them. Today nearby Madagascar provides 80% of global supply. Because vanilla is still usually hand-pollinated, it is the world's most expensive spice after saffron. Demand has outstripped supply for years. Buyers are looking for new sources, such as Colombia.

The rainforest around El Valle hosts *Vanilla planifolia,* a popular species. In the past eight years some 200 vanilla plantations, managed by community councils, have opened with support from Swissaid, a charity. Their produce provides much-needed income. Around two-thirds of people in Chocó, the region where El Valle is located, earn less than $3.50 a day.

El Valle's *planifolia* is genetically distinct from the common sort, and remains pollinated by bees, which gives it a special scent. Alejandro Henao Pérez, the director in Colombia for MANE, a French fragrance giant, recently bought samples to test. He says the vanilla's allure also lies in its green credentials, which appeal to many consumers. As the vine wraps around trees, it provides locals with an economic incentive not to chop them down.

Production will need to scale up fast. MANE says it would need at least one tonne of dried pods per year, more than double what the company run by El Valle's local councils expects to buy from producers this year. More investment is needed for training, quality control and marketing. Getting the pods out of Chocó, which has few roads, is expensive. And genetic engineers elsewhere are working on a self-pollinating variety. Still, for Alejandro Álvarez of Selva Nevada, an organic ice-cream maker in the capital, Bogotá, the Pacific bean's "spectacular flavour" wafts away such concerns. ■

Asia

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A second liberation

Can hope beat hatred in Bangladesh?

Domestic politics and great-power rivalries will make transitioning to democracy hard

8月 08, 2024 07:33 上午 | Delhi and Dhaka

ON AUGUST 5TH Muhammad Yunus was expecting to stand trial in absentia in Dhaka, Bangladesh's capital, in a trumped-up corruption case that might have put him in prison for life. Two days later Mr Yunus, a Nobel laureate, economist and social entrepreneur, was appointed the head of Bangladesh's army-backed interim government. Sheikh Hasina, the prime minister for 20 of the past 28 years, had resigned and fled the country following weeks of student protests, which violent repression by state forces had failed to quash. The streets of Dhaka, previously patrolled by armed soldiers and police, were filled with students directing traffic and cleaning up buildings ransacked by looters, including the parliament. Overnight, years of autocratic rule had been replaced with hope for democratic renewal.

Can that be fulfilled? Restoring constitutional order will be hard, partly because it is unclear who will fill the vacuum left by Sheikh Hasina’s sudden departure. Her Awami League (AL) party is discredited. Khaleda Zia, the leader of the Bangladesh Nationalist Party (BNP), which has taken turns with the AL in dominating the country’s politics since independence from Pakistan in 1971, has been freed from jail. But she is 78 and unwell, and Sheikh Hasina’s campaign against her party has left the BNP in tatters.

The former prime minister’s authoritarian rule also prevented the emergence of new, more liberal forces. Islamist parties, which have grown more potent in recent years, may seek to fill the gap. The challenge is all the greater because Bangladesh is now a geopolitical battleground between China, India and the West.

Some initial signs are hopeful. The army, which stepped in after the prime minister fled to India, has shown restraint. General Waker-uz-Zaman, the army chief, promised to form an interim government the same day. He bowed to protesters’ demands the next day, by appointing Mr Yunus to lead the caretaker administration.

The Economist

Mr Yunus's first task, if he is sworn in as expected on August 8th, will be to ensure the country is peaceful so that politics can resume. The movement that chased out Sheikh Hasina started in July when students began to protest against a quota system that reserved 30% of all government jobs for descendants of freedom fighters in Bangladesh's war of independence; the protesters argued that the system chiefly benefited members of the AL. The government tried to suppress the demonstrators, killing hundreds.

When the courts at last scrapped the quota, the protests had already begun channelling years of pent-up frustration with Sheikh Hasina's authoritarianism and cronyism. The protesters' anger was evident earlier this week in the ransacking of her residence and attacks on police stations and the homes of AL ministers. Mr Yunus clearly recognises the risk of continued unrest: on August 7th he called on people to "stay calm and help those around you to stay calm".

Mr Yunus's next priority will be to revamp Bangladesh's politics. That will require more than just quickly organising new elections. The country's courts and other democratic institutions need to be repaired. Political parties' influence in universities—long a source of unrest—will need to be curtailed. And new political forces need to be given time and space to organise themselves. Without those steps, a fresh election could easily play into the hands of Islamist groups or a regrouped BNP, which also suffers from cronyism.

The third big challenge for Mr Yunus is to navigate a complex geopolitical landscape. India, Bangladesh's largest neighbour, presents the biggest source of potential tension. It has close historical ties to the AL, seeing it as a secular bulwark against Islamism in the region. In the last decade, wary of China's growing influence in South Asia, India expanded trade, energy and military ties with Sheikh Hasina's government. Now India, as well as hosting the iron lady in exile, faces a hostile Bangladeshi public, many of whom resent its support for her. It is also under pressure at home to help protect the estimated 10,000 Indian nationals in Bangladesh, as well as the 14m-strong Hindu minority there.

Indeed, Bangladesh's interim government and any successor may be more inclined than Sheikh Hasina to turn to China for financial and other assistance. Not that she was averse to that. Under her rule, China became Bangladesh's biggest trade partner, its second-biggest foreign investor, its third-largest creditor and its principal source of military technology. Still, to avoid becoming too dependent on China, she was careful to nurture relations with India and other partners.

Complacency, then worries all round

The crisis in Bangladesh is troubling for America and other Western governments too. They have long shared India's concerns about instability and Islamism there. After the free and fair election in 2008, Bangladesh went through a period of relative stability and rapid growth. Western governments saw it, for a while, as a regional success story, thanks to its vibrant civil society and thriving garment industry. Between 2000 and 2016 the share of the population living in extreme poverty fell by two-thirds. By 2020 Bangladesh had surpassed India on several indicators, including GDP per person (at market prices) and female participation in the labour force.

Over the past decade that optimism gave way to mounting concern as Sheikh Hasina rigged a series of elections and jailed hundreds of political opponents, including Mrs Zia, the BNP leader (who has been prime minister twice). America, in particular, grew increasingly outspoken in its criticism of Sheikh Hasina's conduct. It also imposed sanctions on an elite Bangladeshi police-force unit for alleged human-rights abuses in 2021, and on a former army chief of staff in 2024 over his alleged involvement in corruption.

Even so, Western governments avoided imposing heavier penalties on Sheikh Hasina's government. That was partly because of their concerns about China's growing clout in the developing world. But it was also a consequence of America's closer ties to India, which has often been touchy about Western interference and criticism of its own democratic record.

Western officials may now be questioning the merits of that approach. America and its allies still have considerable leverage in Bangladesh, not least because it is in the middle of a $4.7bn bail-out from the International Monetary Fund (in which America has the most voting power). Bangladesh wants to strike a trade deal with the European Union, the biggest market for its exports. In 2029 the country's exports are due to lose their tariff-free access to the bloc. Japan has influence too, as Bangladesh's biggest aid donor.

China will no doubt attempt to exploit its economic and military ties with Bangladesh, as well as antipathy towards India in the BNP and the broader public. It may offer short-term financial assistance to help replenish the country's foreign-currency reserves (Sheikh Hasina sought $20bn in loans from China on a visit there in July). It could pledge to boost investment in Bangladesh. And it could promise to import more from there to help boost bilateral trade, which grew from $3.6bn in 2009 to $17bn in 2023 (mostly consisting of Chinese exports).

Still, China's largesse is limited these days by its own economic problems —and its wariness of debt linked to the Belt and Road Initiative, its huge infrastructure-aid programme, which has been scaled back in recent years to focus on smaller "high-quality" projects. After a series of attacks on Chinese workers at projects in Pakistan, the Chinese authorities may also be reluctant to prop up a government in a country with a long history of political unrest and Islamist violence.

In the short term the priority for all the countries involved in Bangladesh is stability. Looking further ahead, perhaps the best hope is that the geopolitical rivals find a way to coexist, as they largely have in Sri Lanka since its government was toppled in 2022 (in somewhat similar circumstances). But as great-power rivalry intensifies, the risk is that it makes the interim government's efforts to reboot Bangladesh's politics even more difficult. Toppling Sheikh Hasina was challenging enough. ■

Democratic deficit

Thailand’s top court tramples over the country’s democracy

Pita Limjaroenrat and his Move Forward Party have been banned

8月 08, 2024 07:33 上午 | Singapore

THAILAND’S CONSTITUTIONAL court made a predictably draconian move on August 7th. It dissolved the Move Forward Party, a pro-democracy group which won a plurality of seats in last year’s election. The court ruled unanimously that the party’s proposal to reform the country’s harsh *lèse-majesté* law—which criminalises criticism of the royal family—posed a threat to Thailand’s constitutional monarchy. More damningly, it banned all of the party’s executives, including Pita Limjaroenrat, its leader, from politics for a decade.

Mr Pita was able to gather the support of young people, who are dissatisfied with the slow pace of change in the country, and middle-class voters, who are frustrated with the economic mismanagement of the junta that took power in 2014 and which perpetuated its rule through a rigged election in 2019. Move Forward promised not only to reform the *lèse-majesté* law, but to slash the size of the army and break up the concentration of economic power within a few families.

Move Forward formed a majority coalition with populist parties loyal to Thaksin Shinawatra, a former prime minister. But it was blocked from forming a government by the senate, a body whose members had been appointed by the junta. Its erstwhile partners entered into a coalition with army proxy parties to lock Move Forward out of power. Move Forward's critics then filed the complaint which led to this week's ruling.

It is not the first time that the alliance of conservative forces in Thailand—including monarchists, the army and a handful of business tycoons—has sought to suppress opposition in this way. Move Forward's predecessor party, Future Forward, was dissolved in 2020, while two populist parties were banned in 2007 and 2008. After each ruling, party members merely regroup under a new banner. This time will be no different.

The loss of Mr Pita, a Harvard-educated technocrat, may do more damage to Thai politics. But the movement has a deep bench. Several other leaders were banned in 2020. At the time it was thought the party would struggle, but the 43-year-old Mr Pita emerged from obscurity to lead Move Forward to victory. Waiting in the wings now is Sirikanya Tansakul, also 43. She holds the party's finance portfolio.

A backlash against the court's ruling seems likely. On August 7th hundreds rallied outside the party's headquarters in Bangkok. The dissolution of Future Forward led to months of peaceful protests in 2020, which lost momentum only when dozens of the street movement's leaders were charged under the *lèse-majesté* law the following year. The perception of injustice boosted the prospects of Move Forward.

Big demonstrations are unlikely in the near term. But history could repeat itself at the next election, due by 2027. If voters give Move Forward's successor party a majority in parliament in protest at yet another undemocratic dissolution, it would be harder for conservatives to use lawfare to deny it a chance to form a government. This also risks pushing Thais onto the street in even greater numbers.

Meanwhile, foreign governments are watching nervously. In America President Joe Biden's administration has sought to differentiate itself from the transactional foreign policy of Donald Trump, mostly through expressing support for democracy around the world. But in Asia, America has been preoccupied with competition with China, sometimes forcing it to work with authoritarian regimes. Move Forward's dissolution had been predicted for months, but the Biden administration had not been overtly critical of the process.

One fear is that coming down too hard on Thailand's junta will push it into Beijing's corner. The generals are wise to this; after America suspended some military links following the 2014 coup, junta leaders ordered Chinese submarines and ramped up engagement with the Chinese People's Liberation Army. This time America will have to decide whether to allow a sale of F-16s that had been under discussion. The dissolution of Move Forward offers a robust test of America's supposed support of democracy in Asia. ■

Is the future female?

Could Kamikawa Yoko be Japan's next prime minister?

She would be the first woman to hold the top role

8月 08, 2024 07:33 上午 | SHIZUOKA and TOKYO

WHEN UNNO FUMIKO first met Kamikawa Yoko, she was left wondering: "Why would such an earnest person want to go into politics?" Ms Unno was a leader among the green-tea farmers of Shizuoka prefecture; Ms Kamikawa was a think-tank researcher, with no political connections, who wanted to enter parliament to represent the region. Having graduated from the University of Tokyo and Harvard University, Ms Kamikawa "could do anything", Ms Unno thought. Politics, long the domain of men from political families, seemed "like a waste". It took Ms Kamikawa seven years and two election cycles to win her first seat in Japan's lower house, in

2000. Now Japan's foreign minister, her career has been anything but a waste.

Indeed, she has emerged as one of a handful of serious contenders to win the ruling Liberal Democratic Party's (LDP) leadership vote in late September. Aso Taro, a party kingmaker, ignited such speculation by calling her a "rising star" late last year. By this spring, she had soared from relative anonymity to become one of voters' three most popular choices for prime minister. Though her star has faded slightly, she remains among the top five in most polls. If chosen, she would become Japan's first-ever female prime minister.

In an interview, Ms Kamikawa is cagey about her own trajectory. She insists that she is "devoting everything to the field of diplomacy" and "not thinking about" her next move. As a member of prime minister Kishida Fumio's parliamentary faction, she cannot say anything else as long as he remains in the race.

Yet the contest may well open up as the vote approaches. The LDP is still reeling from a financial scandal that dragged its ratings down to their lowest levels in decades. The party has lost a series of crucial by-elections in recent months. Approval of Mr Kishida's administration has been rock-bottom for much of the year, dipping below 20% in some polls. With a general election deadline looming next year, many in the party are clamouring for new leadership. While the 71-year-old Ms Kamikawa is an uninspiring speaker, she is respected across the party's disparate wings and could emerge as a compromise candidate.

Despite her decades in politics, her views are little known even within Japan. Who is she? The Japanese words *majime*, meaning "serious" or "diligent", and *jimi*, meaning "low key" or "modest", come up most often in conversations with those who know her. She credits her time at a private Catholic high school with instilling a sense of responsibility. "The pillar of my education was to serve others to the best of my ability," she reflects.

But her awakening to politics came later, while studying in America and working as an intern in the office of a senator, Max Baucus. At the time, in the late 1980s, Japan's economy was booming and its populace was confident. But from afar, Ms Kamikawa grasped that Japan's inward-looking politics left it "very weak" on the international stage. She resolved to change her country's politics from within, and wrote one of her term papers at Harvard on her future campaign strategy.

Back home in Shizuoka she built a grassroots support base. With her elite credentials, "at first the farmers found her a bit hard to approach—but now everyone supports her", Ms Unno says.

Ms Kamikawa made her name as justice minister, serving in the role three times under former prime ministers Abe Shinzo and Suga Yoshihide. Her most consequential decision was signing the execution order for 13 members of Aum Shinrikyo, the doomsday cult responsible for a sarin gas attack on the Tokyo subway in 1995. The move left her under lifelong police protection—and earned her the respect of the LDP's conservative wing. Her selection as foreign minister was somewhat unexpected, given her domestically focused roles.

Much has changed since her first foray abroad. These days America seems to be "feeling lonely and exhausted as a leader", she says. Japan's message, delivered by Mr Kishida during an address to Congress this spring, is that "American leadership remains essential in the international community, and that America does not have to shoulder that responsibility alone".

Japan's position has also undergone an inversion of sorts. These days, the mood at home is sombre. "People have the image that Japanese society is diminishing from an economic point of view—the population is declining, the birth rate is falling, the population is ageing," she says. But abroad, Japan is recognised for its contributions. The image there "is not one of Japan shrinking," she says. "I hope that people of Japan will know more about our achievements and feel proud." ■

Banyan

India cannot fix its problems if it pretends they do not exist

The government's response to bad news is to stick its fingers in its ears

8月 08, 2024 07:33 上午

TWO SURPRISING results came out in India on June 4th. One was the conclusion of a six-week-long general election in which the ruling Bharatiya Janata Party (BJP) expected an easy victory on the back of its hugely popular leader, Narendra Modi, the prime minister. Exit polls forecast as many as 340 of 543 seats for the BJP. Instead, the party limped in with just 240 and formed a government only in coalition.

For a cohort of 2.3m Indians it was that day's other result that was more important. A month earlier they had sat a national entrance test to compete for some 110,000 medical-college seats. Scores released on June 4th showed a surprising—and unprecedented—67 candidates with perfect grades, including six from just one testing centre.

What followed was no surprise at all. Allegations of corruption were flung about. The government denied that exam papers had leaked. The matter reached the Supreme Court, which ruled that there were leaks but they were not systemic. But not before an exasperated chief justice sighed, "Let us not be in self-denial because self-denial is only adding to the problem...Everyone knows there was a leak."

Denial is the first, and often the only, response of India's government to bad news. Last month analysts at Citigroup, a bank, noted that India would at best manage to create 9m of the 12m new jobs it needs annually to absorb new entrants to the workforce. Unemployment was in part responsible for the BJP's electoral disappointment. But the government responded with the dubious claim that it had created 20m jobs on average every year between 2018 and 2022, a period that includes the covid-19 pandemic.

That pandemic, according to official figures, killed half a million Indians. The World Health Organisation (WHO) estimates the toll at ten times greater. (*The Economist*'s model puts it at between 2m and 9.4m.) The government dismissed the WHO, citing "questionable methodology".

Mr Modi's government has never seen a methodology it likes. Last year the Global Hunger Index, a measure of undernutrition, ranked India 111th out of 125 countries. The government said it had "serious methodological issues". India ranks 176th of 180 countries on an environmental index. "Unscientific methods". What about the World Bank's human capital index, which measures health and education? "Major methodological weaknesses". The World Press Freedom Index? "Methodology which is questionable". The Freedom in the World Index, EIU Democracy Index and V-DEM indices? "Serious problems with the methodology". Sometimes the government does not even like its own data. In 2019 it withheld the release of unflattering consumption numbers, promising fresh ones with "a refinement in the survey methodology".

When there is no methodology to question, the government sometimes shoots the messenger. Several foreign journalists have been denied permission to work in India. Last year a BBC documentary about religious riots in Gujarat in 2002, when Mr Modi ran the state, was banned from the Indian internet. In July the government demanded that YouTube remove a documentary about Indian spies in Australia.

YouTube is increasingly in the cross-hairs. A recent survey found that as many Indians now rely on it for news as upon television and newspapers. YouTubers have emerged as a crucial source of opposing views in a landscape dominated by pro-BJP mainstream media, especially during the recent election. The BJP's response is to tame them. A bill making its way through the legislative process would require content-creators to register with the government and imposes onerous compliance costs, carrying the threat of criminal liability. The intent is to drive independent voices offline or at least steer them away from topics of substance.

Yet India's problems are real. Youth unemployment stands at 16%. Among fresh graduates it is 41%. An analysis of the government's own data by the *Hindustan Times*, a national daily, found that just 56% of Indians eat three meals a day. Pretending that these problems do not exist will not make them go away.

It is also self-defeating for a party that likes winning elections. Had Mr Modi received better information, he might have run a more effective campaign that acknowledged widespread concerns. He has projected himself as an almost god-like figure, demanding fact-free loyalty. But as this year's election shows, not everyone still keeps the faith. ■

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Selling the farm

A reform that could turbocharge the Chinese economy

Why won't the government give farmers more freedom to sell their homes?

8月 08, 2024 07:33 上午 | QUANJIAO COUNTY

CHINA'S "REFORM and opening" policy began more than four decades ago in the countryside. It involved dismantling Mao Zedong's disastrous "people's communes" and giving farmers their own plots of land to tend. Food production soared, as did farmers' incomes. Now some Chinese leaders want to disentangle rural property from a web of Mao-era restraints on ownership and let villagers enjoy another boom. The impact could be as far-reaching as those changes in the 1980s. But this time officials are proceeding more gingerly.

As more than 360 of the Communist Party's most senior members prepared to hold a much-trumpeted gathering in July, some Chinese experts called for a big overhaul of the rural-property-rights system. The moment seemed apt. The secretive meeting, known as the "third plenum" because of its position in the party's five-yearly cycle of policy pow-wows, was expected to focus on economic reforms, including in the countryside. State media stressed its importance by recalling that it was at a third plenum in 1978 that reform and opening officially started (although it wasn't until the early 1980s that reforms to agriculture took hold).

As it turned out, last month's plenum gave little sign that any sweeping change was in the offing, either in the rural domain or any other. It re-emphasised the well-known policy preferences of China's leader, Xi Jinping, who wants a technology-led economic recovery and tighter party control over everything. The meeting's pronouncements offered no promise of what some Chinese commentators see as the most badly needed ownership right for farmers: the freedom to sell their homes to whomever they wish. Since the 1980s, about 300m rural residents have moved to cities to work. As a result, about one-fifth of China's rural homes are unoccupied or abandoned. Their value, and that of the land they occupy, is being wasted.

Those calling for change include Meng Xiaosu, a former official who was one of the government's main advisers on property matters in the late 1990s when it decided to privatise urban housing and allow it to be freely traded. Those reforms unleashed a property boom that powered China's economy until 2021, when the market slumped. GDP growth is now faltering. In February Mr Meng told a forum that if rural housing could be sold in the same way as urban homes, "I believe it could drive China's economic growth to over 8% for more than 20 years." Such a rate has not been achieved since Mr Xi assumed power in 2012, apart from a surge in 2021 as China recovered from the initial shock of the pandemic. Last year's growth was 5.2%.

Another outspoken advocate of reform is Wang Huiyao, who heads the Centre for China and Globalisation, a think-tank in Beijing. Freeing the rural-property market, says Mr Wang, would be "low-hanging fruit" that, if plucked, would trigger the “next revolution” in China’s economy, comparable to the rural reforms of the 1980s, urban-housing reform in the 1990s and China’s emergence as a trading giant following its accession to the World Trade Organisation in 2001.

It would not be straightforward, however. Urban land is owned by the state but is leased to homeowners, typically for 70 years, with an assurance of automatic renewal. That is enough of a guarantee for most city-dwellers—hence house prices in the biggest cities that (despite recent falls) are among the world’s least affordable. In the countryside, land is owned by the “collective” (the village). Rural households have a right to use a piece of land to build their homes, but may not sell their property to people elsewhere. In practice some do, especially near cities where demand is high for cheaper homes or rural retreats. But buyers beware: when disputes arise courts usually rule that non-villagers have no right to the houses they have paid for.

Change has been slow. The government fears that lifting restrictions would encourage more farmers to sell and thus deprive them of a safety-net if they lose their urban jobs. It worries that cities may fill with large numbers of destitute people, potentially triggering unrest. Another concern is that a surge of new supply could deal a further massive blow to China’s crashing property market. There is an ideological restraint, too: the notion of collective ownership in the countryside is dear to the party. Admitting it is flawed would challenge a core ideological belief.

Since 2015, reforms have been carried out in more than 130 counties and a handful of prefectures, a tiny fraction of the total. Rarely have these involved relaxing the ban on selling to non-villagers, and even then only to others in the same area. More often the changes have focused on encouraging farmers who have moved to cities to give up their rural homesteads in return for compensation. In some cases farmers relinquish their land so that it can be used for commercial projects from which they get dividends. In other cases counties offer cash in return for housing—usually very little. In Fengyang county in Anhui province villagers can get an extra 50,000 yuan ($7,000) if they buy a new flat locally.

In the neighbouring county of Quanjiao, officials have been inspecting properties to check who owns what and then issuing *hongben*, or red booklets, as proof of ownership. These look just like urban-property certificates. In one village, however, residents are unable to produce them—they say they are being stored by the village authorities (a clue, probably, to who really controls the rights). In a nearby village where the majority of houses are empty, residents say that big changes have happened in the management of their agricultural land. The central government is encouraging experiments with the pooling of fields to make farms bigger and more efficient. Now all of the village's rice paddies are being tended by two people. But *hongben* have yet to be handed out. Villagers suspect that local officials have a tourism project in mind and do not want NIMBY-ish *hongben*-waving residents to block it.

State media have suggested that the recent third plenum may ultimately result in further reforms. But if the plenum in 1978 is any guide, they could be slow to unfold. On July 24th, six days after the meeting ended, the agriculture ministry's party chief, Han Jun, told reporters that reforms would be "carried out cautiously". Just to be clear he added: "The right to use homesteads is a right enjoyed by members of rural collective economic organisations, meaning that non-members of these organisations have no right to obtain or indirectly obtain these rights." In other words, do not bet the farm on a breakthrough. ■

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Digital papers please

China’s new plan for tracking people online

Is a digital-ID proposal meant to protect consumers or the Communist Party?

8月 08, 2024 07:33 上午

NETIZENS IN CHINA cannot post a comment on Weibo, a social-media service, or buy something on Pinduoduo, an e-commerce site, without first using their national ID or phone number to register with such platforms. That allows the services and, more important, the government to keep tabs on what people are doing online. It helps the authorities to combat such scourges as cyber-bullying—or to find people who criticise China’s ruler, Xi Jinping. Internet firms use the consumer data for their own financial gain.

But now the government wants to cut out the firms and assume responsibility for verification on the internet. On July 26th the Ministry of Public Security and the Cyberspace Administration of China released a draft proposal to issue netizens with a digital ID that could be used anywhere on the web. Under a pilot version of the scheme, users must go through steps such as facial recognition and a check on their national ID. All their information is then stored in a government database.

The proposed digital-ID system would reduce "the excessive collection and retention of citizens' personal information by internet platforms", say Chinese regulators. For example, Tencent, a digital giant, collects data on people chatting, gaming, investing and hailing rides via its platforms. It and other big tech firms have come under increased scrutiny in recent years. Concerned about their power and the political loyalty of their executives, the government has tightened its leash on the companies. But it has portrayed its actions, including the digital-ID plan, as a way to protect Chinese consumers.

Some online influencers have echoed the state's messaging. They complain that there are too many companies collecting too much data and that their personal privacy is not protected. But other commenters have expressed fear that the digital-ID plan would increase the government's control over the internet and make it even easier for the authorities to track people online. The claim of protecting personal information is "nothing more than a ruse", wrote Lao Dongyan, a law professor at Tsinghua University, on Weibo.

Even if one believes the government, its own data-security efforts leave much to be desired. In 2022 a hacker claimed to have obtained information on 1bn Chinese citizens from a Shanghai police database. Some cash-strapped local governments are also looking to profit from the information they collect by selling the rights to establish data-management platforms which could charge users for access.

The biggest concern, though, is that the government will make the new system mandatory and abuse it. Critics point to an anti-fraud app that the Ministry of Public Security launched in 2021. Though it was ostensibly voluntary, many people said they had little choice but to download it. The app was then used to identify people who viewed overseas financial news sites, reported the *Financial Times*. When it comes to the digital ID, the government's real aim is "controlling people's behaviour on the internet", wrote Ms Lao. Her post was quickly removed by state censors. ■

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Increasingly caffeinated

China is now the world leader in coffee shops

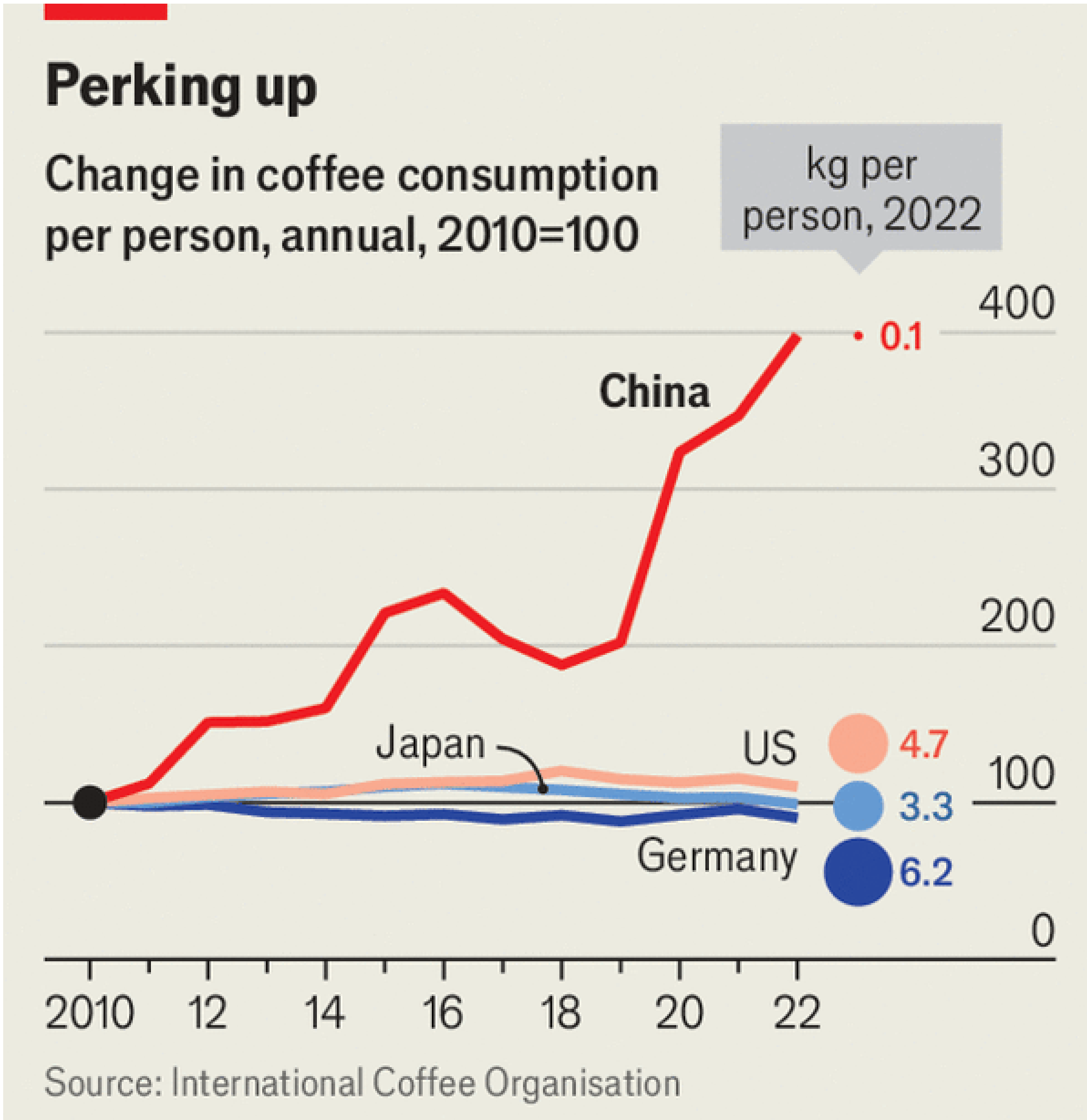
But the average Chinese person still guzzles much less than a typical American

8月 08, 2024 07:33 上午

Bryan Denton/The New York Time/Redux/Eyevine

THE HISTORIC city of Suzhou, about an hour’s drive from Shanghai, is criss-crossed with canals. Old whitewashed buildings line the banks. A century ago some of these would have been *chaguans*, or traditional teahouses, where locals gathered to discuss the news or conduct business. Today a visitor is more likely to find shops serving a different kind of beverage. There are dozens of Starbucks outlets in Suzhou, as well as other coffee sellers. Some even look like old *chaguans*—from the outside at least.

Between 2010 and 2022 coffee consumption per person in China rose fourfold (see chart), according to the International Coffee Organisation, a group of producer and user countries. (China’s GDP per person doubled over the same period.) The average Chinese person still drinks a fraction of the amount of coffee guzzled by the typical American: 0.1kg per year compared with 4.7kg. But last year China surpassed America, becoming the country with the most branded coffee shops (places like Starbucks) in the world, as the World Coffee Portal, a research firm, reported. China is home to nearly 50,000 such outlets.



The Economist

The early history of coffee in China is fuzzy. By some accounts it was Danes who opened the first coffee shop in the country in the 1830s. The drink didn't catch on, in part because the Qing dynasty took a dim view of foreigners and sought to curb their influence. A record from that period described coffee as a "black liquor, which the foreign devils drank after meals, saying it can help with digestion". A century later Lu Xun, a celebrated author, wrote that he didn't drink the stuff: "I always thought it was for the foreign excellencies." He and most other Chinese people preferred tea.

But after China introduced market reforms and opened up to the world in the 1980s, foreign firms such as Maxwell House and Nestlé brought instant coffee to the country. They catered to local tastes, making their mixes sweeter and less bitter than what they sold elsewhere. Western-style coffee shops arrived years later—chief among them Starbucks in 1999. The company's freshly brewed coffee was new to China. Having a laptop in one hand and a (relatively expensive) cup of Starbucks in the other became a way for young middle-class people to indicate their status.

The biggest coffee-drinking demographic is still "white-collar workers in first-tier cities aged between 20 and 40", according to Deloitte, a consulting firm. China's experience mirrors that of Japan some 50 years ago, when rising incomes led to more coffee consumption. A surge in office jobs—and long working hours—in China has also fuelled demand.

Today, though, a wider range of the population is partaking thanks to the rise of domestic coffee chains selling affordable brews. The leader is Luckin Coffee, with over 20,000 outlets. Starbucks, by comparison, has 7,300 shops. A cup of basic Luckin coffee is about a third of the price of an equivalent Starbucks offering. Luckin's sales in China exceeded Starbucks' for the first time in 2023. Both chains are expanding into smaller cities.

Coffee companies in China are also still trying to cater to local tastes. One innovation has been the "tea-coffee", a concoction that blends the two drinks. Luckin serves such fare as Oolong Latte and Jasmine Sea Salt Latte. Qing-dynasty officials are surely rolling in their graves. ■

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Revolution-coloured glasses

How China views the popular uprising in Bangladesh

The government is quiet. Others blame America

8月 08, 2024 07:33 上午 | BEIJING

JUST LAST month Sheikh Hasina travelled to Beijing, where she met China's leader, Xi Jinping. According to some reports, the erstwhile leader of Bangladesh cut her trip short, miffed at receiving less financial support for her country than expected. But if any foreign power deserves blame for the uprising that forced Sheikh Hasina to flee Bangladesh on August 5th, it is America, suggest Chinese state media. The *Global Times*, a nationalist tabloid, cites experts speculating about Western involvement in the chaos.

The Chinese government has said very little about what is happening in Bangladesh: it "hopes that social stability will be restored soon". But in state media and around the web there are hints of official thinking, with the situation sometimes referred to as a "colour revolution". That is a term that Mr Xi uses. China and its (mostly autocratic) friends must prevent foreign powers, meaning America, from fomenting such revolutions, he said in 2022 at a meeting of the Shanghai Co-operation Organisation.

Even as Sheikh Hasina tried to balance her country's foreign relations, China stood out as its biggest trade partner, a major foreign investor and an important supplier of weapons. In the eyes of some Chinese officials, Bangladesh stood out, too. They saw it as something of an example for other countries in the Global South. Commentary in Chinese state media lauded Sheikh Hasina for prioritising political stability and economic growth—ie, following China's development model—and for not being afraid of America and the other countries that criticised her oppression.

As Bangladesh becomes a geopolitical battleground, China will undoubtedly get more involved. That may be why Chinese officials have not criticised the uprising or questioned the legitimacy of the interim government. But the situation cannot sit well with them. The longtime leader of an Asian country—the child of the country's founding father—has been pushed out by protesters after losing the support of the army. It's the stuff of nightmares for Mr Xi.■

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Chaguan

China develops a divorced dating scene

Older Chinese looking to remarry face revealing obstacles

8月 08, 2024 07:33 上午

Chloe Cushman

POSTERITY HAS not been kind to Widow Luo. Bereaved as a young mother in the late Qing dynasty, her refusal to remarry earned her the emperor’s praise and a *zhenjie paifang*—a carved stone archway commemorating her chastity. A century and a half on, Widow Luo’s arch stands forgotten, its stonework crumbling on a backstreet in Lianglu, a sleepy village in south-west China.

When asked, villagers are hazy about the arch’s history. It is a relic of a “feudal” society whose ideas “no longer exist”, says Ms Yan, standing in the doorway of her grocer’s shop. Instead she describes how new ideas have reached the village, brought by women who left Lianglu to work outside, notably in Chongqing, a vast industrial city an hour's drive to the north. Ms Yan, 41, describes women rebelling against husbands who gamble and play mah-jong, or who are "unkind to their wives". A generation ago many considered divorce shameful. Now village divorces are "common".

Across China divorce numbers have soared, with 1.3m couples splitting in the first half of 2024. During that time just 3.4m couples got married. That is half the number of marriages registered in the same period a decade ago. Childbirths are becoming rarer, too. The growing reluctance of young Chinese to start families prompts national soul-searching. But those marriage statistics would look even bleaker were it not for another, less-remarked phenomenon: a rise in the number of middle-aged and elderly Chinese looking to marry again.

By 2019 almost a quarter of Chinese newly-weds had been married before, the Civil Affairs Ministry reported. Gao Ying, a professor at Beijing Normal University, describes a remarriage market shaped by cruel inequalities. These vary greatly between cities and the countryside. In cities divorced men are deemed a "treasure", with the experience to manage a new marriage. In contrast, divorced urban women are called "second-hand" wives. High-status divorced women face a lack of eligible men. It is another story in rural areas, where gender ratios have been skewed by decades of sex-selective abortions. Overall, China has 37m more men than women. In rural regions with many bachelors, even a woman divorced more than once "remains very popular as someone to marry", says the professor. As for uneducated, never-married men who never left impoverished home villages, "many will die alone."

From her shop in Lianglu, Ms Yan has watched such dynamics play out. She describes village women becoming confident after working elsewhere. Her former neighbour divorced ten years ago, then decided to raise her daughter alone, rather than rush to marry a man who might mistreat her child. The woman is waiting for her teenage daughter to grow up and go to university before she seeks a "suitable" second husband, explains Ms Yan.

To see how divorced men and women fare in cities, Chaguan headed to People's Park in Chongqing. A handsome spot, it is built on a series of treeshaded terraces above the Yangzi river. On Friday mornings it hosts a “dating corner” for people over 40 (lovelorn youngsters gather there each Saturday).

On a recent Friday a low wall is covered with sheets of paper: advertisements posted by a local non-profit group. There are over 8,000 men and women in the group’s database, says a volunteer. Many of the women are relatively well off. Typically, though, they seek men who are still better off—and are likely to be disappointed, reports the volunteer. The men in her database tend to be poorer, but still “want women to be beautiful and to have money”. They are likely to be frustrated too. Fewer than one in ten of those in the database find someone to marry.

Mr Zhao, a shoe trader from northern China, stands alone at a stone balustrade. The 46-year-old is trim and fit in a blue polo shirt, but life has left him cynical and wary. “There are few really sincere people now,” he sighs. Divorced ten years ago, he has no children and wants none of his own. He would accept a wife who came with a stepdaughter, and even one stepson. Two stepsons would be “too much” financial pressure, because young men need an apartment and car of their own if they wish to marry.

In a corner waits Mr Wu, a thin man of 44 from a poor region of Anhui province. During years of work in factories and restaurants, he never found a wife. He grew close to a woman once but she deemed his village home too shabby and left him, he says. Now he is putting his hopes in a big city. He has been trying to survive selling candied fruit on the street, but has been chased away by urban patrol officers. He is looking for a divorced woman, and would accept someone older and disabled. “The main thing is someone kind-hearted,” he says. Alas, he has no money and no home, so is “too embarrassed” to approach people.

A conservative society is changing at speed

A divorced local woman of 53, Ms He is looking for a companion aged between 60 and 70. Estranged from her adult daughter, she wants someone with whom to share walks, table tennis and cooking. Because Chinese authorities have made divorce slower and harder in recent years, she reports that “generally” older people plan to live together in an informal “trial marriage”.

Some older men stand out for dressing like teenagers, in shorts, T-shirts and hats that would not shame a New York rapper. One of them is Mr Hu, 68. He wants to find “a simple woman” of 50 or so, though he grumbles that even rural women have become “complicated”. He deems his chances slim, so is “here to have fun”.

Despite such flashes of bravado, interviewing older Chinese about marriage and remarriage is on balance a sombre business. For they share a similar concern: that the young seem unwilling or afraid to start a family, and even seem uninterested in falling in love. Nobody should mourn the old China that venerated “chaste” widows. But tomorrow’s China may be a lonely place. ■

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Swinging back to the centre

South Africa’s foreign minister wants better relations with the West

Ronald Lamola’s view counts: he may be the next president

8月 08, 2024 07:33 上午 | CAPE TOWN

SINCE THE general election of May 29th South Africa has been asking how long its new government of national unity (GNU) will last. The 11-party pact, anchored by the African National Congress (ANC) and the ex-opposition, the Democratic Alliance (DA), came about because the ANC lost its parliamentary majority for the first time. Despite some bickering, the two main parties in the union seem keen to stick it out, at least for a while.

The novelty of the GNU has obscured another important change. Of the 32 appointments Cyril Ramaphosa, South Africa's president, made to his bloated cabinet, the most intriguing was that of Ronald Lamola as foreign minister. The replacement of Naledi Pandor with the 40-year-old has raised hopes that South Africa wishes to reset relations with the West after years of rising tensions and ahead of the G20 summit in the country next year. It is also a signal that Mr Ramaphosa sees the youngest ANC member of his cabinet as a potential successor. *The Economist* recently spoke to him in his first interview with a foreign newspaper in his new job.

Under Ms Pandor South Africa's diplomacy became rather undiplomatic, at least towards America and Europe. "Zealous", "self-righteous" and "activist", are some of the words used by Western interlocutors to describe the 70-year-old. Beloved by left-wingers, she irked her Western counterparts, who increasingly resented being lectured on the apparent hypocrisy of their foreign policies.

Her posturing contributed to the belief that, though nominally "non-aligned", South Africa was generally siding with anti-Western countries. It has repeatedly abstained on UN votes condemning Russia's invasion of Ukraine. It held naval drills with Russia and China on the first anniversary of the conflict. In May 2023 America's ambassador alleged that a Russian ship, the *Lady R*, had picked up weapons at a naval base near Cape Town a few months earlier (the South African government denies this). Last year Mr Ramaphosa hosted the BRICS summit at which Iran was invited to join the bloc. Ms Pandor attracted the ire of Israel by speaking to Hamas ten days after its attacks on October 7th and by visiting Tehran soon after. She championed South Africa's genocide case against Israel at the International Court of Justice (ICJ).

In February the cumulative effect of these moves led America's House of Representatives to introduce a bill that, if enacted, would lead to a "comprehensive review" of bilateral relations. Though it would carry no automatic sanction, it would be a bad signal for South Africa. America is South Africa's fourth-largest source of foreign direct investment, its second-largest trade partner, and its biggest source of aid. Ms Pandor's visit to Washington in March failed to placate American lawmakers; according to several accounts she only confirmed their fears about South Africa's leanings. Whether the country should still enjoy a preferential trade deal with America under the African Growth and Opportunity Act is openly discussed in Washington.

Mr Lamola will be more emollient. He can laugh at himself: when asked why the president gave him the job, he does a self-deprecating impression of Mr Ramaphosa pointing to him at random. Early talks with his American and British counterparts have gone well. He wants to meet American lawmakers soon.

The limits of cakeism

The substance of policy will probably change less than the style. Like all ANC ministers he is a creature of the party. He wants South Africa "to keep the world in check" on human-rights issues. He says that the ANC will not turn on Russia because "it's not easy to just abandon your friends". As justice minister in the last cabinet, he was also heavily involved in bringing the ICJ case.

But there will be shifts in emphasis. Mr Lamola points out that it is in South Africa's national interest to have both "south-south co-operation" and "south-north co-operation". Under him diplomacy may look closer to non-alignment in fact as well as rhetoric. Expect a return to the standard cake-and-eat-it approach of the ANC since Nelson Mandela, who seemed as happy in the company of Muammar Qaddafi and Fidel Castro as he was with Bill Clinton and the Spice Girls. "And we are not selling arms to anyone," adds Mr Lamola, in an effort to draw a line under the saga of *Lady R*.

The new coalition government will encourage a less combative foreign policy. "The voters have forced us to work together," says Mr Lamola. The DA, a pro-Western party, has a de facto veto on policy, so will help curb the ANC's instincts. That is not saying much, but the new cabinet is arguably the least anti-Western since 1994, helped by the replacement of Thandi Modise, a Russophile, as defence minister.

Less clear is whether South Africa can adapt to a changing world. Cakeism had few costs when globalisation was all the rage. But it is harder to be "friends with everyone", as Mr Lamola aspires to be, when there are downsides to getting too close to one side of the division between the West and the rest. America's draft legislation and Japan's decision last year not to invite South Africa to the G7 (as had been the norm) are early signals of hardening attitudes. South Africa—a small, open economy—is at risk, should full access to Western markets and technology become conditional on the company it keeps. Its best hope is that the West itself is unsure about what mix of carrots and sticks might influence its behaviour.

South Africa, for its part, must reckon with its declining clout. Its absolute power has been weakened by economic stagnation and defence cuts (see next article). Its relative power has been diluted by the rise of other middle powers. Its moral authority has been dimmed by its reluctance to speak out against atrocities on the continent such as those in Sudan—and by vast corruption under the ANC's rule.

To his credit, Mr Lamola says the ANC has to do a better job of governing South Africa well, otherwise it will face more bruising elections. He may even lead his party into the next one. By giving him this senior job, Mr Ramaphosa has signalled that Mr Lamola could be in line to succeed him. He will have competition: Paul Mashatile, the deputy president, and Fikile Mbalula, the ANC secretary-general, are expected to run for the top spot. But with his patron's support the new foreign minister has a chance of being South Africa's first millennial leader. ■

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Soldiers of misfortune

Why South Africa’s army is floundering in Congo

Its decline is a parable of the rainbow nation

8月 08, 2024 07:33 上午

THE MUBAMBIRO base near the eastern Congolese town of Sake has become a death trap for the 2,400 South African troops stationed there. Hemmed in by mountains crawling with rebels of the M23, a Tutsi militant group backed by Rwanda, the South Africans are regularly shelled by precision-guided mortars. With no air defence or ability to warn of incoming artillery fire, casualties have mounted: seven soldiers have been killed and 33 wounded this year. The base is short of medicine, food and ammunition. Morale is dismal.

The South Africans, along with troops from Malawi and Tanzania, are part of a 5,000-strong force sent by the Southern African Development Community, a 16-country regional bloc, to help restore security to eastern Congo. They are struggling because the rebels know the terrain far better—and have better kit. Rwanda has funnelled surface-to-air missiles, rocket-propelled grenades and GPS-jamming devices to the M23. Some 3,000-4,000 Rwandan troops are reported to have snuck across the border to help the rebels.

The South African army was once considered among the best in Africa. During the apartheid years, it invaded and destabilised its neighbours. After the election of Nelson Mandela in 1994 South Africa began exporting stability, sending peacekeepers to places like Burundi to provide muscle to its growing diplomatic heft. No longer. It has been shown up by its failure to defeat the M23. Budget shortfalls and overstretch have taken their toll, threatening South Africa's ability to project power and influence across the continent.

The Economist

Start with funding. Budget cuts, corner-cutting and corruption have hollowed out the forces. South Africa now spends a paltry 0.7% of GDP on defence, less than most of its neighbours (see chart). Pruning the defence budget after apartheid seemed to make sense. The ruling African National Congress (ANC) sought to spend more on social services, health care and education and was loth to beef up an army it had spent decades fighting against.

But now the defence force struggles to maintain equipment. Last year 85% of the air force's planes were grounded. None of the navy's three submarines is seaworthy, and only one of four frigates is operational. Looking after the army's armoured vehicles has been outsourced to Cubans, who do a shoddy job, says Helmoed-Römer Heitman, a South African defence expert.

In Congo the results have been dire. The South Africans have been unable to deploy any of their badly needed Rooivalk attack helicopters because most have not been properly maintained. Without helicopter transport, troops must often travel by road, where they get ambushed. A single clapped-out C-130 cargo plane brings in a trickle of resupplies. The government has to spend a fortune chartering other transport aircraft. Some soldiers ask their families to post them socks and shirts.

Despite ambitious defence reviews in 1998 and 2015, South Africa's National Defence Force (SANDF) is an "analogue, low-tech" outfit, says Thomas Mandrup of Stellenbosch University. It lacks drones, electronic-warfare kit and digital command-and-control systems. Its last big procurement, in 1999, was mired in corruption. Even ammunition is in short supply as local manufacturers give priority to exports.

Nearly two-thirds of spending goes on salaries and pensions. The army's upper ranks are bloated with some 400 overpaid generals, many of them loth to retire, blocking promotion for soldiers in their 30s; the average age is 45, compared with 29 in America. Recruitment has slowed. Manoeuvres have been cut back. "We are in a dire, dire situation," admits Kobus Marais, a former shadow defence minister.

Big demands are nevertheless being placed on the underfunded force. Besides the Congo mission, around 1,500 troops have been sent to rebel-hit Mozambique. And they are often deployed for civil tasks at home, such as preventing illegal mining or guarding power stations from sabotage. Thousands patrol the country's porous borders and combat rioters and gangs.

There are still pockets of excellence and units with an esprit de corps. "They're doing the best with what they've got," says Mr Mandrup. "The special-forces units are still extremely good.” The Democratic Alliance, previously in opposition but now in the ruling coalition, wants to rejig the SANDF into a nimbler, high-tech force. It has called for another defence review and for withdrawal from Congo. But many suspect Cyril Ramaphosa, the president, is afraid of looking weak by pulling out.

“We have a government that still believes in South Africa as a regional leader, but they don’t pay for the baseball bat to go with it,” says Mr Heitman. South Africa has long postured as a policeman but its army is too ropy to do the job. As conflicts spread across Africa, other armed forces are filling the vacuum. Rwanda has supplanted South Africa in battling jihadists in neighbouring Mozambique.

Angie Motshekga, the new minister of defence, recently said “the role of the [armed forces] has never been more important than it is right now, both here at home and on the continent.” Then, with troops floundering in Congo, she cut (after inflation) the defence budget. ■

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Iran v Israel

Iran's frightening new playbook for war

It is abandoning the restraint that has prevented open conflict with Israel

8月 08, 2024 07:33 上午 | DUBAI AND JERUSALEM

THE SUBURBS south of Beirut are emptying as residents flee to the mountains. Airlines are cancelling flights to Beirut, Tehran and Tel Aviv. Civilians in Lebanon are filling their cars with petrol; stressed-out Israelis are ordering more fast food. The Middle East has been on tenterhooks for more than a week, awaiting the latest escalation in ten months of fighting between Israel, Iran and its militant allies. As *The Economist* went to press, that escalation had yet to happen—but much of the region expects it will in the coming days.

It has seemed inevitable since July 30th, when Israel bombed Beirut's southern suburbs and killed Fuad Shukr, a top commander in Hizbullah, the Lebanese Shia militia. That was in response to a rocket fired from Lebanon on July 27th, which killed 12 children on a football pitch in the Golan Heights. A few hours later Israel assassinated Ismail Haniyeh, the leader of Hamas, while he was visiting Tehran. Both Hizbullah and Iran have vowed to retaliate. If they do, their attacks will probably be co-ordinated, and may involve other Iranian-backed militias in Iraq, Syria or Yemen.

For years, analysts focused on Iran had two core assumptions: that it wanted to fight Israel through proxies, rather than directly, and that it wanted to keep the conflict below the threshold of all-out war. Both assumptions look increasingly fragile. Iran launched a barrage of more than 300 missiles and drones at Israel in April, after an Israeli air strike killed two generals at Iran's embassy compound in Damascus. It spent the first week of August contemplating whether to do so again. The taboo against direct conflict seems broken.

And Iran's recent rhetoric has suggested a new appetite for risk-taking. In meetings with their Arab counterparts, Iranian diplomats have been uncompromising, promising to retaliate harshly against Israel even if it plunges the region into all-out war. Hassan Nasrallah, the leader of Hizbullah, struck a similar tone in a speech on August 6th. He vowed to avenge Shukr's death "whatever the consequences".

If Iran and its proxies sound more willing to gamble, it is because Israel has grown less restrained, too. Since October 7th, when Hamas fighters massacred more than 1,200 Israelis and started an ever-widening war, Israel has carried out a spree of assassinations. It has struck Iranian officers in Syria and Lebanon, commanders of Hizbullah's elite Radwan force in south Lebanon, and much of the top Hamas leadership in Gaza, Beirut and Tehran.

Though assassination is hardly a new tactic for Israel, Binyamin Netanyahu, the prime minister, had been reluctant to order high-level hits during his many years in office. But that caution has seemingly evaporated since October 7th. From Israel's perspective, Hamas has already done its worst and Hizbullah and other Iranian-backed groups have joined the fight. No need to fear that assassinations might cause a regional escalation: it is already here.

Add to that Mr Netanyahu's personal and political calculations. Israelis are eager to avenge October 7th, and the assassinations are another way for the prime minister to try to revive his plummeting popularity. For Israel's security chiefs, meanwhile, such killings are an opportunity to prove they have not lost their touch.

The strike on the Iranian embassy compound in Damascus forced Iran to respond. Its attack in April caused little damage. Most of the projectiles were shot down by an ad hoc coalition of Western and Arab armies, or by Israel's air defences. But physical damage was, at best, a secondary goal of the strike. Iran's main objective was to lay down a marker: any attack on its territory would be answered in kind.

Israel ignored that marker. To be sure, there are differences between the killing of Haniyeh and the embassy strike in Damascus. Though Haniyeh was killed on Iranian soil, he was not Iranian. Israel did not take responsibility for either attack, but the method of Haniyeh's assassination—which seems to have been a bomb smuggled into his guesthouse—has muddied the waters. Israeli officials hope this will allow Iran to avoid a dramatic reprisal.

Iran, selected ballistic missile ranges, 2024
Source: CSIS

The Economist

But Iran seems bent on one. If it holds back, it will concede that it cannot deter Israel. Yet as it weighs a direct response, it is confronting an awkward reality. Its reliance on proxies was not only a way to keep conflict away from its borders, but also to mask the weakness of its conventional forces. Even if Iranian diplomats threaten an all-out war with Israel, the Iranian armed forces cannot wage one.

Though Iran has more than 3,000 ballistic missiles in its arsenal, not all of them have the range to reach Israel (see map). Its liquid-fuelled missiles, like the Emad used against Israel in April, need hours to fuel and prepare for launch—time an adversary can use to target the launchers.

Iran also has thousands of cruise missiles and drones with the range to reach Israel. But they need hours to cover the more than 1,000km between the two countries, giving Israel ample warning. That distance also means any sort of ground offensive is out of the question. Geography matters. Iran is too far away to bring overwhelming force to bear against Israel.

Proxy fright

Some of its proxies face a similar problem. The Houthis in Yemen managed to kill an Israeli civilian in July using a long-range drone that slipped through Israel's air defences. But most of the more than 200 missiles and drones they have fired at Israel have been swatted away.

Even in a new era of direct conflict with Israel, Iran must rely on Hizbullah, its most powerful proxy. Yet to unleash the Lebanese militia now would carry a dual risk. It would prompt a heavy Israeli bombardment—and possibly an invasion—of Lebanon. Israel cannot destroy Hizbullah, which has deep roots in Lebanese society, its economy and political system. But it can damage the military capabilities that Iran has spent decades building up.

The bigger concern, though, is that Israel might not stop at hitting Lebanon. When it bombed the port of Hodeidah in Yemen on July 20th, in retaliation for the deadly Houthi drone attack, Israel was trying not only to deter the Houthis. It was also sending a message to Iran: Hodeidah, after all, is farther away from Israel than most of Iran's big cities.

Iranian strategists might wonder, in hindsight, if they erred in April. The barrage they fired at Israel did not create deterrence. Instead it may have locked them into escalating the war yet again—at great risk to their proxies, and to themselves. ■

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Up with extremism

Hamas’s pick of Yahya Sinwar as leader makes a ceasefire less likely

The appointment of the architect of October 7th ties the group closer to Iran

8月 08, 2024 07:33 上午 | BEIRUT

IF THERE WAS ever any doubt over where the balance of power lay within Hamas, it was surely vanquished on August 6th when the militant group named Yahya Sinwar, its leader in Gaza and the architect of the October 7th attacks, as its supreme leader. The appointment sends a clear signal that Hamas’s most extreme faction is now in charge. This dims hopes of a ceasefire that might end a war that has already claimed nearly 40,000 Gazan lives.

Officials from Hamas gathered in Qatar in recent days for the funeral of Ismail Haniyeh, the former head of its political bureau, who was assassinated in Tehran on July 30th. Discussions over who would take his job were held behind closed doors. Though Mr Sinwar had gained influence in Hamas since its attack on Israel, he had not been expected to win the top position.

Several of the group's leaders in Doha had been pushing for Khaled Meshal as a counter to Mr Sinwar's authority. Since being elected in 2017 as head of the Gaza political bureau, one of three regional ones, Mr Sinwar has centralised power and swept aside his rivals. In theory his presence in Gaza should have disqualified him from leading the entire organisation, since its bylaws stipulate that the political bureau's overall head should reside outside Gaza. Yet its leaders backed Mr Sinwar unanimously, say sources in Hamas.

The appointment is technically only temporary, until an internal election can be held next year. Yet with the war in Gaza still raging, Mr Sinwar may not be challenged for some time. It means Hamas is becoming more of an underground guerrilla movement with a leader hiding in tunnels, instead of shuttling between the capitals of the region. In recent months the Qataris threatened Hamas's leaders with eviction from Doha unless they showed more flexibility in the ceasefire talks. Such a threat will have less effect on Mr Sinwar.

In messages passed via couriers from Gaza, Mr Sinwar had insisted that the new leader would need to be on good terms with Iran and Syria—two of Hamas's key backers. "Sinwar got much closer to Iran than anyone else in the movement in the past few years," says Azzam Tamimi, a writer with close links to Hamas's leadership. This amounted, in effect, to a veto on appointing Mr Meshal.

Yet Hamas has long had an uneasy relationship with Iran. For years the Islamic Republic was its main state sponsor, and a regular source of arms and money. But a Sunni Islamist group and a revolutionary Shia regime made for uneasy bedfellows. When Syria slid into civil war in 2011, Iran propped up Bashar al-Assad's regime, while Hamas sided with his mostly Sunni opposition. Mr Meshal, who led Hamas at the time, closed the group's headquarters in Damascus in 2012.

He spent the next few years trying to cultivate ties with the Sunni Arab powers: in 2015, for example, he made a rare visit to Saudi Arabia to meet King Salman. Some Hamas leaders backed his effort, hoping the Gulf would provide them with investment and legitimacy. Others preferred to patch up their relations with Iran.

In 2017 Mr Meshal spearheaded efforts to revise the group's charter in a document that softened its stance on Israel and appeared to nudge it towards accepting a two-state solution. Yet Mr Sinwar did all he could to undermine Mr Meshal's reforms, fuelling enmity between the two men.

Had Mr Meshal been named the group's new leader—an appointment Turkey and Qatar had urged—it would have weakened Hamas's pro-Iranian faction. The choice of Mr Sinwar means that Gulf states will keep their distance from the group, viewing him as a dangerous ideologue aligned with their main regional foe. Moreover, his appointment will further sideline the group's external leaders, who are generally seen as more moderate and keener on diplomacy than is Mr Sinwar.

Those in Hamas who look to diplomacy have been knocked back by Mr Sinwar's promotion. Indeed, Haniyeh had been seeking a ceasefire with Israel, while Mr Sinwar sought to prolong the conflict. With Mr Sinwar cementing his control of Gaza and now heading Hamas's political bureau, the chances of a ceasefire and the release of Israeli hostages look slimmer. ■

Europe

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Pushing hard

Russia's bloody summer offensive is hurting Ukraine

Kremlin troops are making gains in the Donbas region

8月 08, 2024 07:33 上午 | Pokrovsk


Reuters

FOR THOSE arriving on the lunar, pockmarked terrain of Ukraine's eastern front lines, life is often short. "The experienced soldiers fear getting to know the newcomers," says "Artem", a soldier once attached to the 59th brigade south of Pokrovsk, in the province of Donetsk. "Your fate is decided in the first few hours. Five, ten minutes, that's really all it takes."

Artem recalls seeing "perhaps 200 abandoned [kit] bags" with surnames in one forward bunker. Getting to positions is only half the story. Once in the crusty burrows that make up the front line, you have to deal with what some soldiers call *vinegret*, a beetroot salad; the putrid mix of metal, rubbish, branches, blood and human remains. “It’s impossible to hold positions as so many have fallen, and no one recovers the bodies.”

Russia’s summer offensive, unlike Ukraine’s counter-offensive last year, was never announced. Its most intense phase has been going on in the Donbas region and Kharkiv province for three months now. Beset by a shortage of weapons and men, Ukraine has steadily lost ground since falling back from Avdiivka in February: a village here, a bungled rotation there. It is now retreating by up to 1km a day. Fighting has intensified all along the front line. On July 30th President Volodymyr Zelensky said Pokrovsk, a town of 60,000 people before the war, had become Russia’s main target

Russia’s advance has been piecemeal and has come at a high price. At this rate it will be years before it completes its seizure of Donetsk and Luhansk provinces, its long-stated aim, if it can do it at all. Its losses, dead and wounded, run at several hundred a day, five to ten times Ukraine’s. Its armoured vehicles are being methodically destroyed by drones. It has thrown everything it has at the Donbas, leaving vulnerabilities elsewhere—a fact that seemed to trigger a raid by Ukraine at least 10km into Russia’s Kursk region on August 6th that it is struggling to repel.

But Russia’s tactics are working. Relentless waves of soldiers, thrown at Ukrainian guns, get through by sheer weight of numbers. Glide bombs and a 4:1 superiority in artillery shells demolish positions. Drones imperil supply roads. “They attack our weak spots all along the front line,” says Serhiy Tsikhotsky, an officer in the 59th brigade. The Russians appear to be targeting units with low morale or command tensions, using disinformation and guns to weaken them further. The 59th has been a particular target following the public criticism of its commander for an allegedly cavalier approach. Mr Tsikhotsky says this was unfair. “Right now commanders are having to decide between the difficult and extremely difficult.”

A security source in Pokrovsk blames much of the downturn on a “devastating” hold-up of weapons by America’s Congress this year. But the most pressing problem is the failure of Ukraine’s mobilisation programme. Russia has more men. Morale in Ukrainian ranks has dropped accordingly, he says, though the extent varies wildly depending on the brigade.

Three years of attrition can wear down even the best units. A commander of the 24th brigade, recently transferred from Niu-York to Chasiv Yar, two of the hottest sections of the front, says battalions in his brigade are now fighting with just 20 people in position, less than a platoon size. He asks to remain anonymous to express his anguish in full. “Call me Syrsky,” he quips, his voice laced with anger towards Oleksandr Syrsky, Ukraine’s commander-in-chief. He says his brigade, which mostly uses now-rare Soviet-era weapons, has been rationed to two-to-six shells over eight guns per day. The result is about 15 casualties for every fighting day in the brigade. “It’s madness. We are fighting with cooks, electricians and mechanics.”

The recent setbacks have prompted senior commanders to send in crisis managers, with some success. Among them is Colonel Pavlo Fedosenko, who twice played a crucial role in defending Kharkiv from Russian attacks, most recently in May. His appearance at Krasnohorivka, a critical sector, has coincided with its stabilisation. Ukraine is now holding off the Russians from advancing farther. It still controls about 10% of that town.

The Economist

“The command was weak,” he says in a rapid interview near the front lines. “I’ve given each unit clearer instructions on their tasks, the location of reserves, the enemy’s position, and where Russian drones are operating.” Colonel Fedosenko insists that the stabilisation must be followed by a push against Russian lines. “We need to regain the initiative. If we don’t, they will continue to set the terms.”

Pokrovsk, like many towns and cities in Donbas, waits. Its eastern supply road to Kostiantynivka is already in the range of Russian drones. Ballistic missiles are a daily threat. Before the fall of nearby Avdiivka in February, two-bedroom apartments here sold for $25,000. Now, they are $7,000-10,000. A chimera of civilian life remains in the centre of Pokrovsk, but sadness is etched on every brow. The source in the security services predicts life will change even more definitively here within a couple of months. “They’ll get to certain positions,” he says, “and then Russian artillery and FPV drones will start landing.”

The grinding Russian offensive is posing many questions of Ukraine: of its people, politicians and soldiers. Artem came to a dramatic conclusion. He fled, using the pretext of picking up a parcel from the nearest town. “I wouldn’t be talking to you now if I hadn’t done it,” he says. But even he believes Ukraine must continue fighting, rather than seek peace, and he would do so under a better leader than General Syrsky. “As a commander I see the need for negotiations,” says Colonel Fedosenko. “But as a fighter, a patriot, and a Ukrainian, I’m dead against them.” ■

Late arrival

How much of a difference will Ukraine’s new F-16s make?

Too few to beat Russia’s air force, but a strong symbolic start

8月 08, 2024 07:33 上午

BETTER LATE than never. Since the start of Russia’s full-scale invasion in February 2022, Volodymyr Zelensky, Ukraine’s president, has been pleading for F-16 fighter jets. The first ten (of an eventual 79) arrived in Ukraine on the last day of July, a year after the reluctant Biden administration finally gave its more eager European allies the green light to send them. By the end of 2024, Ukraine should be flying 20 of the American-made fighter jets. The rest, promised by the so-called F-16 coalition led by Denmark and the Netherlands, will arrive in batches during 2025.

Frustration about how long it has taken to get the aircraft to Ukraine is intense, says Ben Hodges, a former commander of American forces in Europe. One reason for the delay in providing sufficient numbers of F-16s to make an impact, he says, is a "pitiful" lack of training slots for Ukrainian pilots–a "policy decision by the administration". Language difficulties have also contributed. Ukraine has excellent, battle-hardened pilots. But F-16s, even these relatively old ones, are both very different and more complex than the Soviet-era Mig-29s and Sukhoi-27s they are used to.

Another factor has been the time needed to get the infrastructure in place to receive them. The aircraft requires more maintenance than its Russian equivalents. Flight engineers need as much training as the pilots (even though some Western civilian contractors are almost certainly on the ground in Ukraine). Some repair and maintenance may also be carried out in the neighbouring NATO countries of Poland and Romania, which will infuriate Russia.

The incoming aircraft are a priority target for the Russians, says Nico Lange, a former chief of staff in Germany's defence ministry. This is why they have been deployed with a great deal of secrecy, in dispersed bases with underground or hardened shelters, along with decoys. But such dispersal makes the logistics harder: it requires more people and more spare parts.

How much difference will the F-16s actually make? Douglas Barrie, an expert on air power at the International Institute for Strategic Studies, thinks the main immediate value is a boost to morale. The initial numbers are small, and the Ukrainians will use them cautiously to avoid losses that would give Russia a propaganda victory. But they should start to make an incremental difference.

According to reports, America is equipping the F-16s with advanced air-to-air missiles (such as the long-range version of the AIM-120 and the AIM-9X, the newest version of the Sidewinder) as well as high-speed anti-radiation missiles. They will be able to carry up to four GBU-39 glide bombs (basically a shell with stubby wings that can be launched from a plane) which, while smaller than their Russian equivalents, are far more accurate and longer-range. They can also carry cluster munitions to be used against troops and armoured formations. Upgraded radars are reportedly on the way.

The F-16s could lessen the impunity with which Russian Su-34s have been pummelling Ukraine’s front lines. The Russians have been launching more than a hundred crude but effective glide-bombs every day without having to leave Russian airspace. A priority, says Mr Lange, will be to force Russian pilots to stay further back or risk being shot down. The AIM-120D is an all-weather missile with its own active radar that is thought to have a range of up to 180km (112 miles), though when the target takes evasive action the missile must twist and turn, reducing its range.

The F-16s can use cheaper heat-seeking AIM-9X missiles to take down the cruise missiles that have been crippling Ukraine’s civilian infrastructure. Their 20mm six-barrel Gatling gun should be effective against Russia’s slow-moving Geran drones, copies of the Iranian Shahed. F-16s could also fire Harpoon anti-ship missiles against the remainder of Russia’s Black Sea fleet.

But with numbers building up slowly, it may take some time before the F-16s can have much impact. A recent report by the Centre for Strategic and International Studies (CSIS), another think-tank, argues that Ukraine needs many more aircraft than have so far been promised. Of the 79 committed, at least ten are two-seat trainers. Some of the others may be in such poor condition as to serve mainly as a source of spare parts. Ukraine may have enough for just three to four squadrons. The report argues that it needs 12 squadrons or more with 18 planes per squadron to achieve local air superiority and support a ground offensive.

Ukraine has been pleased by French and Swedish offers of Mirage and Gripen fighter jets. But because of the advantages of flying a single type of aircraft, it would much rather get more F-16s. Seth Jones of CSIS says Ukraine may be able to bridge the numbers gap by teaming F-16s with home-made “wingman” drones. Ukraine is building increasingly capable drones of all kinds, and using them in innovative ways.

It will take time to integrate the F-16s with Ukraine’s air-defence systems and to acquire operating experience. Co-ordinating aircraft flying from multiple airfields will be challenging, says General Hodges. One key to unlocking their potential is the ASC 890 control and surveillance aircraft; in May Sweden announced it was donating two of them. But it is not clear when Ukrainian crews will be ready to fly them.

Still, the F-16s' arrival marks the start of building a NATO-standard air force. It plugs Ukraine into the F-16's well-developed supply chain. NATO weapons systems such as Storm Shadow/Scalp missiles will be far more effective when carried by a plane they were designed for, rather than lashed on to elderly MiGs and Sukhois. Ukraine's F-16s also come equipped with Link-16, a NATO tactical data-link that allows secure communications and improved situational awareness. Too few and too late though they may be, the F-16s' importance should not be underestimated.■

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Shell and shock

Ukraine surprises with a high-stakes raid into Russia

The second battle of Kursk is raging

8月 08, 2024 10:06 上午 | KYIV

THREE DAYS in, Ukraine's unexpected cross-border raid into Russia's Kursk region to the north-east shows no signs of abating. Since the start of the operation on the morning of August 6th, Russia has lost full control of at least 350 sq km of its territory. Scores of its soldiers have been killed or captured. A race is on to halt the advance—and prevent the Ukrainians from digging in.

August 7th 2024

Russian-controlled
Russian operations*
Claimed as Russian-controlled
Ukrainian advances†
Selected gas pipelines

*Russia operated in/attacked, but does not control †Since May 2023
Sources: Institute for the Study of War; AEI's Critical Threats Project

By August 8th, Ukrainian forces had progressed towards Sudzha, 10km from the border, and Korenevo, 15km inside Russia. Fierce fighting continues in both areas. Reports suggest that smaller Ukrainian units have broken away and are fighting even deeper in. Social-media footage shows the results of the fighting: destroyed buildings and dead soldiers, scattered across pockmarked roads. Videos released on the first day showed a large group of Russian prisoners being marched away under armed guard.

Much is still unclear, not least the scale of the operation. On August 7th, Valery Gerasimov, Russia's top general, claimed that a force of approximately 1,000 Ukrainian soldiers had been stopped. Neither aspect of that statement appears particularly accurate. Ukraine has committed units from at least four elite brigades, meaning that the strike force is probably much greater. Ukraine has mined the main road leading south-east to Belgorod, and has significant air defences in the area. Given its successful start, Ukraine may well bring in more reserves, despite its own thin lines in Donetsk province to the south.

Even by the foggy standards of war, the Kursk raid has been shrouded in a cloud of secrecy. Western governments were taken by surprise. A Ukrainian general-staff source near the border admitted he didn't know the full picture. "We were told to pack our bags on August 4th," he says. "The bosses didn't say where we were headed, and we still only see part of it." The shock, surprise and silence is reminiscent of that achieved by Ukraine prior to another lightning offensive, in Kharkiv province, in late 2022.

An intelligence source says that Ukraine has been reassured by the early successes of the operation, which, he claims, has thrown Russia into paralysis. Russia is now using elite soldiers in dangerous ways to stem the advance, he says. Ukraine on the other hand is only advancing where it made sense. "The Russians are making very stupid errors and it's all down to their corrupt top-down management which prioritises good news over the truth." The Kursk incursion, which follows reverses in Kyiv, Kharkiv region and Kherson, represents the "fourth big failure" of Russia's generals in mechanised, manoeuvre warfare. "We've now got options and the Russians know it."

Previous cross-border raids were mostly led by Ukraine's military intelligence. On this occasion, the operation is more closely associated with Ukraine's much-criticised new commander-in-chief Oleksandr Syrsky, with regular army units joining these raids for the first time. With stakes this high, General Syrsky's career may well be riding on it. Reports from frontline Ukrainian hospitals suggest that casualty figures are already mounting. People may still question whether it was wise to devote so many troops to the incursion while critical frontlines are thin. The answer will depend on the operation's success.

On that, it is still too early to speculate. The general-staff source compares it to a game of chess. Ukraine's next moves will be determined by Russia's response. Will Russia move reserves from the nearby Kharkiv theatre, where there has been a noticeable buildup in recent days? Or from the bloody offensive in the Donbas, where Ukraine's under-strength forces are struggling to hold the logistically important town of Pokrovsk? Releasing pressure elsewhere would be an end in itself. "Either they react and transfer more forces here, or they don't react and we can move further."

A larger strategic goal is likely also in play. An immediate focus is the Sudzha gas-transfer station, the only operational entry point for Russian gas on the Progress pipeline to Europe. But it is not immediately clear what control of that station could bring Ukraine. Both Ukraine and Russia have interests in its continued uninterrupted operation given transmission fees paid to Ukraine and the financial difficulties of Russia's Gazprom, which is struggling under the weight of sanctions.

Russian pro-war social media suggest Ukrainians are aiming to capture the Kursk atomic station, 60km from the border, as a tit-for-tat move against Russia's occupation of its Zaporizhia nuclear plant. The Ukrainian general-staff source suggests this is unlikely, as it would require an 80km march from the border and a larger force. "Without a properly organised force, you'll repeat the mistakes the Russians made north of Kyiv in 2022. We cut off their lines and they were easy prey." The fact that Ukraine has committed mechanised forces, including tanks, will compound its logistical challenge: armoured vehicles need lots of fuel and maintenance.

A more feasible aim might be to create an embarrassing “buffer zone” on the border, similar to Russia’s own attempts to create one in nearby Kharkiv over the past three months. It could even become a bargaining chip in some future negotiation. “Russia was trying to prepare a solid position,” says the intelligence source, “but now they are fucked because they can’t protect their own terrain.” Any new Ukrainian line in Russian territory would be extremely difficult to hold. But it would represent a very public slap in the face to Vladimir Putin. And for a nation longing for good news for much of the last year, that would already be something. ■

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Flatlining

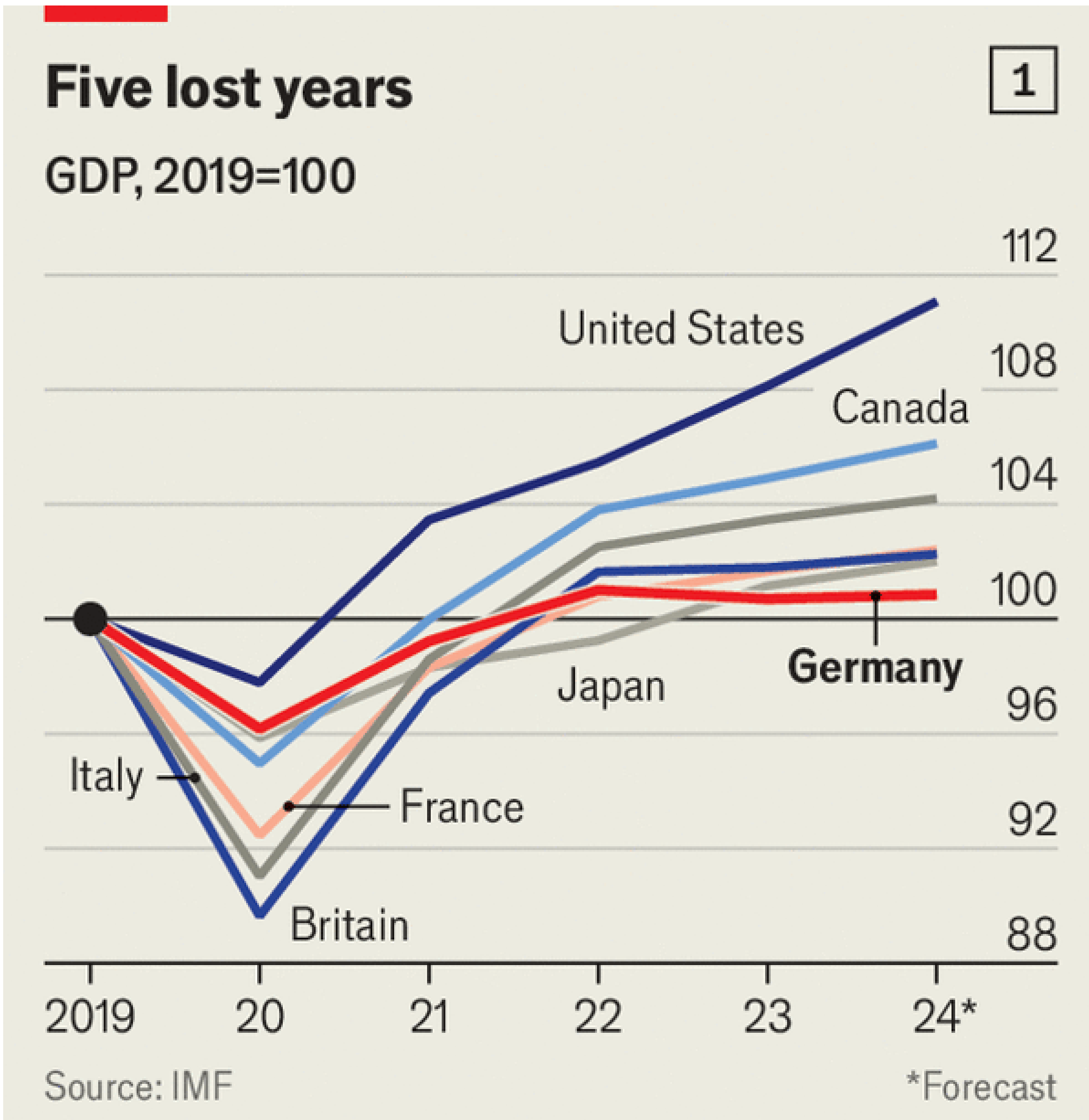
Can anything rouse Germany from its economic slumber?

Politicians are more interested in trivial budget rows than finding sources of growth

8月 08, 2024 07:33 上午 | BERLIN

PITY THE the leading lights of Germany’s government. Last month they struck an eleventh-hour deal for next year’s budget, narrowly averting the collapse of their three-party coalition. Now it is all unravelling. Experts convened by Christian Lindner, the finance minister and leader of the fiscally hawkish Free Democrats, concluded that accounting tricks in the draft budget designed to circumvent Germany’s deficit-limiting “debt brake” risk falling foul of the constitutional court.

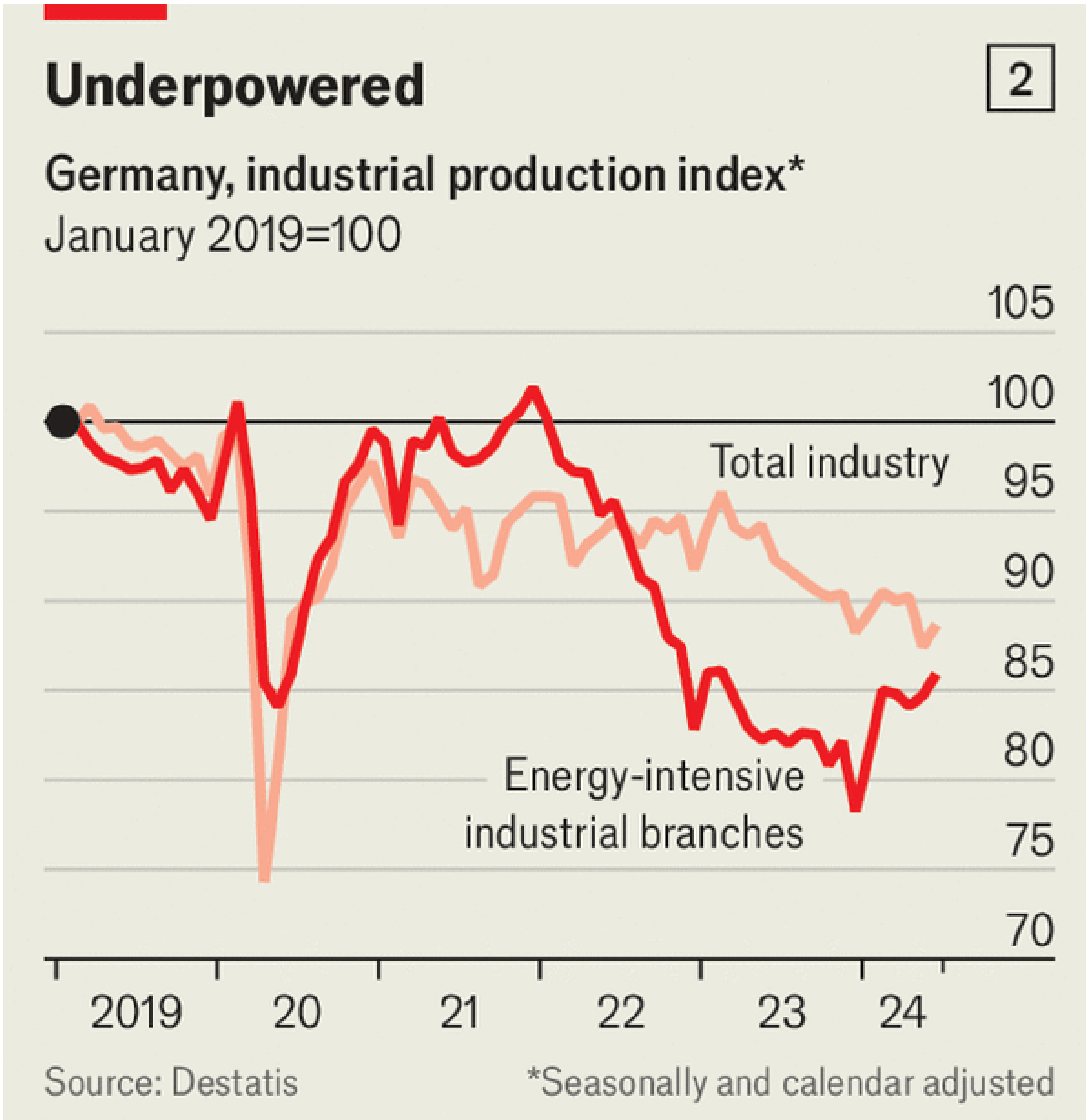
Mr Lindner says further cuts of €5bn ($5.5bn) must be found. That is barely 1% of the budget, but his suggestion that the books might be balanced by cutting welfare spending infuriated the Social Democrats, the party of Chancellor Olaf Scholz. In what has become a familiar ritual, the notional allies immediately took their dispute public. From his holiday retreat, Mr Scholz contested Mr Lindner's interpretation of the academic reading of the legal aspects of the budget. Only in Germany.



The Economist

Germany stands out in another unhappy respect, too. Its GDP contracted in the second quarter compared with the previous one, following a mild recession last year. Having barely grown in five years, Germany is a standout laggard among its G7 peers (see chart 1). Industrial production has tumbled, especially in energy-intensive sectors (see chart 2), and Germany's carmakers are struggling. Unemployment is inching up.

In the spring hopes were high that the German consumer, whose wage growth was outstripping inflation, would ride to the rescue. But workers are instead channelling their income into savings, perhaps concerned that the good times are temporary. Disappointing corporate investment, especially in construction, is a major drag, not helped by the ECB keeping rates higher for longer (though it has now begun cutting). Weak growth in China and Europe has hurt German exports. And with no prospect of Germany loosening its debt brake before next year's election, fiscal policy will be no help. "There is a clear risk that the recovery will be even slower than many expected," says Oliver Rakau of Oxford Economics, a consultancy.



The Economist

What to do? The budget plan approved last month was accompanied by a package of measures to boost growth, such as tax incentives for investment and policies to boost the labour supply. Overall, these are a step in the right direction, says Clemens Fuest, president of the Ifo Institute in Munich, a research outfit; but few expect huge results. And the package must still get through a sceptical parliament; previous such efforts have been watered down.

Some high value-added sectors, like pharmaceuticals, are holding up. The Bundesbank is among those that expect a brighter 2025, as rates fall and consumers finally open their wallets. Yet even a cyclical upturn will confront the headwinds that have long held the country back. The factors are familiar: demographic woes, a lack of skilled workers and a bloated part-time sector; sluggishness on digitalisation and ageing public infrastructure; and what Mr Scholz calls the “mildew” of red tape. To this sea of troubles may be added the world’s turn against globalisation and growing Sino-American tensions, especially if America re-elects Donald Trump in November. When a government struggles to agree on a budget, how can it hope to respond to these challenges? ■

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Dog gone

Turkey’s president refuses to let sleeping dogs lie

Stray dogs are being rounded up

8月 08, 2024 07:33 上午 | ISTANBUL

STRAY DOGS have been a fixture of Turkey’s cities for centuries. Butchers ply them with scraps, pensioners offer them water, while others use boxes fitted with blankets to shield them from the winter cold. The strays are chipped, vaccinated and spayed by local vets.

Now the dogs seem poised to disappear. A law drawn up by the ruling Justice and Development (AK) party and passed by parliament on July 30th requires municipal authorities to round up Turkey’s strays and keep them locked in shelters. Aggressive or terminally sick dogs would be put down.

At an animal clinic in Kemerburgaz, on the outskirts of Istanbul, officials say they receive an average of 20 sick or injured street dogs every day. For years, they would nurse the animals back to health and return them to the neighbourhoods where they roamed. From now on, however, the dogs in their care must remain penned up, unless they can be adopted. The law gives Turkey's municipalities until 2028 to build enough new shelters for the country's estimated 4m strays. At the moment, these can house only 105,000.

Turkey's president, Recep Tayyip Erdogan, and AK frame this as the only solution to a dangerous menace, citing instances of children being mauled. Animal-rights activists say the measures will create shelters teeming with dogs and disease, paving the way for a mass cull. A political stand-off is brewing. The opposition Republican People's Party (CHP), which runs the country's biggest cities, says it will not comply.

Turkey's dogs have been here before. In 1910 the Young Turks, in their zeal to modernise the crumbling Ottoman Empire, dumped tens of thousands of Istanbul's strays, deemed a symbol of backwardness, on a rocky island near the city's shores. Mad with hunger, the dogs turned on each other and eventually starved, but not before keeping the city awake for weeks with their howling. Today's strays deserve better. ■

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Choose the snooze

The siesta is still a serious business in Europe’s south

It should be copied more widely

8月 08, 2024 07:33 上午

WHILE ON HOLIDAY in Europe this summer, the *Washington Post* advises American readers, bear in mind a few things to avoid being seen as clueless. Reset your air-conditioning expectations, observe local tipping customs and say *bonjour* or *bonsoir* to a French shopkeeper at all costs.

That is, if the shop is open. But many American travellers to the south of Europe, especially in smaller towns, will find to their dismay that just as they are hoping for a little post-prandial retail therapy, they are confronted with a wall of iron shutters. The charming town that was so lively at ten that morning has now apparently closed for business. It is, of course, time for the siesta. In countries from Spain through France and Italy all the way to Greece, the workday is very different from the northern European and American one. After lunch comes the long break that divides the day in two. Some sleep. Others merely read the paper or visit friends. Only late in the afternoon do the shutters rise again; refreshed by their breaks, owners of even small businesses may stay behind their counters until nine, refreshed by their *riposino*, *messimeri*, or siesta.

Though English gets the word from Spanish, siesta is ultimately derived from the Latin phrase *sexta [hora]*, for the sixth hour after sunrise, when it was typically taken in Roman times. Like the skilful employment of architecture, gardens and water, it is one of the ancient coping mechanisms that makes life in blisteringly hot places possible. But the siesta has persisted, partially, to this day, giving those who do not know it the slight impression that yes, life down south is good—because people don't take work too seriously there. Thierry Paquot, a French philosopher, wrote in a book from 2003, "the siesta is a means for us to reclaim our own time, outside the clockmakers' control. The siesta is our liberator." Just like an idle French philosopher.

But for those who take it, the siesta is a serious undertaking. Camilo José Cela, a Nobel-prizewinning Spanish author, called it "Iberian yoga", and said it should be taken with "pyjamas, chamber pot and Our Father". Just like a Spanish novelist, perhaps. But for those still unconvinced, consider this endorsement: "You must sleep sometime between lunch and dinner, and no halfway measures. Take off your clothes and get into bed…When the war started, I had to sleep during the day because that was the only way I could cope with my responsibilities." Whatever other qualities Winston Churchill had, laziness was not one of them.

Sleep researchers believe that the siesta is not just a cultural artefact. An early afternoon slump in alertness and energy seems to be universal, even in cultures that lack the tradition of big and wine-soaked lunches. The world's few remaining hunter-gatherers, such as the Hadza of Tanzania or the San of the Kalahari Desert, typically sleep in the afternoon, and these are people who must work to eat. Other hunter-gatherer groups take a siesta only in the hot months. But the post-prandial snooze is not only a warm-country practice. An observer of independent weavers in late 17th-century Birmingham said that "they live like the inhabitants of Spain", starting work before sunrise, then taking a long afternoon break (some sleeping, others drinking and talking) before returning to a long evening period of renewed work.

Why doesn't everyone siesta, then? The answer is of course the industrial condition: those clocks Mr Paquot decries, and workplaces outside one's control. And that is the reason so few southern Europeans actually manage to sleep today. Urban life means working too far from home to get back in time to eat and get a decent kip before the afternoon. A study of Spaniards found that 60% never take siestas, and those who do, do so more often on their free days. Naps are even less common in Italy and France.

That leads to a possible worst-of-both-worlds situation. Spanish workdays are punishingly long. The traditional lunchtime (two o'clock) followed by a long break pushes the afternoon shift far into the evening; it is common to finish working at eight or later, making life especially hard for parents. Spanish dinner can be at ten, possibly followed by nightlife. On such a schedule people must find time for the siesta, or force themselves along with stimulants—and live in an unhealthy state of chronic sleep deprivation. A study at Harvard University of 23,000 Greeks found a 37% increase in risk of death from heart disease in those who had abandoned the siesta. The effect was particularly pronounced among working men.

See for yourself

If you are unconvinced by the scientists, then, as the conspiracy theorists say, do your own research. Your guest columnist (the usual Charlemagne is taking part in another European sin, the long holiday) has been the Spain correspondent for the past several years. He has often found it hard to get anything done in the afternoons, sometimes because of a long lunch with contacts, and sometimes because those contacts have had lunch with someone else and are not picking up the phone.

So he has occasionally found it only efficient to do as the Madrileños do. A quick lie-down around three has invariably resulted in an automatic waking almost exactly 45 minutes later. A few minutes to shake the resulting cobwebs off and the rest of the afternoon was inevitably more productive, and the occasional late night with friends or late shift at the keyboard survivable.

Don’t call it a power nap—that would tarnish the siesta, suggesting that everything must be about competing ever harder. But consider it restorative, not lazy. The siesta matches deep-seated biological rhythms you can fight only at a cost. If you do make it to southern Europe this summer, forget trying to find new shoes in the afternoon. Put your feet up, and your head down, instead. ■

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Britain

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The haters

The evolution of Britain’s extreme right

White nationalism has become more amorphous and more online

8月 08, 2024 07:33 上午

THEY BROKE through the hotel doors soon after midday on August 4th. Around 700 far-right activists had gathered outside the Holiday Inn Express in Manvers, a suburb in the deprived northern town of Rotherham, that morning. The mob chanted “get them out” and “burn it down” at asylum seekers housed inside and hurled chairs, planks and bricks at the police. Hotel staff erected barricades. One rioter started a fire in a doorway. It is remarkable no one was badly hurt.

The violence over the past two weeks in Britain has been horrifying. Sparked initially by the killing of three children on July 29th, the disorder took on a life of its own. Thousands have taken part in riots; violence has spread to 22 towns and cities. White nationalists have attacked mosques, asylum hotels and Muslim neighbourhoods and businesses. It is hard to judge how quickly it will stop. Fears of more trouble on August 7th were not realised as counter-demonstrators took to the streets. But further clashes are possible.

In some ways the violence, and some politicians' ambiguous response to it, recalls earlier bouts of far-right brutality. But in its scale and the way it was organised, it points to something new.

The first major race riot in Britain took place in 1919. Up to the 1970s they flared periodically, usually in urban centres and poor mixed neighbourhoods. Most riots since, with a handful of exceptions, have been between black youths and the police. The last big one, in 2011, was sparked when police shot dead a black man in London; five other people lost their lives. But the past week has seen "the most widespread far-right violence in Britain's post-war history", says Joe Mulhall of Hope Not Hate, a campaign group.

That is a shock. Until recently the far right in Britain appeared a diminished force, caught between a decline in racist attitudes and a winner-takes-all electoral system that favours big political parties. Throughout the 20th century the far right tried, and largely failed, to combine street activism with success at the ballot box. The British Union of Fascists (BUF), founded by Oswald Mosley, an aristocratic antisemite, attracted some 50,000 supporters in the 1930s but failed to make any electoral headway. After the second world war, Mosley turned to aggressive street campaigning in migrant communities.

That was a tactic continued in the 1970s by the National Front, a white-nationalist group that campaigned against the arrival of Ugandan Asians. In an infamous clash, in 1977, 500 National Front members marched through Lewisham, a multicultural borough in London, under a banner that read "clear the muggers off the streets" before brawling with police. Bouts of street thuggery damaged the National Front's appeal; the Lewisham riots came to be seen as the start of its decline. In the 2000s a successor outfit, the British National Party (BNP), won a handful of council seats and two seats in the European Parliament.

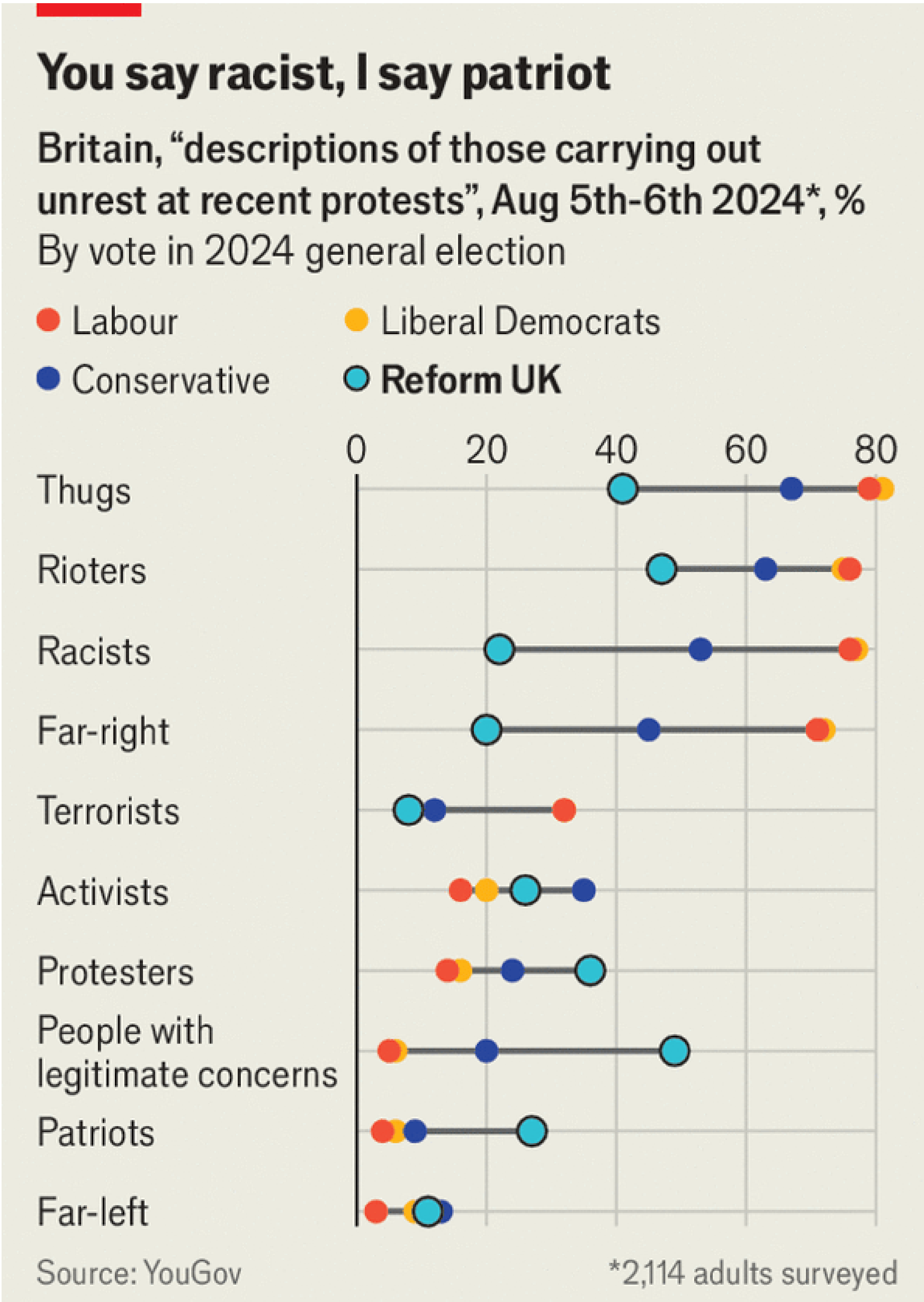
The electoral market for such extreme views, never that large, has steadily shrunk. Only 17% of people now say that to be truly British, it is very important to have been born in Britain, down from 48% in 1995. As a result a distinction has emerged between what academics term the "extreme right", explicitly racist outfits like the National Front and the BNP, and the "radical right", electoral movements whose ranks include populists like Nigel Farage, the leader of Reform UK.

In their different ways, both have made headway. The radical right is more prominent than ever. Mr Farage, who shares many of the extreme right's concerns about immigration, crime and policing, is one of five Reform UK MPs in Parliament following the election on July 4th. Like other stars of the populist right, he gets top billing on GB News, a television channel. Extreme-right actors have meanwhile found new ways of tapping old grievances.

Whereas in the past the extreme right was organised through institutions with leaders, organisational structures and membership lists, it is now a looser constellation of influencers and networks. Its leading figure is Stephen Yaxley-Lennon, a 41-year-old former football hooligan from Luton who uses the pseudonym Tommy Robinson. On July 27th he drew 30,000 people to a rally in London where speakers melded genuine local concerns, for example about the location of asylum hotels, with wild theories about Britain being an "occupied country". Although he has not taken part in the unrest, he has used a large social-media following to whip it up.

The English Defence League (EDL), an anti-Muslim group founded by Mr Yaxley-Lennon, is supposedly defunct. But its former members continue to share messages. Another important network is Patriotic Alternative. Whereas those associated with the EDL tend to be older hooligans, Patriotic Alternative targets a younger audience by organising video-gaming events and fight clubs. Neither group has many official members but both have a large reach through apps, says Julia Ebner, an expert on extremism at Oxford University.

The recent unrest does not appear to have been centrally organised. Instead local activists chose a specific location, announced an intention to congregate there and waited for their plans to be amplified via apps. This decentralised approach explains one difference with past riots, which tended to happen in cities. But in other respects the internet encourages uniform behaviour, as troublemakers repeat slogans pushed online. “They oppress the wrong people,” parroted one youth about the policing of a protest in Manchester.



The Economist

How might things play out from here? One scenario is that a heavy judicial response has the desired effect, and, perhaps with the help of some rain, the unrest peters out. In a previous role as director of public prosecutions, Sir Keir Starmer, now the prime minister, helped put almost 1,300 people involved in the 2011 riots in prison. The court cases have already begun; that some of the first to face justice wept in the dock does not suggest a movement hardened for a fight. Loose organisational networks may mean that far-right activity dissipates as quickly as it flared up.

Another scenario is that the unrest will continue, or mutate. The focus may move to mass rallies, or to protesting about those who have been prosecuted. Mr Mulhall notes that after a riot near an asylum hotel in Knowsley in 2023, similar events continued for six weeks. People who take part in violent protests may form stronger group identities, says Ms Ebner.

It will take longer to work out how the riots will shape the future of the right. Early polling shows that the great majority of voters abhor the violence, though some do not (see chart). Initially Mr Farage did not condemn the scenes, describing them as a reaction “to fear, to discomfort, to unease” shared by “tens of millions of people”. Leading Tories have been less equivocal, though some were slow to respond. British political history suggests that participating in street violence leads to electoral failure. The question today is whether finding excuses for it has the same effect. ■

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Attitudes to immigration

Are Britain’s rioters representative of views on immigration?

Young men chuck bricks, but the old have the sharpest views

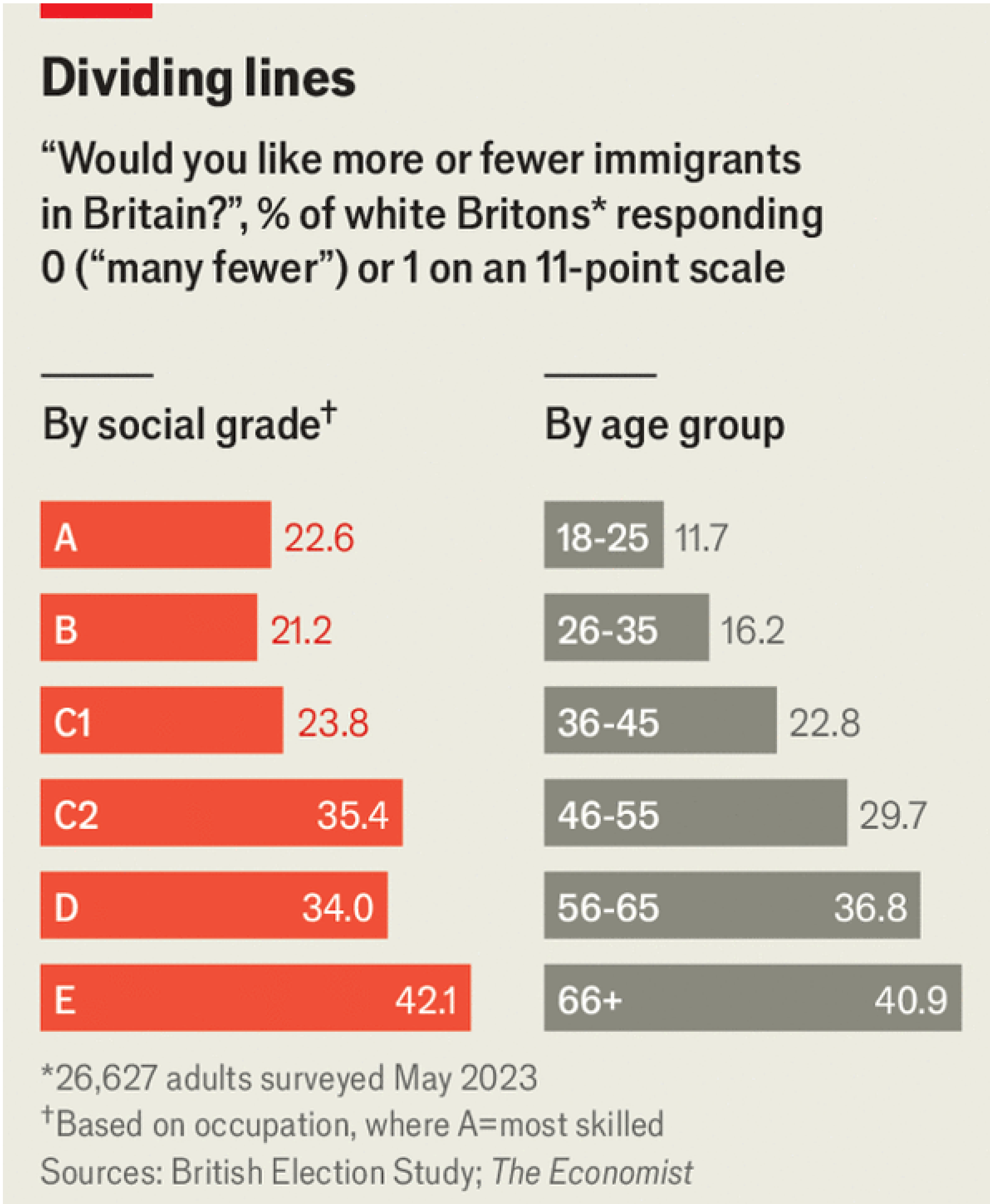
8月 08, 2024 07:33 上午

BRITONS TEND to see the world through the monocle of social class. For Matthew Goodwin, an expert on the radical right, the riots that have sullied Britain are fired by popular anger against “a new ruling class”, an “elite minority” that wants uncontrolled immigration. Tommy Robinson, a much-prosecuted demagogue, speaks of a clash between “hard-working family men” and “the establishment”.

Certainly, the worst rioting has been in deprived towns and cities like Hartlepool, Hull, Liverpool, Middlesbrough and Rotherham. Although it is too early to know who the rioters are, one of the first to be convicted was

Joshua Simpson, a 25-year-old self-employed builder who is homeless. Lee Anderson, an MP for the anti-immigration Reform UK party, describes the rioters as “British working-class lads” who have had one too many drinks.

Does this point to a class divide over immigration? Disapproving of high levels of immigration is very different from attacking police officers and ethnic minorities. Wanting fewer immigrants is a common, respectable opinion; the thugs are few and appalling. Data show that white Britons divide along occupational lines, but not straightforwardly, and not as much as they divide along other lines.



The Economist

A poll last year by the British Election Study found that among members of social grade A (high-level managers and professionals) 23% wanted much less immigration, compared with 42% of those in grade E, who hold low-level jobs or live on benefits. Yet there is little sign of an elite with distinctively liberal views, if that term means people with elite jobs. All the middle-class groups, A, B and C1, think similarly (see chart).

Working-class white people are more opposed, but there is a wrinkle. The C2 group, comprising skilled manual workers, is more opposed to immigration than people in group D (semi-skilled and unskilled manual workers). That matches a poll taken after the general election on July 4th by Ipsos, which found that people in the C2 group were the most likely group to have voted for Reform UK. Skilled manual workers might feel more threatened by immigrants because they have more to lose.

If social class shapes attitudes in complex ways, age does so powerfully and reliably. Every age group is more opposed to immigration than younger ones. The differences are huge: people over 65 are more than three times more likely to want much less immigration than 18- to 25-year-olds. Age may explain some of the class pattern: social group E is older than the others. Nigel Farage, Reform UK's leader, boasted before the election that youngsters were flocking to his party. In the end, they were less likely to vote Reform UK than any other age group.

If the streets and the polls tell slightly different stories, it is not the first time. After Enoch Powell, a Conservative MP, railed against immigration in his "rivers of blood" speech in 1968, many working-class Britons marched to support him, with London dock workers and meat-cutters especially prominent. Then opinion polls appeared, showing a different pattern. One, by NOP, found that 67% of people in the A, B and C1 social groups, 71% of people in the C2 group and 63% of people in the D and E groups agreed with his views. Powell had appealed to almost everyone.

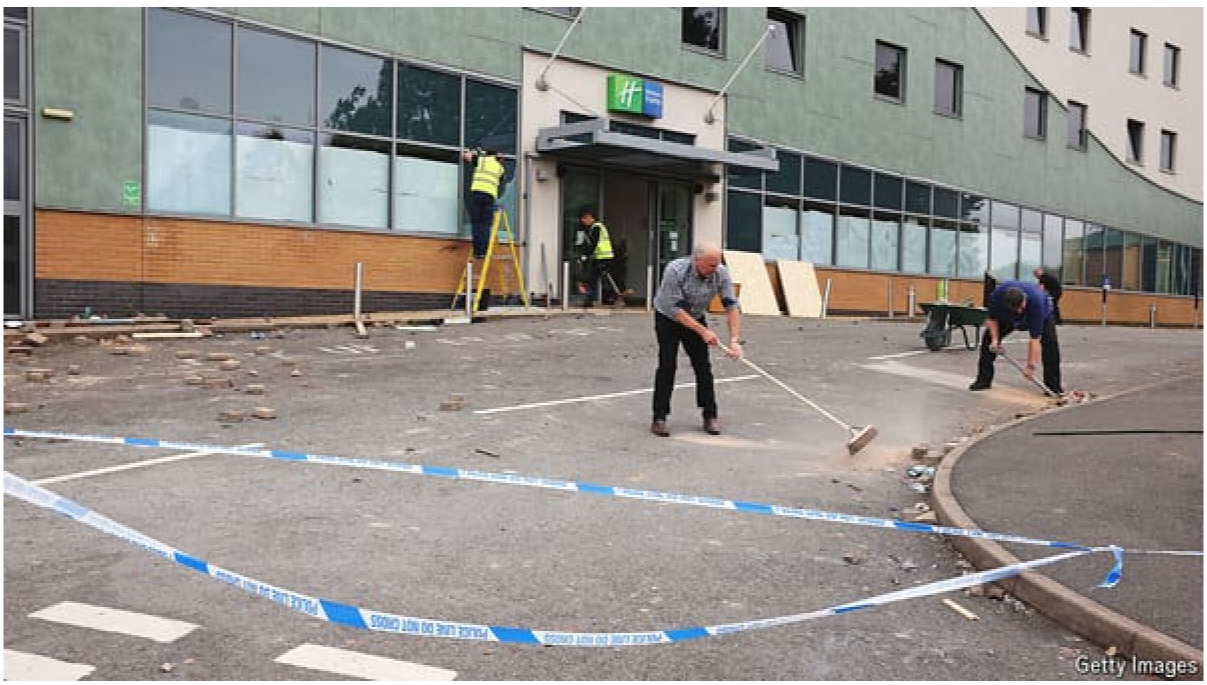
Today Britons differ in their attitudes to migration but not in their attitudes to the riots. Polls by YouGov show that only 7% of people support the unrest, and just 4% think the rioters should receive unusually lenient sentences, with scarcely any social differences. Hardly anyone likes a thug.■

Insanity and asylum

How hotels became targets for British rioters

A muddled policy becomes a lightning rod for anger

8月 08, 2024 07:33 上午



"IN TAMWORTH, THE Holiday Inn has been used for asylum purposes for years," said Sarah Edwards, the Labour MP for the West Midlands constituency. "The simple reality is that residents want their hotel back." Ms Edwards posted the video of her comments, which she had made in Parliament two weeks earlier, on July 30th. She could not have known that five days later rioters would try to take it back—with petrol bombs. Tamworth was not the only place where hotels housing asylum-seekers were the focus of violent protests. Though shocking, such scenes were not surprising. Hotels have long been lightning rods for anger about immigration.

The previous Tory government sought to blame the rise of asylum hotels on the increasing numbers of people crossing the Channel on small boats. In 2018 only a few hundred people made this treacherous journey; in recent years tens of thousands have done so. Around 93% of arrivals claim asylum (most successfully). While it processes their claims, the government has a legal obligation to house them.

But the widespread use of hotels reflects other factors, too. The government has outsourced asylum accommodation to three firms—Mears, Serco and Clearsprings. During the covid-19 pandemic, with the hospitality industry short of visitors and strapped for cash, these firms block-booked hotels. Such arrangements have continued long after the pandemic for a number of reasons. A housing shortage makes it hard to find places to put people. Some 4,000 asylum-seekers had to be moved from an accommodation centre in 2022 after a diphtheria outbreak. Between 2016 and 2022 the Home Office took longer to process applications, leaving many waiting for months, or even years, to have their claims assessed. In 2019 only 15 hotels had housed asylum seekers; by 2023 that number peaked at some 400.

The bill for the hotels has rocketed. Asylum hotels cost the taxpayer £3.1bn ($3.9bn), or £8.5m a day, in the year to March 2024. That works out well for hoteliers and middlemen. But few others are happy. Previously contractors had been told to consult with local authorities about where asylum-seekers were placed, says Jenny Phillimore, a professor of migration at the University of Birmingham. That practice stopped during the pandemic and never restarted. Asylum hotels rarely end up in leafy shires but in densely populated cities or in deprived towns.

Dropping hundreds of people, mainly men, into such places can often breed rumours: allegations of rape in the hotels in Tamworth flew around social media before the riots. It also breeds resentment, especially where public services are fraying. Before a riot at a hotel in Knowsley in Merseyside in 2022, a few locals had questioned why foreigners were given accommodation ahead of the homeless. In Liverpool last year some people unable to get dentist appointments raged when they saw a charity dental van turning up to drill asylum-seekers' teeth. Tensions have been compounded by political rhetoric that casts asylum-seekers as illegal immigrants. Even

Sir Keir Starmer, the new Labour prime minister, once called the policy a "Travelodge amnesty".

Attempts to reduce the number of hotels by moving asylum-seekers elsewhere have worked out badly. Some were relocated onto the *Bibby Stockholm*, an infamous barge moored on the south coast of England; others were destined for former military bases. But conditions were inhumane, costs were even higher than hotels and local residents were still angry. Efforts to deter asylum-seekers from making the journey to Britain in the first place have also backfired. The Tories' Illegal Migration Act, which stipulated that those deemed to have arrived in Britain illegally should not have their claims processed but be deported to "safe countries" such as Rwanda, created a new backlog.

Since coming to office Sir Keir has canned the Rwanda scheme, so that new claims can be processed again. He has also outlined plans to shut the *Bibby Stockholm*. But the backlog will take time to clear and the riots have put the government on notice. Putting asylum-seekers in hotels risks turning them into targets. ■

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One weird trick

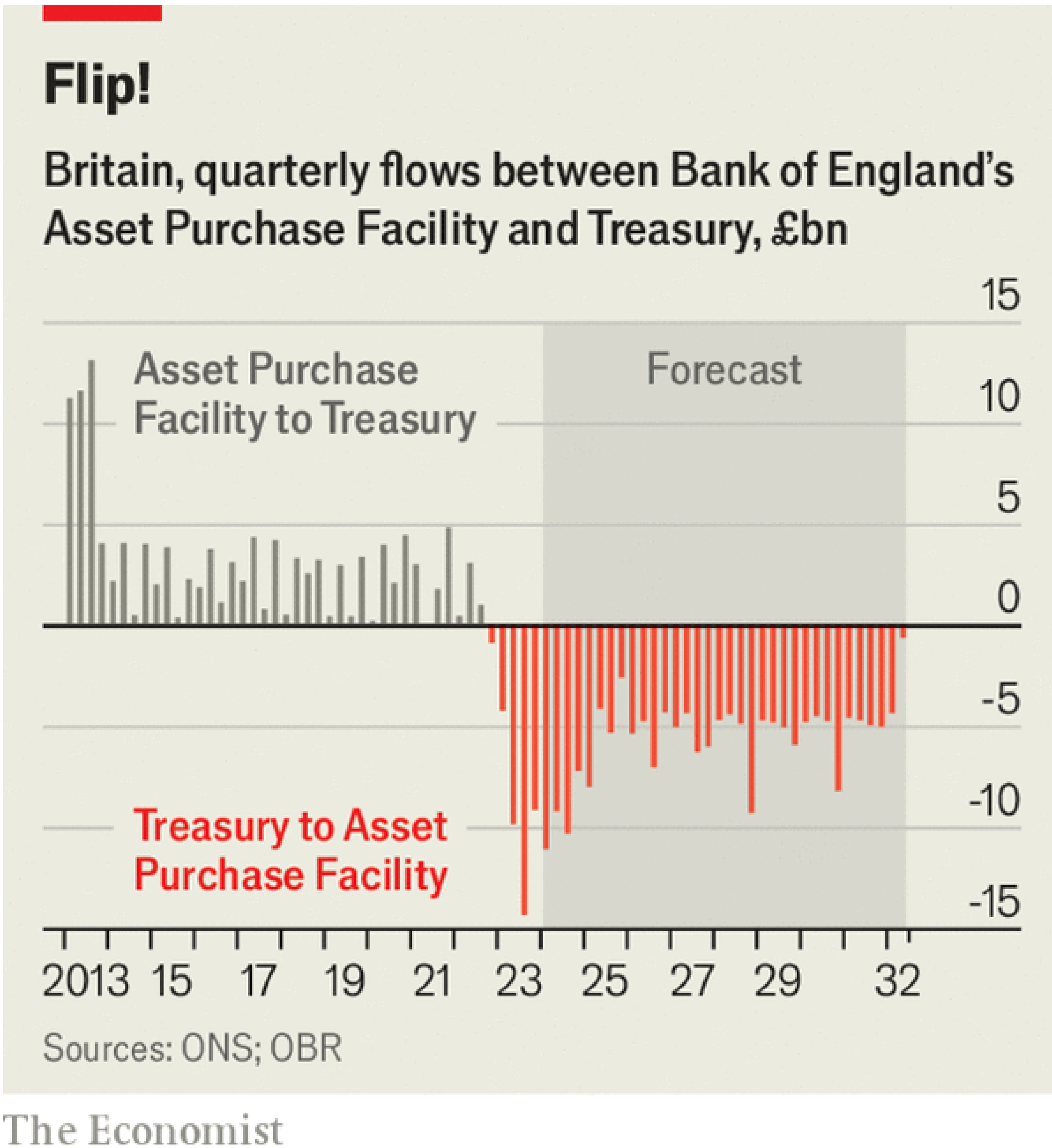
How should Britain handle £200bn in quantitative-easing losses?

An accounting fiddle could give Rachel Reeves more room to avoid tax rises

8月 08, 2024 11:08 上午

PLENTY OF TRADERS have lost millions on ill-timed forays into bond markets. A sorry handful have even lost billions. Losing hundreds of billions, though, is the preserve of governments. In Britain the bill for the Bank of England’s losses from its quantitative-easing (QE) programme since interest rates began to rise is projected to hit around £200bn ($254bn, 7.4% of GDP). The government’s approach to these losses, and their messy interaction with Britain’s fiscal rules, could determine whether Britons face tens of billions of pounds more in tax rises at the next budget, due for the end of October.

Like most of its peers, Britain has leant heavily on QE—whereby central banks stimulate the economy by creating money (in the form of bank reserves) and buying assets (most often, long-term government bonds)—since interest rates fell to near-zero during the 2007-09 financial crisis. The result is to lower bond yields and boost liquidity—stimulating more borrowing and growth—and to leave central banks sitting atop balance-sheets stuffed with bonds.



Whether central banks turned a profit on those holdings was, until recently, mostly an irrelevant question. The goal of QE was to juice the economy, not make a profit. And in any case, things worked out well. Swapping reserves for bonds is, in effect, a bet on lower interest rates. In the 2010s central banks were usually on the right side of that trade. QE helped push yields down (meaning bond prices rose) and an anaemic economy kept them low. The Bank of England made £124bn this way between 2009 and 2022, all sent to the Treasury (see chart).

More recently, however, the bet turned sour. Bond yields jumped in 2022; valuations cratered and central banks began paying more out in interest on reserves than they received on the bonds they held. In America the Federal Reserve treats QE losses as a "deferred asset", which can sit on its balance-sheet indefinitely. That doesn't eliminate the fiscal impact: future QE gains or seigniorage, income from issuing currency, would go to paying off the deferred asset rather than to the Treasury. But it does spread the pain and prevent a big upfront payment. Britain's accounting rules mean that the Treasury must send cash to the central bank as losses crystallise, whether from negative cashflow or from selling bonds at a loss.

Current plans have the Treasury paying £20bn or so a year until 2032. These commitments collide unpleasantly with Britain's main fiscal rule: that debt should be falling as a share of GDP in the final year of a five-year forecast horizon. In effect, therefore, the payments knock £20bn off the government's room to borrow. That is a big number; the last budget, in March, left the government with just £8.9bn in fiscal headroom. Ms Reeves has since spent more than that on public-sector pay rises. The previous government's plans also included around £30bn in future public-service cuts, which many find implausible.

Ms Reeves has plenty of incentive to soften the fiscal impact of those QE losses, in other words. How might she do so? The most logical answer would be to tweak the Bank of England's accounting rules to a deferred-asset approach, along the lines of the Fed. A recent paper by Jack Meaning (an economist at Barclays, a commercial bank, and a former Bank of England official) and his colleagues explains that this would require legislative changes to allow the central bank to retain seigniorage, which could provide a flow of cash to gradually pay back the loss.

A simpler option would be to tweak the definition of debt used in the fiscal rules to exclude the losses from QE or alter the timing of when they enter the debt numbers. In a pre-election interview Ms Reeves said she would retain the current definition but recently she has sounded more open to changes. Politically, editing the terms of self-imposed rules may be more straightforward than meddling with the Bank of England's mandate. Since Labour ruled out most of the more painless ways to raise taxes during the election, temporarily higher borrowing would beat a mishmash of distortive tax increases or cuts to investment. So let Ms Reeves off if she fiddles once —but not if she makes a habit of it. ■

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House-building

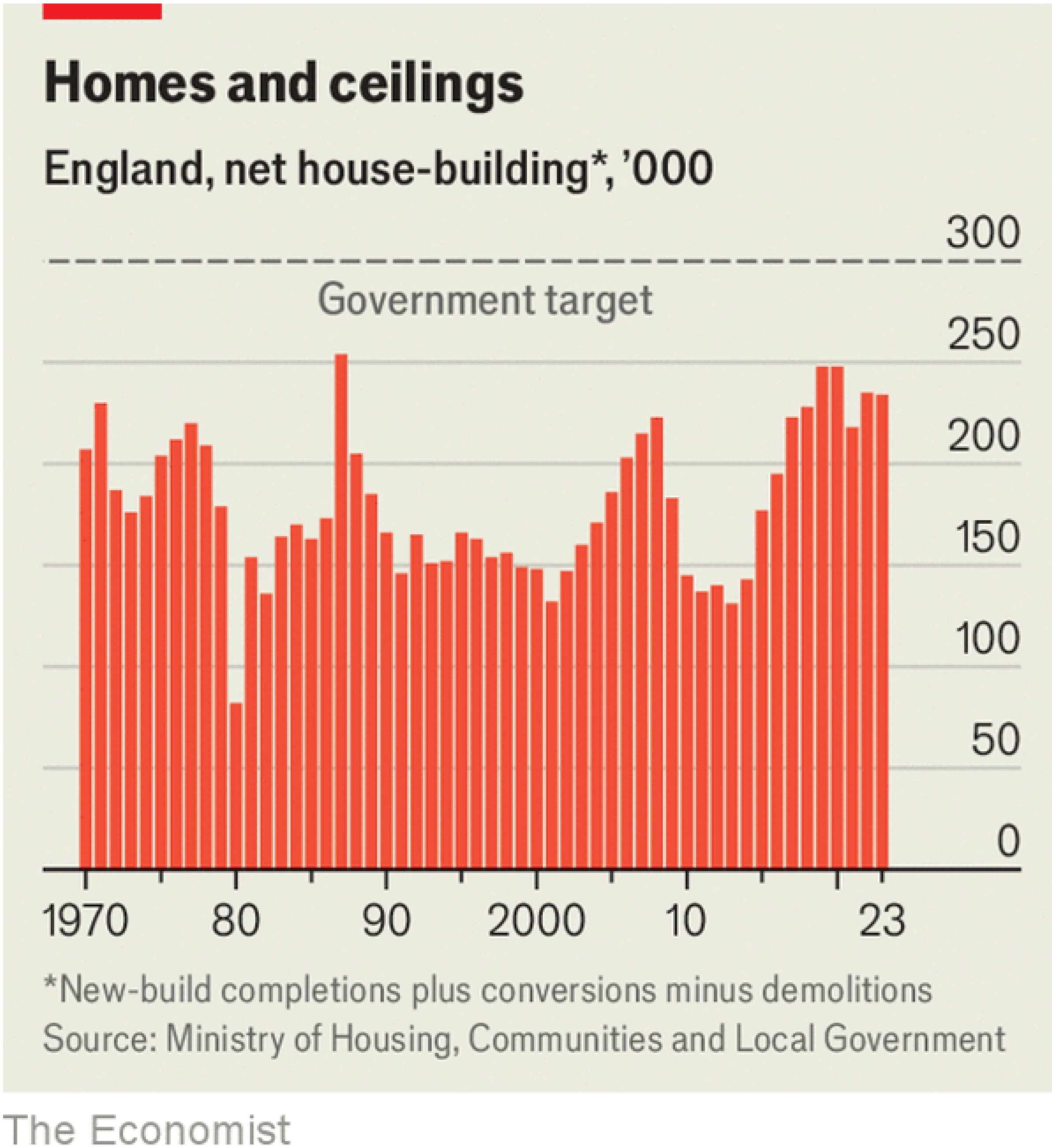
Would building 1.5m homes bring down British house prices?

Answer: Not by much

8月 08, 2024 07:33 上午

HOMES IN BRITAIN have become eye-wateringly expensive. When the Labour Party last won power, in 1997, the ratio of the median house price to the median income in England was 3.5. Now it is 8.3. The share of households aged under 30 who own their own home has fallen from one in five in 1997 to one in eight. On July 24th Sir Keir Starmer, the new prime minister, said that Britain’s failure to build was denying young people ”the basic dream of homeownership”.

His party has promised 1.5m new homes in England over this parliament to alleviate the housing crisis. That would represent a 27% increase in the number of new homes built over the past five years. It is a target that has not been hit in decades (see chart). But assume, for argument's sake, that it is met. Would that make housing more affordable?



Economics 101 says that the price of a product moves inversely to its availability. If the country builds more homes, all things being equal, house prices should fall. But housing is more than just a product. It is also an asset whose price, much like a share or a bond, is a function of the discounted net present value of cashflows—ie, rental income—from that home. Prices are heavily affected by changes in interest rates, not just by the number of homes that are built.

In the decade to 2010, for instance, the housing stock in England rose by 8% but real house prices soared by 70% as the cost of debt fell. Over the past year house prices have fallen moderately in response to high mortgage costs. A study by the Bank of England (BoE) in 2019 using an asset-price model found that about half of the 170% rise in real house prices between 1985 and 2018 can be explained by falling real interest rates, and the rest by rising incomes.

That does not mean supply is irrelevant. The same BoE study found that house prices would have risen by 24 percentage points less during that period if twice as many houses had been built. A new analysis by Generation Rent, a pressure group, reckons that a 1% increase in the number of homes per person within a local authority between 2015 and 2023 is associated with a 1.2% decrease in rents as a share of average incomes. And guidance published by the Ministry of Housing, Communities and Local Government in 2018 estimated that, when holding other factors like interest rates, population and incomes constant, a 1% increase in the housing stock would lead to a 2% fall in prices.

These figures suggest that hitting the 1.5m target would have only a limited effect on home values. An additional 1.5m homes is equivalent to 6% of the housing stock so, all things being equal, prices would fall by 12%. But the country is already adding about 1.2m new homes every five years, so an additional 300,000 homes might skim 2.5 percentage points off house prices. And other things are never equal. According to the housing ministry's guidance, a two-percentage-point fall in interest rates pushes house prices in the other direction by six percentage points.

Clive Betts, a Labour MP and chair of the housing select committee during the last parliament, says that his "instinct is that nothing will happen" to prices in the medium term, but that things could change if there is a "decades-long shift in housing output". That would mean making supply more responsive to rising prices (or "elastic" in the jargon), particularly in the south of the country.

A new paper from the Institute for Fiscal Studies, a think-tank, finds that London's supply elasticity between 1996 and 2021 was just 0.05—meaning that supply increased by just 0.5% for every 10% increase in prices—compared with 0.14 for the rest of the country. On July 30th Angela Rayner, the deputy prime minister and housing secretary, laid out plans to make it easier to build on the green belt and to make local housing targets mandatory. A sustained effort will be needed for supply to have a real effect on prices. ■

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Sea change

Plankton are much more interesting than you might think

The world's longest-running marine survey is based in Devon

8月 08, 2024 07:33 上午 | Plymouth

ONE MIGHT HAVE been beneath the ferry that you took to France. Another could have been beneath the boat that carried the banana you ate for lunch from the Caribbean. Right now, too, somewhere in the seas, a small torpedo-shaped metal box is being towed by a boat. Wherever it is—and it might be anywhere from Svalbard to the Sargasso Sea—this box is part of the world's longest-running marine survey. Which sounds impressive and interesting until, perhaps, you hear what is being studied—plankton.

Plankton are not commonly considered a charismatic part of creation; even the name sounds nerdy. This is unfair, as plankton are extraordinary. Half the oxygen on earth is made by them; the largest daily migration on the planet is theirs. Sometimes, they even manage to look glitzy. Slip into a midsummer sea at night and, if you are in the right place, the water will glow and flicker around your body like fire: that is [plankton, phosphorescing](). Much of what is known about them is because of those small metal boxes—they are called Continuous Plankton Recorders (CPRs)—that have been towed across the seas for almost a century.

So underwhelming are plankton that it was only comparatively recently that anyone bothered confining them to a category. The Victorian era specialised in scientists (Charles Darwin was one) who dropped nets off boats, pulled them up, peered inside and uttered variations on “Good God, what’s that?”. Plankton gained their name in 1887. The word, which shares a Greek root with “planet”, means “drifter”; plankton are anything, from bacteria to jellyfish, that cannot swim against a tide. In 1931 the CPR Survey began, initially at the University of Hull; it is now run by the Marine Biological Association, a research organisation based in Plymouth. Since its inception it has covered 7m nautical miles with its slow, seafaring scribble.

The survey manages to be at once awe-inspiring and also slightly dull. The CPRs are kept in a small workshop in Plymouth where they sit, like steely beached fish, on shelves. Unlike better-funded surveys, the CPR does not charter boats but merely hitches lifts from other vessels. In Norway the boxes travel beneath the boat taking post to Svalbard; in the Caribbean they hook up with the bananas. The crews who agree to take them get little more than the warm glow of a good deed done and the gift of chocolates (Cadbury's "Roses" are popular) at Christmas.

The boxes are simple and sturdy. Open one and it is like looking into an old-fashioned camera, with a film of silk held taut over two reels. A hole at one end allows water to flow in and just as images are "caught" on camera, so the plankton are literally caught on the silken screen. Scientists, says Jennifer Leigh, a plankton analyst, call this "plankton roadkill".

Back in Plymouth the silk is then cut up like slides from a camera film, shelved in plastic boxes and studied. Most imagine plankton to be undifferentiated blobs; look at it under a microscope and a minute marine phantasmagoria is revealed. There are plankton with no legs and some with ten, plankton that look like aliens and ones that look like snowflakes. There is one that looks like Picasso's sketch of an owl.

The CPR is humdrum and Heath Robinson-esque. But global conclusions sometimes depend on surprisingly slender threads. Most know that the UN's Paris Agreement in 2015 pledged "to limit the temperature increase to 1.5°C above pre-industrial levels"; few realise that the "pre-industrial level" baseline comes from measurements taken by Victorian sailors dropping buckets off boats, hauling up water and then taking its temperature.

A few years ago scientists took the CPR's silks from its shelves—the oldest continuous record of the sea in science—and showed that, since the 1960s, they have not just been catching plankton, but plastic too. The term "microplastics" was coined. The survey might just be towing metal boxes on ropes. It might be run on a shoestring. But it is changing the way that the oceans are seen. ■

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International

- **Why the war on childhood obesity is failing**
  Tipping the balance :: Sugar taxes and obesity drugs will not be enough

Tipping the balance

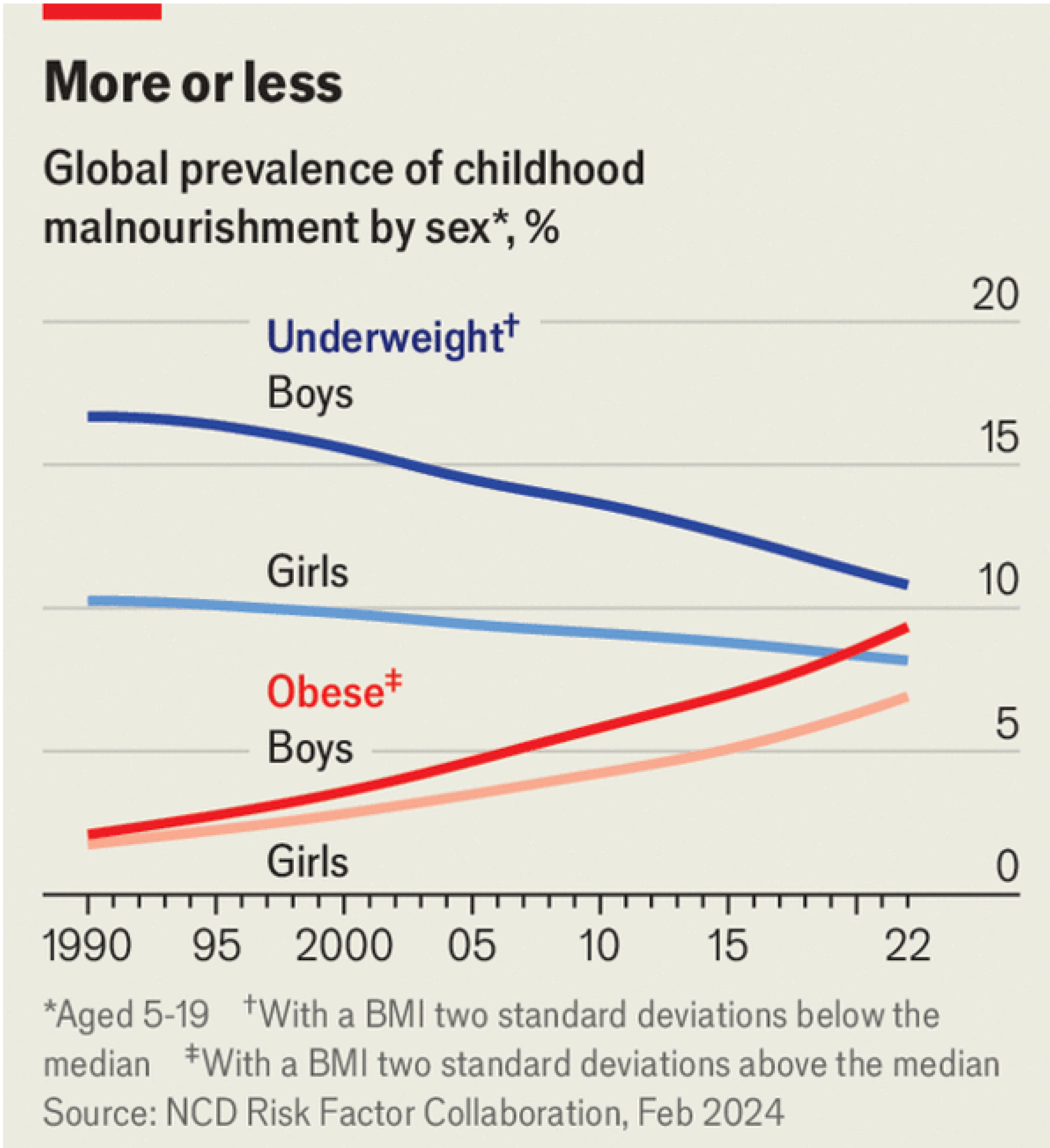
Why the war on childhood obesity is failing

Sugar taxes and obesity drugs will not be enough

8月 08, 2024 07:33 上午 | TOKYO

SUZIE JIMENEZ cried as she waited in the car park. Her 14-year-old son was in the emergency department, suffering from stomach pains. He felt humiliated when doctors in Austin, Texas, told him that because of his bigger body he would need to have a CT scan rather than an ultrasound. He was scared to tell them he weighed 360 pounds (163kg). A shortage of Wegovy had meant that despite being approved for the weight-loss drug, he had not yet been able to start it. Ms Jimenez, at times the sole breadwinner for her family of five, says they sometimes ate fast food for “comfort”.

Obesity is one of the world’s most serious public-health crises. It increases the risks of developing diabetes, heart disease, stroke and some cancers. Since 1990 global rates have doubled among adults and quadrupled among children. Today more than 1bn people, including 7% of girls and 9% of boys, are classified as obese (see chart). In 2019 it led to around 5m deaths, 20 times as many as malnutrition did. Obesity is no longer just a rich-world problem. Childhood rates are highest on the islands of the Pacific and the Caribbean, and rising fastest in developing countries such as Cambodia and Lesotho.



The Economist

Most of the economic costs of obesity are borne by individuals, who take more time off work or miss more days of school, and are more likely to be low-paid or unemployed. Obese children are more often targets for bullies, too. But the burden on the state is also considerable. Last year the Institute for Fiscal Studies, a British think-tank, estimated the annual costs of overweight and obese adults through health-care expenditures, formal social care and inactivity at work, excluding those individual costs (which most studies do not). Even after discounting the grisly “savings” from related deaths, they amounted to about £32bn ($41bn), or 1% of Britain’s GDP.

Although telling adults what to eat and when to move can be seen as interfering, governments should try to prevent children becoming obese and encourage their weight-loss efforts. Early interventions could reap benefits later: children with obesity are five times more likely to be obese as adults than their slimmer peers. The trouble is, nobody knows how best to go about it. No country has ever managed to reduce obesity; the more successful ones have merely stemmed it. The problem is too complex to be solved by simple public-health measures or obesity drugs alone. The hunt is on to find evidence for interventions that work together, and quickly.

Behind rising obesity rates lies a mix of biological, economic and social factors. Much of the world is awash with highcalorie foods even as many people live sedentary lives. No single nutrient or food group is to blame, but items containing high proportions of refined wheat, sugar and vegetable oils are under the spotlight. Highly processed foods, which are widely accessible and relatively inexpensive, are the ultimate example.

At the same time, even in rich countries, many neighbourhoods lack fresh, healthy alternatives. In Texas the Department of Agriculture estimates that one in five people live in poor areas with limited access to nutritious foods. Children from such places are more likely to be obese than those from richer ones. Processed foods are convenient, take much less time to prepare and—calorie for calorie—work out cheaper, explains Samir Softic, a specialist in fatty-liver disease at Kentucky Children’s Hospital. His state has the second-highest rate of childhood obesity in America after West Virginia. It also has the second-highest number of fast-food outlets per person.

The evolution of the human body is another important factor. Losing weight is not simply a matter of reducing one’s calorie consumption. The body adapted to survive famines, not feasts, so it clings onto weight it gains. It then resists the loss of fat by reducing the amount of energy it needs to survive and by increasing hunger signals; it will fight to regain the lost weight for years. This is why most long-term efforts at significant weight loss fail.

Keeping track of trends is difficult. Body-mass index (BMI), which divides a person's weight (in kilograms) by the square of their height (in metres), is fine as a common measure of obesity for most adults but inaccurate for brawny types, since it cannot distinguish between fat and muscle. It is not helpful in children, whose bodies are growing and changing. Boffins from the World Health Organisation consider a child obese if his or her BMI is more than two standard deviations above the median for their age using a model from 2007 as a reference—an imperfect measure. Experts also consider increases in associated childhood diseases. Globally, the age-standardised incidence rate of type-2 diabetes has jumped by 57% in 15- to 19-year-olds over the past 30 years.

Governments looking to cut childhood obesity have few models to draw on. Start in Amsterdam, which once seemed to have a smart strategy. The Dutch capital received international plaudits when rates of overweight and obese children fell from 21% to 18.5% between 2012 and 2015. The local government sought to change individual behaviour: it provided nutrition classes for parents and children in poor neighbourhoods, put children on care plans, offered free sports such as ice-skating and discouraged junk food in schools. But the results did not last. Rates ticked up slightly to 18.7% in 2017; then the municipality stopped publishing them.

Then there is Chile, where over half of 4- to 14-year-olds are overweight or obese. In 2016 the government slapped black warning labels, shaped like stop signs, on the front of packaged foods high in calories, sugar, saturated fat and salt. Eight other countries have since copied the move. Chile also introduced strict bans on the marketing of these foods to under-14s, and a programme of exercise and nutrition in schools. Despite all this, a study published this year in the *Pan-American Journal of Public Health* showed no change in prevalence rates in the three years after the legislation was enacted. (Professor Camila Corvalán, an adviser to the Chilean government on the scheme, cautions that it is too early to draw conclusions.)

Now consider Britain, which has experimented with a sugar tax of sorts. Its levy on sugar-sweetened drinks, implemented in 2018, has had mixed success. Big brands reformulated their products to avoid it, resulting in a drop in sugar consumption of 4.8g per day among children. Researchers at the University of Cambridge found a slight reduction in obesity rates among 10- to 11-year-old girls, though not in younger children or 10- to 11-year-old boys, who consume more of the beverages.

Selective taxes "can sometimes not give you the right outcomes", argues Chris Hogg, global head of public affairs at Nestlé, the world's largest food and drink company. For the best public-health outcomes, he reckons, it is better to have room for policies and guidance "to steer [the industry] in the direction that policymakers think makes most sense". Such guidance has long been standard practice in places such as Britain. The drinks levy aside, all other industry measures to reduce childhood obesity in Britain have been voluntary and largely unsuccessful.

So what to try next? Most health professionals and policymakers argue that current measures do not go far enough. Public-health experts are trying to pull together a guide to sugar taxes. In the 70-odd countries where taxes on sweetened drinks have been tried, the biggest impacts were felt in poorer countries such as South Africa, where consumers are more sensitive to price changes. Some now want to broaden taxes to stop people shifting to other unhealthy products. Last year Danone, a big dairy company, called for a wider tax on foods that are high in fat, salt and sugar, arguing that regulation is the only way to get firms to make their products healthier.

Critics of sugar taxes and their ilk say they are regressive. Because the poor spend a higher share of their income on food, and so are more likely to buy cheap, highly processed items, they are also more likely to be hit by additional levies on them. To offset this, Barry Popkin of the University of North Carolina is working with countries in Latin America and Africa to develop subsidy regimes for fruit and vegetables. He reckons that warning labels with pictures on junk food, like the ones on cigarette packets, will be tried next.

Obesity drugs are another tool attracting attention. The market for GLP-1 medications such as Wegovy is expected to reach $100bn a year by 2030. But they cannot be the main solution for the world's obese people: they cost too much. Jonathan Gruber, an American economist, reckons that buying them for the 40% of Americans with obesity would cost about $1trn a year, or roughly 4% of America's GDP.

The price will probably drop eventually. But even then, many adults and youngsters will not want to take GLP-1 drugs. They cause side-effects such as nausea; one study found that after one year, just 32% of patients were still taking them. There are also growing concerns over rare side-effects such as pancreatitis and intestinal obstructions. Yet sustained use of these drugs is needed to keep the weight off, along with diet and lifestyle changes to maximise health.

Measured approach

Where else is there to turn? Japan offers a glimpse of how influential cultural mores can be. "As a whole, Japanese people are very health-conscious," says Yokote Koutaro of the Japan Society for the Study of Obesity. Japanese diets have become more Westernised over the years, but people still eat traditional food, which tends to be fresh and is often relatively healthy. They also eat modest portions. Take McDonald's, says Mr Yokote. If you order a large-size drink in Japan, you slurp less than if you ordered a "small" one in America.

Social norms and government nudges seem to be working. Japan lacks strict rules on labelling or advertising fatty foods. But its cities are walkable, and even convenience stores often stock nutritious options such as salads. The government has long required schools to serve balanced lunches. Its other interventions are sometimes intolerably nannyish: in 2008 it told companies to start measuring the waistlines of their employees.

There will be no single solution to fighting obesity in children. Taxes, regulation and obesity drugs will play a part, as will consumers. Governments need to evaluate interventions over the long term. The goal should be to ensure that making healthy choices is far easier than the alternative. The problem is getting there. ■

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Swiped out

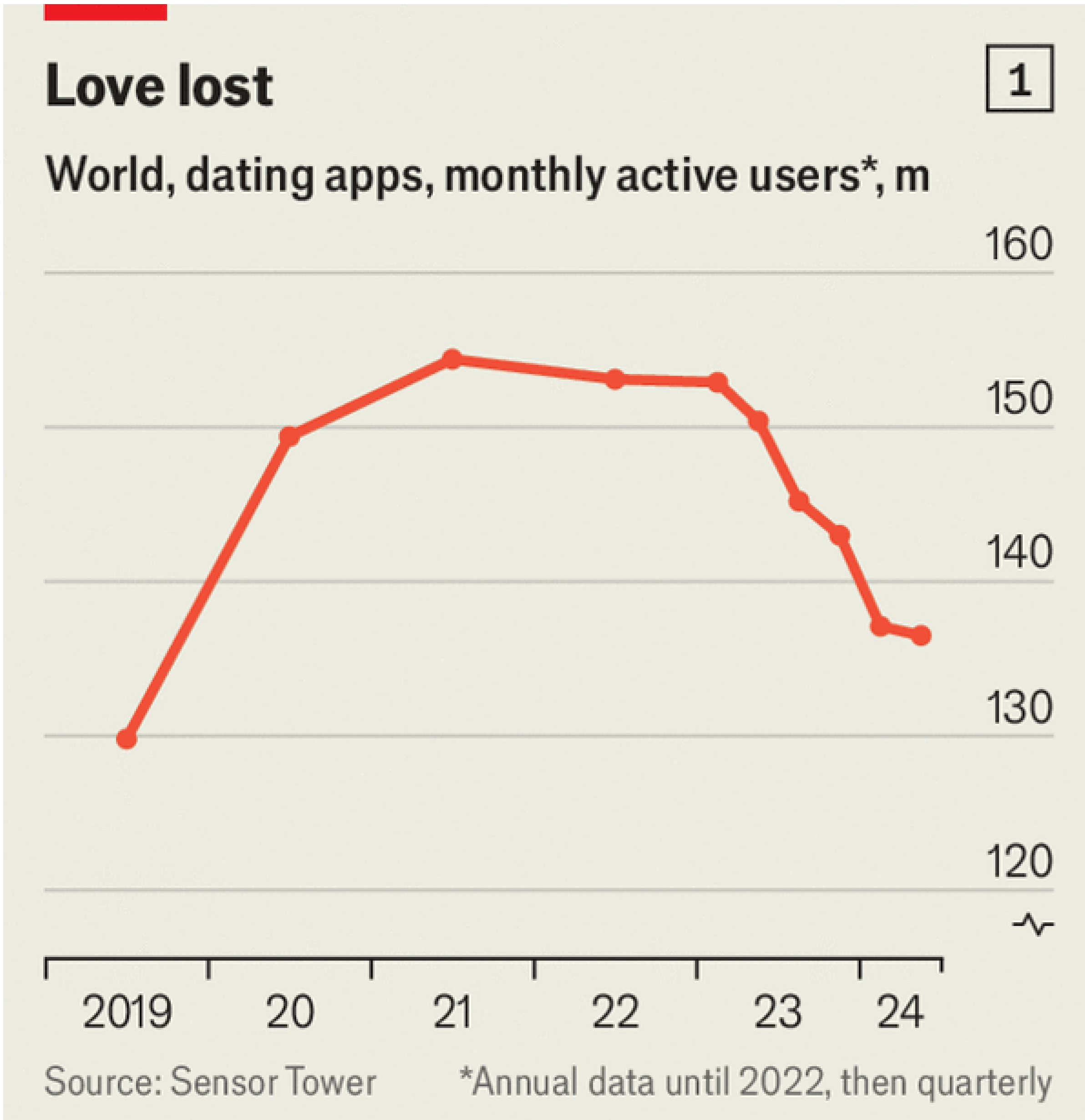
Why people have fallen out of love with dating apps

Tinder and Bumble are struggling as singles refuse to pay up

8月 08, 2024 07:33 上午

WHEN TINDER, a mobile dating app, launched on college campuses in America in 2012, it quickly became a hit. Although online dating had been around since Match.com, a website for lonely hearts, launched in 1995, it had long struggled to shed an image of desperation. But Tinder, by letting users sift through photos of countless potential dates with a simple swipe, made it easy and fun.

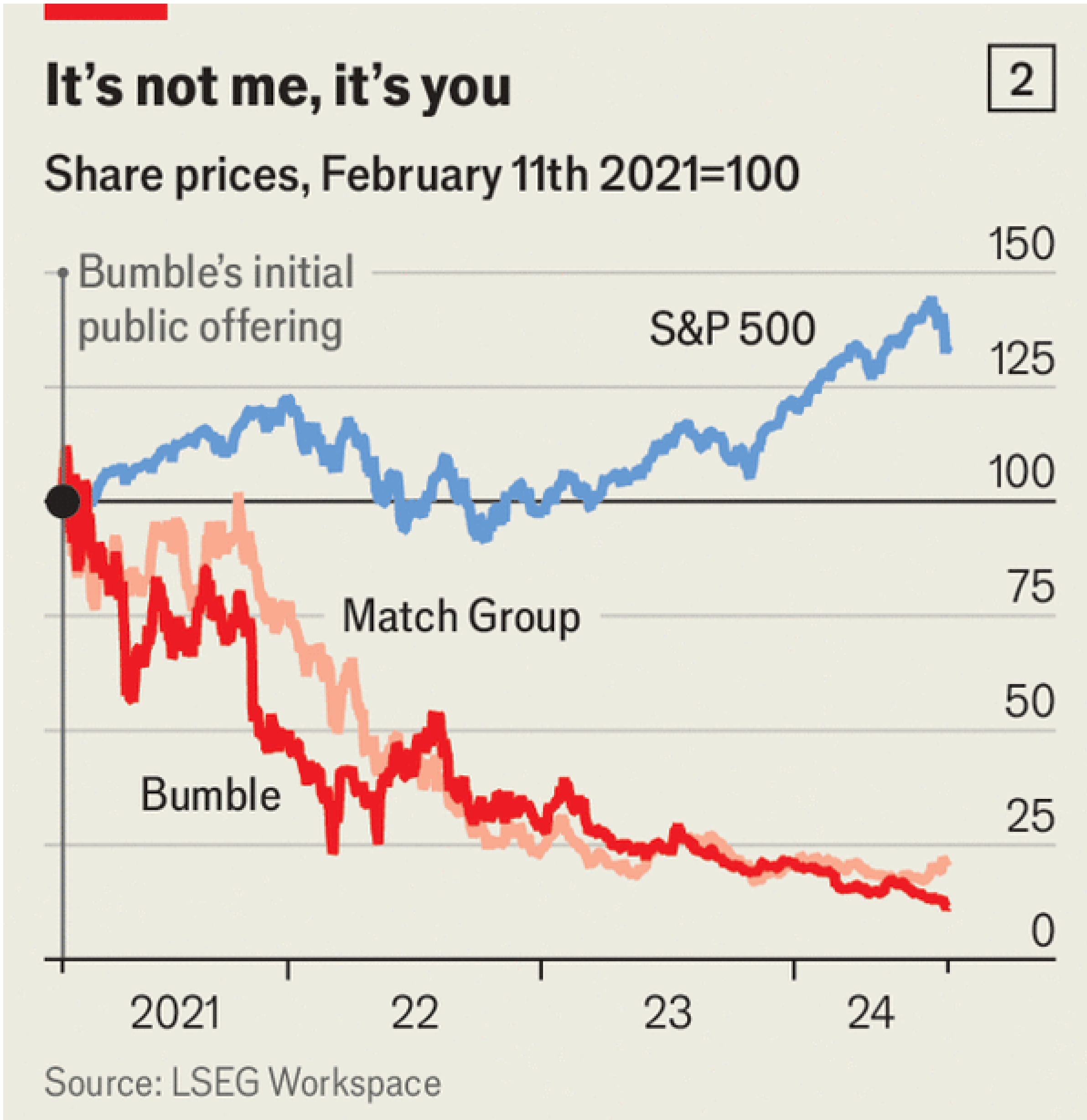
Soon Tinder and its rivals had transformed courtship. A report published last year by the Pew Research Centre found that 30% of American adults had used an online dating service, including more than half of those aged between 18 and 29. One in five couples of that age had met through such a service. Usage surged during the pandemic, as lonely locked-down singles sought out partners. The market capitalisation of Bumble, a rival to Tinder, surged to $13bn on its first day of trading in February 2021. Later that year the value of Match Group, which owns Tinder, Hinge and scores of other dating services, reached nearly $50bn. Today roughly 350m people around the world have a dating app on their phone, up from 250m in 2018, according to Business of Apps, a research firm. In June Tokyo’s government even said it would launch a matchmaking app of its own to pair up singles in the city.



The Economist

Yet lately online dating has lost its spark. The apps were downloaded 237m times globally last year, down from 287m in 2020. According to Sensor Tower, another research firm, the number of people who use them at least once a month has dwindled from 154m in 2021 to 137m in the second quarter of this year (see chart 1). On August 7th Bumble reported revenue growth of just 3%, year on year, in the quarter from April to June, and lowered its forecast for the full year to 1-2%. Its shares plunged by a third in after-hours trading. On July 30th Match Group reported that its revenue for the same quarter grew by only 4%. Both companies' market values have cratered since Bumble's listing (see chart 2). That reflects users' increasing disillusionment with dating apps, decreasing willingness to pay for them—and growing interest in offline alternatives.

Start with the disillusionment. Apps that once felt fun have, for many, become wellsprings of frustration. The network effects that initially propelled services such as Tinder, in which a widening choice of partners lured in ever more users, have now made them exasperating. Users grumble about spending hours sorting through tens of thousands of profiles. Half of women surveyed by Pew said they felt overwhelmed by the number of messages they received. It doesn't help that 84% of Tinder users are men. So are 61% of those on Bumble, which is targeted at women. Many users also fret about scams.



The Economist

Younger adults are growing especially weary of the apps. One survey commissioned last year by Axios, a news site, found that only a fifth of American college students were using them at least once a month. "It's not fun, it's so superficial and it's also just like really exhausting," laments one youthful influencer on TikTok, a short-video app. "I'm kind of over it," sums up Wunmi Williams, a 27-year-old who, after years of swiping and matching, has been unable to find a partner through a dating app. In a sign of growing despair, the Marriage Pact, an annual event in which participants are matched with a “backup” spouse should their future romantic endeavours fail, has spread to 88 college campuses across America.

All this helps explain why dating-app developers are struggling to convince users to part with cash—the second reason for their lacklustre performance. In an effort to boost margins, dating apps have been peddling paid upgrades to supplement their lowly ad revenues. Hinge has a separate feed with popular profiles it thinks you might like, but demands that you hand over $3.99 for a “rose” before you can chat with them. Tinder’s paid plans range from $17.99 a month (which gives you unlimited swipes and lets you change your location) to a hefty $499 a month (which lets you see the most popular profiles on the app and message users you haven’t matched with).

Got the ick

Online dating may no longer look desperate, but users seem to worry that paying for it might. The share of people who are willing to spend money on dating apps has been falling. Tinder’s paid users have declined for seven consecutive quarters. Men are more likely to cough up, which may be worsening the feeling common among women of being bombarded by messages on the apps.

Perhaps the biggest threat to the future of dating apps, though, is the growing share of singles looking offline for love. Last year some began wearing an aqua-coloured ring, made by a startup called Pear, to show their openness to being wooed. Thursday, a company that organises in-person events for singles, has expanded its service to roughly 30 cities, from Stockholm to Sydney. Its app works only on Thursday, when the events are held.

The romance is not confined to bars. Running clubs have become a place for athletic types to meet. Cooking classes, too, have become a place to look for partners, says Julia Hartz, the boss of Eventbrite, a ticketing platform. Attendance at its singles events rose 42% between 2022 and 2023. “You are bonding with someone, you’re having an experience, even if they’re not the love of your life,” says Casey Lewis, a blogger on youth culture, of such events.

Dating apps are looking for ways to lure users back. Some are hoping to spice things up with artificial intelligence (AI). Whitney Wolfe Herd, Bumble's founder, recently mused that the future of courtship could involve one person's AI bot going on "dates" with another's. One new app, Volar, has begun offering just that.

In time, society might be willing to leave matchmaking to machines—but it is hard to imagine the strategy paying off just yet. A more fruitful approach for dating apps may instead be to focus on narrower markets. Grindr, an app for gay men, continues to grow quickly. So does Feeld, which targets the polyamorous. In the past few years Match Group has launched apps targeted at gay men (Archer), single parents (Stir), ethnic minorities (BLK, Chispa) and snobs (The League). Revenue from this portfolio of brands grew by 17%, year on year, in the second quarter of 2024.

In addition to offering a smaller pool of partners, such apps also serve as a community for like-minded people. Grindr, for example, acts as a travel guide for tourists looking for gay bars and a hub for information on HIV. The company says its average user sends 50 messages a day, about the same as for WhatsApp, a messaging service. Its success in that regard might explain why Lidiane Jones, the chief executive of Bumble, has said she wants her firm to be known as a "connections company, rather than a dating company". Pulling off such a rebrand may prove tricky. But love has never been an easy business. ■

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Industrial involution

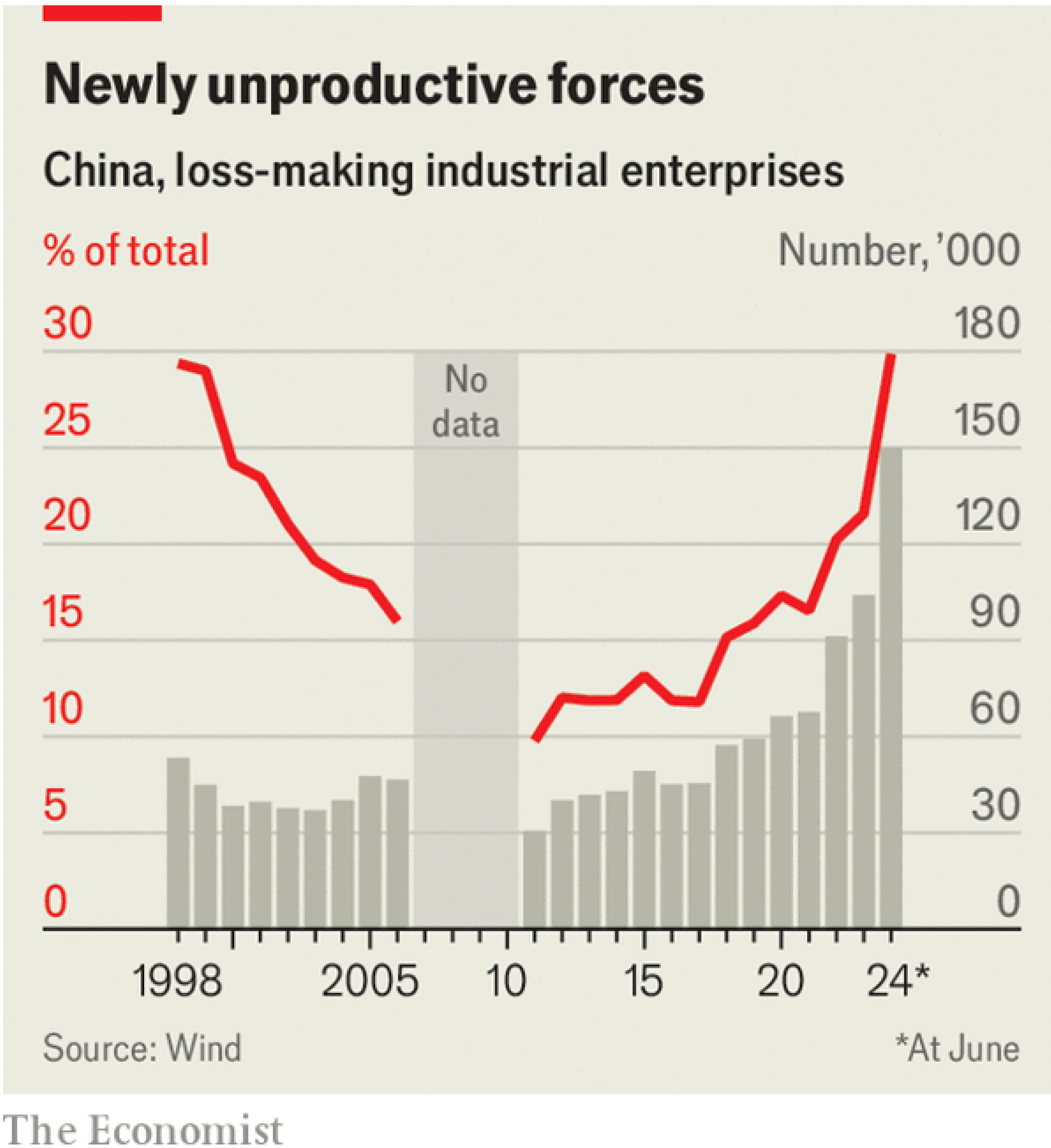
China’s manufacturers are going broke

Overcapacity is leading to soaring bankruptcies

8月 08, 2024 07:33 上午 | Shanghai

MOST NEWS on China’s manufacturers is bad news for rivals around the world. Foreign governments fear their domestic champions will be pummelled by low-cost Chinese rivals. But on August 5th the world got a small reminder that China’s producers face big problems of their own. Hengchi, an electric-vehicle (EV) maker owned by Evergrande, a failed property developer, told investors that two of its subsidiaries had been forced into bankruptcy. The group originally aimed to sell 1m EVs a year by 2025; amid feverish competition it sold just 1,389 last year.

The glut in industrial production is not limited to EVs. About 30% of industrial firms were loss-making at the end of June, rising above the previous recorded peak during the Asian financial crisis in 1998, according to the National Bureau of Statistics (see chart). Its survey of more than 500,000 companies shows a startling deterioration in the conditions for industrial firms in the first half of the year, during which the number of loss-making companies surged by 44%.



In recent years handouts, cheap loans and direct government investment have poured into areas of manufacturing favoured by Xi Jinping, China's leader, with some remarkable outcomes. On his watch China has become the world leader in EVs and lithium-ion batteries. But its economy is weakening and consumption is sagging. Domestic car sales have fallen in recent months, year on year. Exports in July were below expectations, according to data released on August 7th. Heavily indebted local governments, meanwhile, are also becoming stingier with their support for struggling firms. *The Economist* has examined three of Mr Xi's most-favoured industries: EVs, solar modules and semiconductors. The picture that emerges is grim.

Start with EVs. At least eight large makers of the cars have shut down or halted production since the start of 2023. The ripples are visible throughout the supply chain. Qingdao Hi-Tech Moulds, a large auto-parts supplier, warned in a statement earlier this year that the halting of production at HiPhi, an automaker, could send its net profit tumbling by up to 60%. SAIC Anji Logistics, an auto-industry logistics provider, said in recent bankruptcy proceedings that it collapsed mainly because Aiways, another troubled automaker, had failed to pay its bills. The failure of Levdeo, yet another carmaker, has left 4bn yuan ($550m) in unpaid bills to suppliers, agents and banks. Some 52,000 EV-related companies shut down in China last year, an increase of almost 90% on the year before, according to one estimate.

China's solar industry is also grappling with oversupply. This year the prices of most components of solar modules have fallen below their average production cost. Many companies in the industry are scaling back manufacturing. Others have scrapped plans to enter the market. Haitai Solar, a maker of solar components, has said it expects prices to fall further. The largest producers in the industry have cash reserves that will help them survive. The greatest pressure in solar, as with many other manufacturing industries, is among smaller suppliers that have watched the profits they make from their components disappear, says Alicia García Herrero of Natixis, an investment bank.

A shakeout is occurring in the semiconductor industry, too. Local governments have focused their investments on low-end chip components in an effort to “easily win market share”, notes an industry insider. Those parts are now in great oversupply and many of the companies producing them are failing. In 2023 nearly 11,000 chip-related firms went out of business, roughly 30 a day, according to Qichacha, a company that collects corporate data. It says the figure, which has been reported in Chinese media, is accurate, but that it can no longer supply such numbers as they have become “too sensitive”.

China’s central government has started to recognise the pressure the country’s manufacturers are under. Mr Xi recently acknowledged over-investment in some green technologies. In late July the minutes from a meeting of the politburo, a group of senior government leaders, said that China must avoid “*neijuan*-style vicious competition”. *Neijuan*, often translated as “involution”, is a term now commonly used in the country to describe intense, self-harming competition.

Yet it will be difficult for China to avoid a period of industrial involution. Mr Xi’s overriding ambition has been to create high-tech champions across a number of industries that can win in global markets and break his country’s reliance on foreign intellectual property. State support for this has generally flowed through local governments, many of which have spent indiscriminately, resulting in legions of small and uncompetitive suppliers.

Only the strong survive

What is more, the debt local governments have piled up is making it more difficult than in the past for them to rescue troubled industrial firms. Cities and provinces are now 60trn-odd yuan in debt and many have been told to curb spending. Failed investments are only making their fiscal positions worse. The demise of Aikang, a large solar company in Zhejiang province, has become a concern for leaders there. A local-government investment vehicle is its main shareholder.

The state has started to encourage consolidation. But that will not be straightforward. Most companies in sectors with oversupply are looking to trim capacity, not acquire more of it. There will not be many acquisition targets in the solar industry, says Cosimo Ries of Trivium, a consulting firm. It is unlikely the dwindling group of successful EV companies will buy failing brands, which would involve taking responsibility for legacy customers who can no longer get the software updates needed to keep their cars functioning.

In its July meeting, China’s politburo said that the market must filter out weak producers and promote strong ones. In time, that should lead to more capital and labour being allocated to China’s most productive manufacturers, making them mightier still. But it will be painful. ■

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Code-breaking

China is overhauling its company law

Its leaders want to make business less volatile—and easier to control

8月 08, 2024 07:33 上午

LAST MONTH China’s government implemented the most sweeping reform to company law in the country since the changes that were made following its accession to the World Trade Organisation in 2001. The new rules are creating yet another headache for Chinese companies grappling with overcapacity and a slowing domestic economy. For their part, China’s leaders are betting that the new law will make business in the country less volatile—and easier for the Communist Party to control.

China’s new law makes three important changes to the rulebook for companies. First is the reform of the country’s unusual system of “registered capital”, in which founding shareholders indicate they will provide a certain amount of money to their company, which creditors often use as a basis for providing loans. Under previous rules there was no requirement for founders to hand over the money immediately. Many would thus indicate implausibly high values of registered capital, which they would promise to transfer over a period of, say, 50 years or more.

Now founders will need to pay up the capital they have committed within five years of registration. Those who knowingly cannot afford the sums they indicate could incur personal debt or be forced to divest their stake in the business.

The second change is that company bosses in China will now face greater legal risk. China’s new law opens up avenues for creditors and third parties such as consumers to seek compensation from directors and officers of companies. Shareholders, too, may be liable in cases of ill-defined “abuses”.

Both of these changes bring company law in China closer to norms in developed countries, notes Professor Lei Chen of Durham University. That, however, is of little comfort to Chinese businesses which are scrambling to respond to the new rules. Almost all companies in China will have to tweak their articles of association and are being advised to obtain insurance for their directors and officers. Would-be founders will find it harder to secure loans. Some already opt for corporate structures such as partnerships that may be less suitable but are more lightly regulated.

The third big change introduced by the law is likely to be the most worrisome for multinational companies operating in the country, whose Chinese subsidiaries will also be subject to the new rules. A worker representative will now need to be added to the boards of companies with over 300 employees, and management will be required to consult them before making any major business decisions.

The question, notes Kai Kim of Taylor Wessing, a global law firm, is how these worker representatives will be chosen in practice. Unlike in countries with similar provisions such as Germany, in China it is likely that the 1.6m Communist Party cells embedded in enterprises will play an important role in nominating worker representatives. Those that are chosen are thus likely to hold views that conform closely with those of China’s government. Party cells within the Chinese operations of multinational firms are already far more active than many bosses in faraway headquarters realise, reckons Natalie Mrockova of the University of Oxford.

Tellingly, China’s new company law contains open-ended language on the government’s right to safeguard “social and economic order”, giving it plenty of leeway to interfere with companies’ operations as it sees fit. The communiqué issued after last month’s third plenum, a meeting of senior party officials, mentioned both the importance of making the economy “more dynamic” and the need to “better maintain order in the market”. China’s new company law hints that, for the country’s leaders, it is control that matters most. ■

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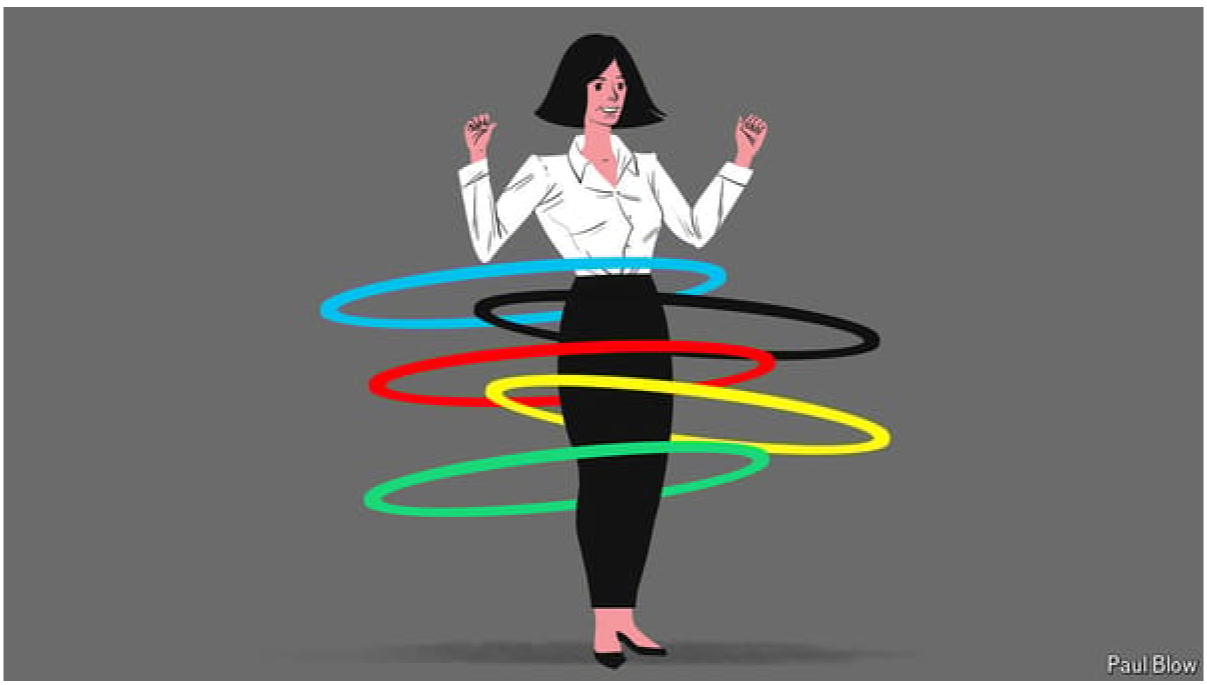
Bartleby

What can Olympians teach executives?

Citius, altius, spurious

8月 08, 2024 07:33 上午



I WANT TO BE successful. That person is successful. So that person can teach me how to be successful. This syllogism helps explain the torrent of podcasts, books and speeches devoted to the secrets of high performance. It is one reason why executive-leadership courses draw on case studies from well beyond business: politics, the army and even the Roman empire. And it has been much in evidence before and during the Olympics, which end in Paris on August 11th.

Consultancies ask what CEOs can learn from the world's best athletes. Executives attend events in which Olympians describe what makes them tick. Articles breathlessly assess the leadership qualities of Simone Biles, an American gymnast who pulled out of the Tokyo games and made a triumphant return in Paris. Bob Bowman, a swimming coach, wrote a book in 2016 called “The Golden Rules”, based on his success shepherding Michael Phelps to greatness; the triumphs in this year’s games of Léon Marchand, a French swimmer who is also one of his charges, should give sales a bump.

There are threads that connect sporting success and business success. Getting to the games requires intense dedication and hard work. Sporting excellence rests on the efforts of multiple people, not just a single individual. The people on the podium in Paris are competitive and resilient. It is true that all these things are helpful in the workplace, but so is being able to dress yourself. Some things simply don’t need saying. Not that this stopped one consultancy from putting out research in 2023 marvelling at the fact that “100% of professional athletes and CEOs spend time mentally preparing” before a big competition or meeting.

If some of the similarities between sports and the workplace are the stuff of cliché, many of the differences are too big to be helpful. Sporting contests have the objective clarity of finishing positions; most jobs lack such simple metrics. A four-year Olympic cycle building to a contest that may last only seconds has few obvious analogues in business. Sports-stars-turned-speakers and business audiences both have an interest in pretending that an Olympic final is like getting ready for a big presentation or end-of-year results. If that were really the case, more executives would go to Olympic training camps to talk to athletes about their greatest earnings calls.

The athletes who win medals at the games are blessed not just with prodigious determination but also immense natural gifts. “I got more speed in my little finger than most people have in their whole body, and I was just born that way,” Michael Johnson, a legendary sprinter, recently told “The High Performance Podcast”, a popular show that tries desperately to extract life lessons for mortals from people with superhuman skills. The job of managers is partly to identify such superstars, but their real task is getting the best out of a workforce whose talents will vary and whose jobs will not depend as heavily on genetics. “As soon as I saw that kid log on, I knew he was special,” are words you do not often hear.

The comparisons between sports and business can raise some interesting questions, although they are not necessarily the ones you might expect. In her book “The Long Win”, Cath Bishop, a former Olympian turned consultant, describes how a rigid focus on winning can be self-defeating whether you are in a singlet or a suit. Elite athletes increasingly like to talk about trusting in the process—focusing on the performance rather than on the results. Divorcing the way a business decision is made from its actual outcome is a discipline that companies might benefit from, too.

The pressure on competitive sports teams to cut corners in pursuit of success can lead to toxic cultures and outright cheating, just as it can within firms. The way that Olympians get feedback from coaches and the motivation that comes from genuinely mastering a skill: these, too, are things to reflect on.

But these parallels are not really why people listen to the podcasts or turn up at the events. They want a simple formula for success. And they want to hear what it is like to run faster, jump higher and vault better than anyone else. They want to hear stories that can have no conceivable value back in the office (how Mr Bowman broke Mr Phelps’s goggles on purpose before a race to prepare him for anything, or why Mr Johnson ran in that famously upright style). If they can pretend it’s good for their career, so much the better. ■

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Searching questions

A court says Google is a monopolist. Now what?

The ruling could lead to a big-tech showdown

8月 08, 2024 07:33 上午

AMID THE 286-page judgment, issued after nearly four years of trial proceedings and petabytes of evidence, four words stand out. "Google is a monopolist," wrote Amit Mehta, the judge of a district court in America, adding that "it has acted as one". His ruling, handed down on August 5th, could lead to big changes for the multi-billion-dollar search market—and for the wider tech industry.

Google handles around 90% of search queries in America (including 95% of those on mobile phones), forming the foundation of the world's largest advertising business. People use it partly because it is good at finding things, but also because it is usually the default search engine on their phone or browser. Google maintains this privileged position by paying colossal sums to phone-makers and browser-developers. In 2021 these payments came to $26bn, the trial revealed.

Google's rivals, backed by America's Department of Justice (DOJ), have long complained that such deals give the company a stranglehold on search. They make it hard for competitors to reach new users (why navigate to another search engine when you can type a query directly into your browser's address bar?). They also entrench Google's superior performance, by sending it billions of search queries a day that train its algorithms to be even better. Mr Mehta's ruling finds that these deals are indeed in breach of antitrust law.

The case is a victory for American regulators in their long-running crusade against big tech. The DOJ, which has also sued Apple, has a second case against Google, concerning its advertising business, which is due to start next month. The Federal Trade Commission, another trustbusting watchdog, has filed claims against Meta and Amazon. The DOJ's victory over Google was hailed by pundits as the most important verdict in tech regulation since Microsoft was found guilty of monopolistic practices in 2001.

Markets were less fussed: the share price of Alphabet, Google's parent company, fell by only about 2% on the news. Investors are right to withhold judgment, for two things are uncertain. First, Google's inevitable appeal could take years. Second, the court has yet to propose remedies to the problem it has identified. That will happen in a separate trial, which is expected to conclude no earlier than next year.

Most observers think a big structural prescription, such as separating Google's Android operating system from the rest of the company, is unlikely. Another potential remedy would be to force Google to share its search data with rivals, to help them train their own algorithms. The company is already obliged to do this in the European Union under the Digital Markets Act, passed in 2022. But under American law imposing such an obligation is trickier. Such data-sharing also raises privacy concerns (now even more companies will know your search history) and would require ongoing monitoring, something courts try to avoid.

Perhaps most likely is that Google will be banned from paying for the right to be the default search engine on platforms like the iPhone. Consumers could instead be presented with a choice of search tools. Something similar already happens in the EU, where Google was ordered to offer consumers a choice over their default search engine on Android phones in 2018 (Apple has recently been forced to do the same with browsers on its iPhones). So far, it seems that consumers faced with these choices mostly opt for brands they already know. Google's share of search requests in the EU had not budged by 2021, according to Search Engine Land, a news site.

If Google was forced to end the arrangements in question, the main immediate loser might be Apple. Google pays it around $20bn a year to be the iPhone's default search engine, the trial revealed. That is equivalent to 18% of Apple's operating profit last year. Banning such deals would deprive Apple of a big chunk of cash. Many consumers are likely to stick with Google anyway—at least for now.

Bowled a googly

In the long term, though, the effects for Google may be worse. So far Apple has had little commercial motive to launch a search engine of its own, as Mr Mehta noted in his ruling: doing so would take away the profit Google hands it every year. If that cosy arrangement were banned, Apple would have a much bigger incentive to pursue the iPhone search business for itself—along with the advertising revenue that would come with it. In recent years it has started building an ad business around its app store; media analysts expect to see ads soon on its streaming service, Apple TV+. Search would be a tempting addition.

Consumers prompted by their browser or phone to rethink their search engine might also be more willing than in the past to try out intriguing new formats powered by artificial intelligence (AI). Search engines that use the technology, such as Perplexity, claim to offer better results than Google. On July 25th OpenAI, the maker of ChatGPT, launched SearchGPT, its own AI-powered search engine. Apple is also leaning heavily towards AI-based alternatives. Siri, its dimwitted voice assistant, currently functions as little more than a glorified egg-timer. But in the next few months it is due to get an AI-powered makeover designed to help users with the kinds of tasks for which they might previously have scoured the web. In time, innovative new ways of accessing the world's information may disrupt Google's business in ways trustbusters could only dream of. ■

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Schumpeter

A history-lover's guide to the market panic over AI

Past technologies offer clues to what comes next

8月 08, 2024 07:33 上午

Brett Ryder

ANDREW ODLYZKO, a professor of mathematics at the University of Minnesota, has a side hustle: he has become one of the world's foremost experts on the history of speculative bubbles. Part of his time is spent at the Bank of England, where he photographs pages from thousands of handwritten ledgers which he later scours for clues about earlier episodes of excess. He hopes that generative artificial intelligence (AI) will one day take the drudgery out of the task. It is not lost on him that the latest speculative mania revolves around the technology itself.

In recent days the standard-bearers of generative AI, including Nvidia, a chipmaker, and tech giants such as Amazon and Microsoft, have plummeted in value. That has left sceptics, who had warned of a bubble in the technology, feeling terribly clever. Many pointed to two earlier periods of frenzied over-investment: the railway manias of the 19th century and the telecommunications bubble of the late 1990s. In both cases, the capital expenditures were similar to the huge amounts that big-tech firms are promising to spend on the data centres at the heart of the AI revolution.

Professor Odlyzko is an authority on both episodes. His research on the railway manias of 19th-century Britain is widely cited. Before becoming an academic, he worked at Bell Labs, a famed research outfit, where he was one of the first to question the fallacy that internet usage was doubling every 100 days. Yet he dismisses the idea that railways or the internet are useful guides to thinking about generative AI. They start from different positions, he says. Both railway and telecoms firms knew early on how profit could be generated: the first by taking traffic from other forms of transport; the second by eclipsing other forms of communication and entertainment. It was estimates of the size of the potential bonanza that proved hallucinatory. Generative AI is different. Its disruptive potential is clear, but as yet no one knows what its main uses will be, or how it will make money. Professor Odlyzko sees better parallels with the telegraph and electricity booms of 19th-century America. “Engines that Move Markets”, by Alasdair Nairn, is a history of investment bubbles and a useful primer on both episodes. Sadly, it will not reassure today’s investors.

Deployment of the telegraph provides a rough facsimile of how the tech giants approach generative AI. At the beginning, telegraphs mostly helped make trains run more smoothly. Railway barons such as Cornelius Vanderbilt built telegraph networks alongside their existing tracks, much as today’s tech giants have weaved generative AI into their existing cloud offerings. Stand-alone telegraph companies had a difficult time at first. In the mid-19th century massive investments were accompanied by fierce price wars, as companies sought to protect their fiefs. The pay-off came only after the civil war, when commercial use of the telegraph soared and companies such as Western Union became profitmaking machines.

The early history of electric lighting looks more pertinent to Nvidia. Like generative AI, it aroused popular excitement early on; for centuries, people had wanted a cheaper and cleaner alternative to burning candles or oil for light. Like Nvidia's AI chips, known as graphics-processing units (GPUs), one technology took an early lead. That was arc lighting, which Charles Brush, an American entrepreneur, helped pioneer. He established the Anglo-American Brush Electric Light Corp, whose shares soared when it licensed its technology to companies that Brush had helped finance. The gush of profits made it seem inevitable that the business would prosper. Naysayers were derided as unimaginative.

Neither story ended well. Just as it had reached commercial success, Western Union's telegraph was gazumped by Alexander Graham Bell's telephone, which many of the best minds of the time had dismissed. The company's profitability declined from then on. As for electricity, it eventually became clear that arc lighting was too expensive to make business sense, and the "Brush bubble" burst. Thomas Edison proved the superiority of incandescent lighting. His company eventually became General Electric, a beacon of American enterprise throughout the 20th century. It is too early to say whether Nvidia's Jensen Huang will go down in history as a Brush or an Edison.

Professor Odlyzko makes two additional points. First, many of the previous investment booms were backed by government spending. This time the generative-AI capital outlays come from big-tech firms that are, as he puts it, "insanely rich". There is little danger of their coffers running dry. That said, his second point is that if demand for generative-AI products fails to materialise soon, the tech giants might start to reduce their spending on Nvidia's GPUs. The risk for the chipmaker is not only from receiving fewer orders. The tech firms could also dump surplus GPUs on the second-hand market, further depressing prices. Nvidia's share price could crater, he says.

The only certainty is surprise

Let's be humble. As Roy Amara, an American futurist, said, "We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run." No one knows for sure what generative AI's “killer app” will be. Professor Odlyzko notes that few expected passenger trains to be more important than freight during the railway boom. They were. Likewise email became the surprise success of the early internet era.

One more lesson from history is that booms and busts are often accompanied by wider economic uncertainty and changes in the cost of capital. That appears to be true in the current turmoil. With luck, all the latest sell-off will do is skim froth off the top of an overhyped market. Still, investors should brace for more volatility as this promising but nascent technology gathers steam. ■

If you want to write directly to Schumpeter, email him at schumpeter@economist.com

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Finance & economics

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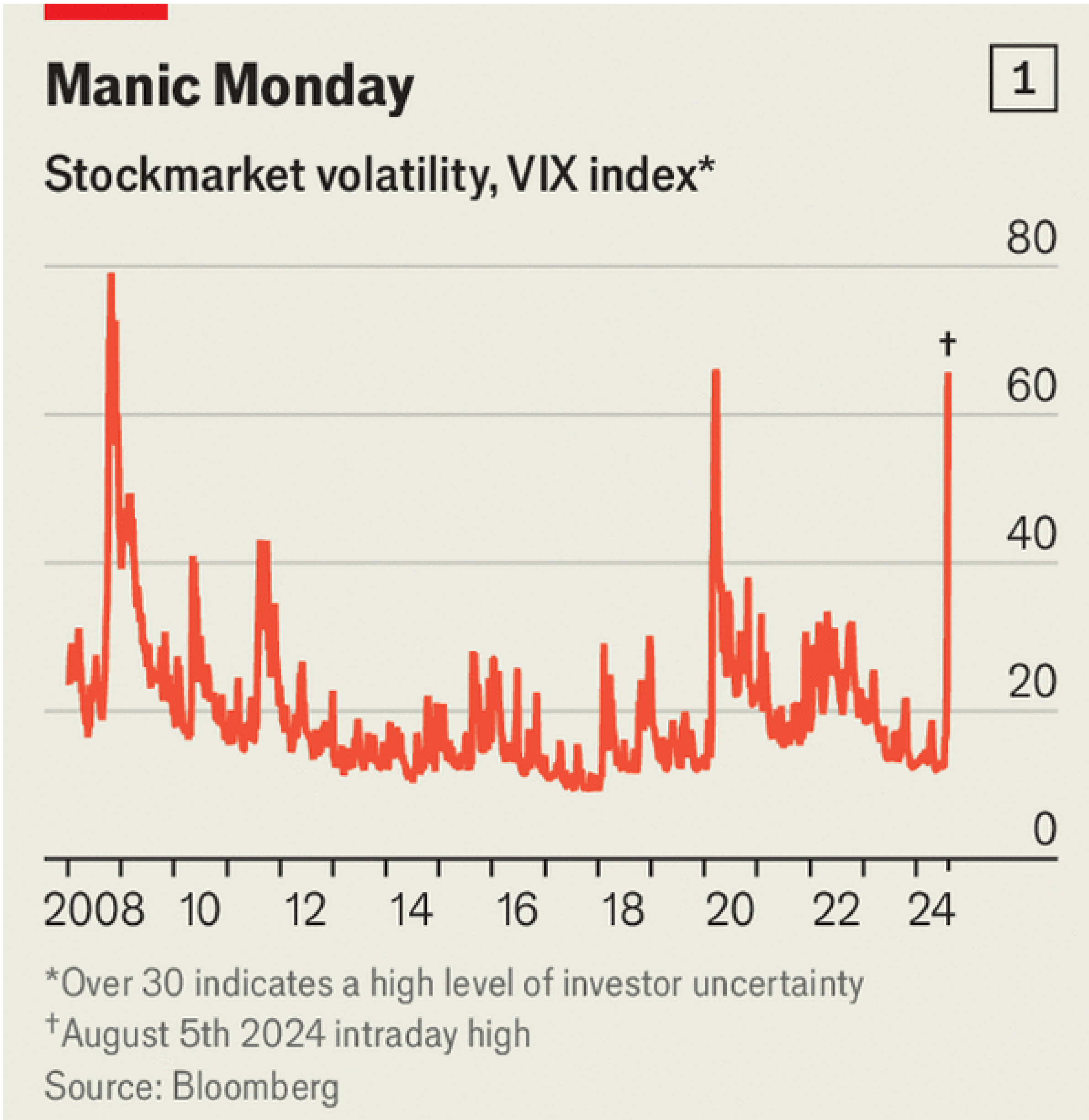
Cigarettes, coffee and panic

The stockmarket rout may not be over

As investors pause for breath, we assess what could turn a correction into a crash

8月 08, 2024 07:33 上午

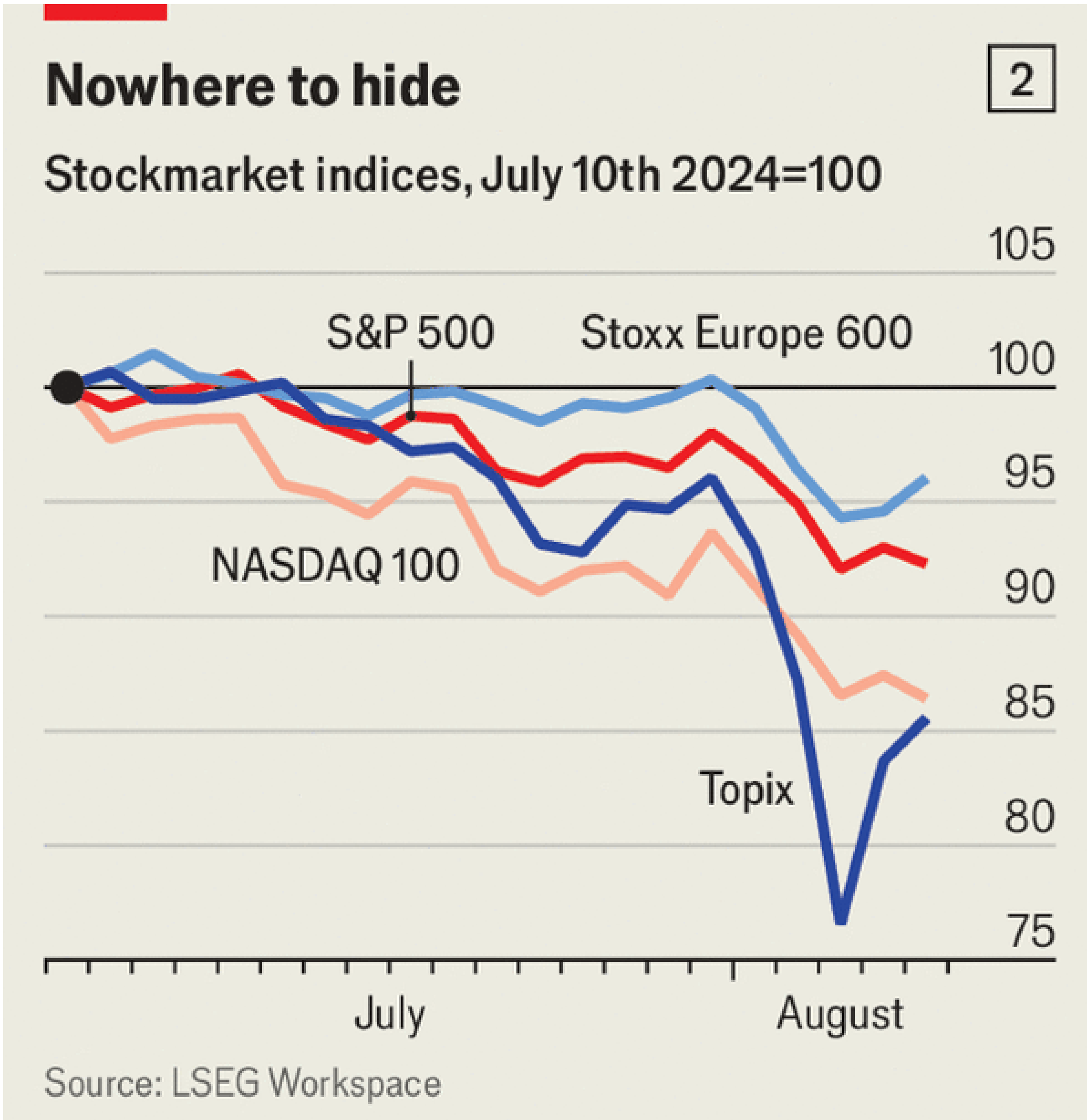
FOR A WHILE on August 5th things were looking truly awful. During the Asian trading session Japan's benchmark Topix share index had fallen by 12%, marking its worst day since 1987. Stocks in South Korea and Taiwan had tanked by 9% and 8% respectively, and European markets were faltering. Before trading began in America, the VIX index, which measures how wildly traders expect share prices to swing, was at a level it had reached only early during the covid-19 pandemic and after Lehman Brothers collapsed in 2008 (see chart 1). Ominously, though gold is usually a hedge against chaos, its price was falling—suggesting that investors might be selling assets they would rather hold on to in order to stay afloat. The previous week's rout in global markets seemed to be spiralling into a full-blown crisis.



The Economist

Mercifully, the panic started to ebb once Wall Street opened for business. The VIX fell back to only its highest during the crash of 2022; by the end of the day the S&P 500 index of large American companies was down by a mere 3%. Over the next few days American and European stocks recovered a little, and Japanese ones bounced back. The losses made over the past few weeks have nevertheless been brutal, stretching into the double digits for the Topix and America's tech-heavy NASDAQ 100 (see chart 2). And as ever after a rout—while traders pause for breath and attempt to catch up on some sleep—one question looms large. Did markets simply succumb to a brief bout of madness, or is there worse to come?

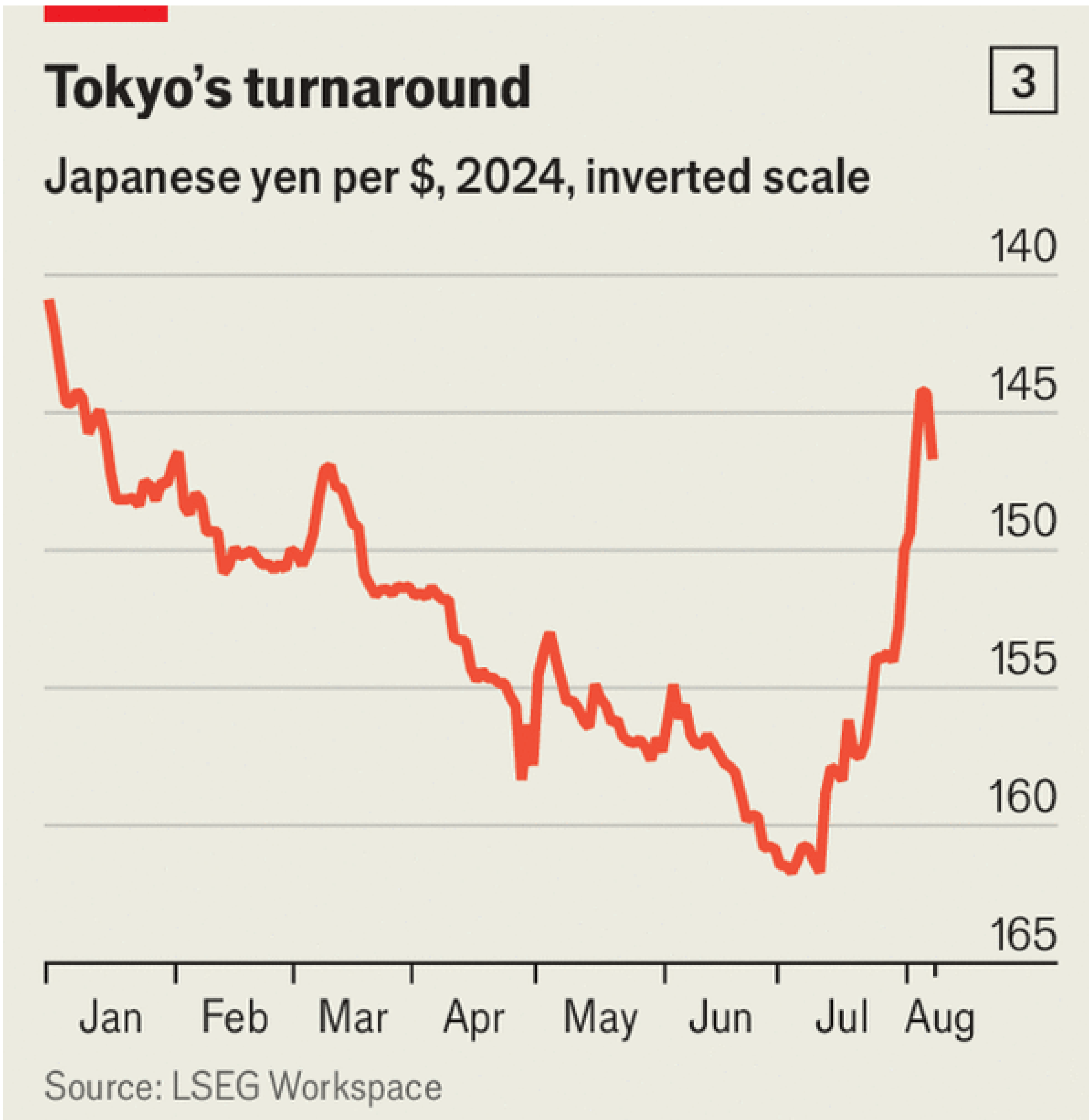
Since mid-July, three developments have combined to unsettle investors. The first was a dawning realisation that artificial intelligence (AI), and especially the chipmaking industry that powers it, had been imbued with unrealistic hopes. Donald Trump, the Republican presidential candidate, sent semiconductor stocks into a tailspin on July 17th by suggesting that Taiwan, where the vast majority of the world's advanced chips are made, should pay for its own defence against China. The Biden administration, meanwhile, was said to be planning curbs on exports of chipmaking equipment to China.



The Economist

A lacklustre earnings season for America’s tech giants then added to the geopolitical woes. Over the course of ten days from July 23rd Alphabet, Amazon, Apple, Meta and Microsoft all released results that left shareholders crestfallen. Even Alphabet and Microsoft, whose revenues beat expectations, saw their share prices fall the day after they reported. Those of Amazon, which undershot expectations, were punished far more. Investors’ euphoria over all things AI was evaporating.

At the same time, a rally by the Japanese yen was roiling stocks on the other side of the world—the second development to give investors an attack of the vapours (see chart 3). This was in part caused by the Bank of Japan's surprise decision to raise interest rates to around 0.25% on July 31st. A rising yen automatically depresses Japanese share prices, since many of the country's largest globetrotting firms, such as Hitachi, Sony and Toyota, make their earnings in foreign currencies.



The Economist

The third development—an unexpectedly weak American jobs report released on August 2nd—then supercharged the effects of the other two. The report revealed that the unemployment rate rose to a three-year high of 4.3% in July, while the economy added just 114,000 jobs, against a consensus forecast beforehand of 175,000. That put the world's biggest economy closer to a recession than most had thought. American Treasury yields plummeted, with the two-year rate falling to 3.9%, more than a percentage point below its level at the end of April. And share prices around the world went into free fall.

My heart cries out

Even then, there was still room for a fair few winners. Although America's headline indices sank, shares in companies such as Johnson & Johnson, Procter & Gamble and UnitedHealth enjoyed a bounce on the day of the jobs report. Such firms are in sectors well placed to weather a downturn (pharma, consumer staples and health care, respectively), and pay healthy dividends, raising their value as the Federal Reserve becomes more likely to cut interest rates.

However, by August 5th that was little help: the sell-off had broadened out. Investors were ditching virtually every stock in the S&P 500, along with those across global markets. What had started as the unwinding of a few popular trades had transformed into a slump encompassing pretty much everything.

Such indiscriminate selling may well resume. Christian Raute, a trading-strategy boss at Citigroup, a bank, says that the breadth of the selling suggests professional investors have received a "tap on the shoulder" from above, ordering them to reduce their risk no matter what they need to offload to do so. For large funds, that will take more than just a few days of sales. In the meantime, other outfits will hesitate to buy even assets they think have become underpriced, fearing a behemoth somewhere still has a big position to dump into the market. The gut-churning drops, in other words, appear to be far from over.

Investors may be forced out of especially crowded bets for other reasons. The astonishing speed with which the Japanese yen has strengthened in recent weeks, for instance, is probably because of the unravelling of "carry trades". These involve borrowing yen cheaply and using the proceeds to buy other assets—perhaps a higher-yielding currency, such as the American dollar or Mexican peso, or even stocks. But should the yen suddenly strengthen relative to the other asset, the trade quickly plunges into the red and may need to be terminated. Doing so involves selling the other asset and buying yen to pay back the debt, exacerbating the move and quite possibly forcing others into the same position, creating a vicious circle. If this generates a big loss, the investor may also need to leave other positions to meet it.

Some of the recent violent swings in the yen, Japanese and American stocks, and indeed the Mexican peso, may thus be the result of yen-based carry trades. Moreover, any popular trade that some investors have funded through borrowing can fall victim to the same sort of doom loop. Bets on firms linked to AI euphoria are a prime candidate. The VIX index's hair-raising spike on August 5th, caused by hordes of investors clamouring to buy insurance on the same stocks at once, suggests quite how crowded such positions are even after the recent unwinding. It also shows quite how much this crowding can move markets. And so there is plenty of potential for future sales, whether forced or voluntary, to cause further ructions.

The most dangerous escalation would come if the turbulence has left a sizeable investment vehicle unable to raise the money required to meet margin calls or close loss-making positions. That is what happened to Archegos, a family office, in 2021, prompting fire-sales of its assets and losses for its banks stretching into the billions of dollars. At a bigger outfit, such a collapse could spread contagion across the market and imperil other companies. As yet, "there is not sufficient pain to suggest a big player is in danger," says Citi's Mr Raute. "But if we see five more days of this, that may change."

Nothing but joy

Another cause for panic could come from surprises on the economy, or further doubts about the viability of the AI boom. There are plenty of potential flashpoints in the weeks ahead. Around a quarter of firms in the S&P 500 are still due to report their second-quarter earnings. These include Home Depot and Walmart, barometers of American consumer sentiment, and Nvidia, on which the fortunes of AI investors everywhere depend. Inflation data released on August 14th will hint at whether the Fed can indeed cut rates by 0.5 percentage points in September, which many are convinced it must in order to stave off a recession. Given the carnage that followed the most recent jobs report, the next, on September 6th, is another obvious catalyst.

Even now America's stockmarket remains more expensive relative to firms' underlying earnings than at almost any point in history. Greed has given way to fear, and the bulls have taken a battering. But if valuations are to return to normality, there is still a long way to go. ■

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Marching on

A global recession is not in prospect

That will be a relief to investors everywhere

8月 08, 2024 07:33 上午 | San Francisco

A WEAK JOBS report in America has raised fears that the world's largest economy is heading for recession. America's stockmarkets have tumbled, with fear spreading to other countries. Japan's Topix index is 15% off its recent high; Germany's main index is down by 7%. When America sneezes, everywhere catches a cold.

But a look at the latest data suggests that the global economy is not in danger, and that the market panic may be misplaced. Turn first to the labour market. America's unemployment rate has risen from a low of 3.4% in April 2023 to 4.3% in July. Indeed, history suggests that an increase of this size tends to accompany a drop in economic output—leading, in turn, to a further rise in unemployment, bankruptcies and falling incomes.

This cycle may be different, though, as labour markets in other parts of the rich world suggest. For months unemployment has been slowly rising almost everywhere (see chart 1). Germany's jobless rate has increased from a recent low of 2.9% to 3.4% today. Britain's has risen from 3.6% to 4.4%, while Australia's has gone from 3.5% to 4.1%. Some of this uptick has a common cause: a loosening of the extraordinarily tight labour market at the end of the covid-19 pandemic. Not long ago employers, struggling with labour shortages and sky-high demand, would take on practically anybody they could. Now, with everything more settled, they can be discerning.

The Economist

On top of this, unemployment is rising in part because of changes to the rich world's labour force. The OECD's working-age labour-force-participation rate recently hit an all-time high. Those who had once been on the economic sidelines are now actively looking for work—something which, in the short run at least, can raise the unemployment rate. These people have reason to think they will soon find a post. Job growth remains pretty strong. Over the past quarter employment has risen by 0.8% in Australia and 0.6% in Canada. Although Japanese employment fell by

0.03%, this is the exception in the rich world. It is also hard to square supposed labour-market weakness with wage growth that, across advanced economies, easily exceeds the rate of inflation.

If the story about jobs is reasonably subtle, the story about output is less so. Our judgment, from looking at a range of data, is that there is not much evidence of a slowdown. In a typical recession company profits plunge, but for now firms across the rich world are doing well. Research by Deutsche Bank suggests that in the first quarter of this year global corporate-earnings growth reached its highest level in seven quarters. The strong performance appears to have continued in the second quarter. American companies' earnings look set to have grown by more than 10% year on year. On August 6th Uber, a ride-hailing app, reported good results. A healthy share of European companies are beating analysts' expectations for profits. In South Korea second-quarter earnings were better than expected.

The economy at large offers a similar story. A weekly tracker of American economic activity, produced by the Federal Reserve Bank of Dallas, shows little sign of weakness. A global composite "purchasing managers' index" that tracks economic conditions remains strong. Although the rate of expansion slowed in July, it remained among the best registered over the past year. A "current-activity indicator" produced by Goldman Sachs, a bank, gives another reason for optimism. Published at a high frequency and compiled from a range of sources, it provides a hint of where GDP across the rich world is going. The indicator, if anything, looks slightly stronger than it did for most of last year (see chart 2). Some economies are struggling with weak growth, including Austria and France. But they have looked sickly for at least a year—and the situation is a lot better than it was a few months ago.

The inflation picture is improving as well. After peaking at 10% in late 2022, inflation in the median OECD country has steadily fallen. In June median prices across the bloc rose by 2.6% year on year—close to central banks' targets of 2%. About a quarter of OECD countries have now reduced inflation to that level or below. Annual inflation in Italy is less than 1%, while consumer-price growth in France and Germany is pretty much bang on target. It is ironic that concerns about recession have spread just as the rich world appears set to pull off a "soft landing", in which central banks bring down inflation to target without causing much economic damage.

Worries about the economy can, in time, become self-fulfilling. As stockmarkets tumble, households might start to fret about the future or feel poorer, leading them to pull back on spending. Skittish companies might also cancel their investment plans. Inflation is not yet defeated, even if it has come down, and with commodity prices volatile it could increase once again. High interest rates continue to bite. Yet, for now, the global economy remains in decent health. ■

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Burgernomics

The Big Mac index: where to buy a cheap hamburger

Meat-eaters may want to avoid Argentina

8月 08, 2024 07:33 上午

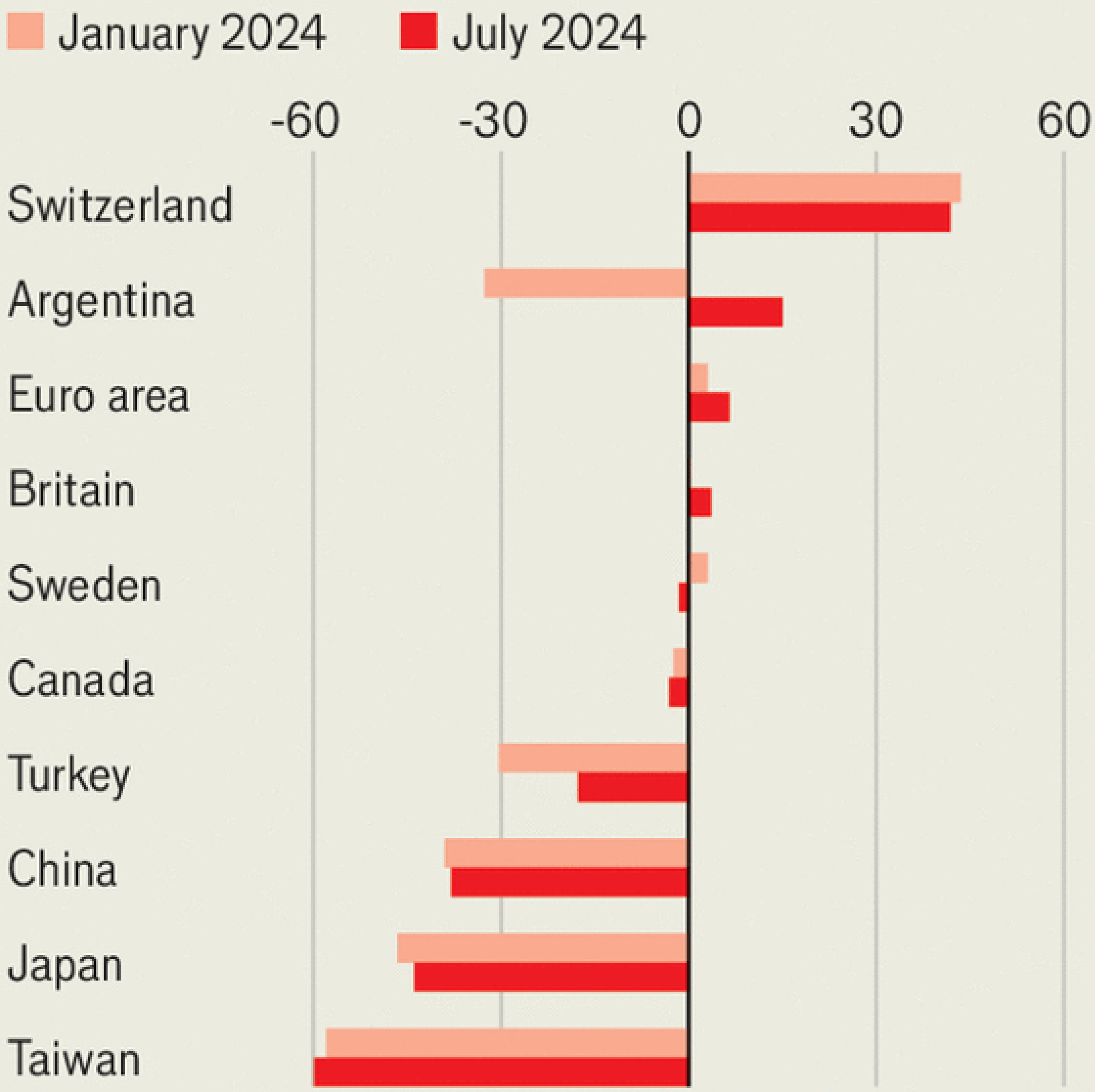
MCDONALD'S OWED its early success to zealous pickiness. Other restaurant chains in the 1960s had similar rules for food preparation and cleanliness. But none enforced them as rigorously, according to "McDonald's: Behind the Arches", a history of the company by John Love.

Stores would test the fat content of beef with acid. Field agents would use hydrometers to check potatoes were not too watery. At a supplier's plant in India, your correspondent once met a lab-coated technician all the way from Colombia whose job was to check the colour, smell, taste and "mouthfeel" of the French fries.

The result of this passion is uniformity: the Big Mac is much the same everywhere. But its price, interestingly, is not. A Big Mac in America costs $5.69. In the euro area, it costs the equivalent of $6.09. And in Taiwan, it costs only $2.28, less than half as much. This newspaper has been comparing the price of Big Macs since 1986. The aim is not (just) to find the best deal. It is also to test an important economic principle, known as purchasing-power parity.

The Big Mac index

Local currency under(-)/over(+) valuation against the US dollar, %



Sources: McDonald's; *The Economist*

The Economist

According to this principle, the value of a currency should reflect its buying power: its command over goods and services, including burgers. If something costs SKr50 in Sweden and the same thing costs $5 in America, then SKr10 should be worth $1. If they are worth less than that, the krona is "undervalued" against the dollar, according to our benchmark. A difficulty in testing this principle is finding exactly the same thing in both countries. But in the case of the Big Mac, that particular problem has been solved by the tasters and testers in the McDonald's supply chain.

What does our latest comparison of burger prices show? A few currencies, including the British pound, Swedish krona and Canadian dollar, trade on currency markets for roughly what you would expect on the basis of their patty-purchasing power. Other currencies defy the basic principle. A minority are "overvalued": they are worth more than is justified by their ability to buy a burger. If you convert a burger's worth of dollars into Switzerland's currency, you get only five Swiss francs. That's enough to buy about 70% of a burger; what you might call a Mid Mac.

Rich countries are often expensive. A few highly productive, highly paid industries bid up wages throughout the job market. That lifts costs and prices in less productive sectors shielded from foreign competition. For this reason, our Big Mac index also comes in an "adjusted" version, which shows whether a currency is more out of whack than you would expect, given the country's GDP per person. Even by this measure, Switzerland is expensive. And there is another anomaly: Argentina. Its peso is overvalued despite the fact that the country is not rich. You can buy over 5,300 pesos for $5.69 at the official exchange rate. That sounds like a lot until you realise that a Big Mac costs 6,100 pesos, up from 3,150 pesos just seven months earlier.

These anomalies might simply reflect flaws in our index. Perhaps the price of a Big Mac is not representative of prices elsewhere in the economy. There is, after all, more to life than burgers. The World Bank leads a far bigger, more sophisticated effort to compare the prices of hundreds of similar products around the world. Do its results overturn ours?

Not really. The two sets of data have a correlation coefficient of almost 0.7, where 1 indicates perfect correlation. A handful of countries, including

Uruguay, Norway and indeed Argentina, look expensive judging by burger prices, but undervalued on broader measures. Even in Argentina, though, the discrepancy is narrowing. After devaluing the peso by 50% in December, Javier Milei, Argentina's outspoken president, has permitted it to fall by only 2% a month. That is not enough to offset the rise in consumer prices, which climbed by 4.6% in June. Hence anyone arriving in Argentina with dollars in their pocket and a rumbling in their stomach would probably seek to sell their greenbacks in the informal currency market, where $5.69 fetches roughly 7,600 pesos, enough to buy a burger with change to spare.

In any measure of a currency's purchasing power, statisticians face a trade-off between breadth, consistency and timeliness. The World Bank's calculations are far broader than ours. Yet they require vast statistical manpower and emerge only once every three years at best. The Big Mac index is the work of a handful of people and appears every six months. Our index, in short, purchases a lot of explanatory power for little cost. Despite all the attention it attracts, the Big Mac index is probably still undervalued. ■

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Sour taste

How Chinese shoppers downgraded their ambition

The trend will dismay the country's policymakers

8月 08, 2024 07:33 上午 | Shanghai

Gilles Sabrié/The New York Times/Redux/Eyevine

"EVEN THOSE born poor fear the heat." This slogan, printed on a lemonade from Mixue, a drinks-and-ice-cream chain, says a lot about Chinese consumption. The beverage has been a wild success during a heatwave sweeping the country, less for its tart, refreshing properties than for its price. A cup sells for as little as 3.6 yuan ($0.50), compared with 15 yuan for milk tea. Its popularity, bloggers speculate, reflects darkening consumer sentiment and growing stinginess. Consumers are rapidly trading down, from higher-cost goods to cheap substitutes, and many want to squeeze out every last drop of their spending power.

The bitter truth is that consumer confidence has continued to weaken this year, instead of recovering from the covid-19 pandemic. Even Shanghai, China's consumption capital, witnessed retail spending fall by 2.3% year on year in the first half of 2024. Much of this is linked to the moribund housing market, by far the biggest destination for household investment. Youth unemployment is high, too. And economy-watchers were let down in July, when a grand political meeting failed to produce a proper rescue plan. Although household consumption makes up just 39% of GDP, compared with 54% across the OECD, a club of mostly rich countries, that share is continuing to slide.

Hence why downgrading is becoming a fact of life, as documented by writers across China. One food-industry author has tracked high-end eateries going out of business in Beijing. These include a Michelin-starred restaurant from Umberto Bombana, an Italian chef. Others have noted the rise of bargains. A blogger counted over 5,000 new restaurants that offer buffet-style deals. Such restaurants, writes another blogger, show "involution"—intense, self-harming competition—taking hold.

Many youngsters are happy to flaunt their tightfistedness. Some have started carrying the plastic bags in which milk tea is delivered in place of designer holdalls. Far fewer genuine luxury bags are being bought. S&P Global, a rating agency, reports that, although there was a modest appetite for luxury spending in 2023, "we don't see any areas of strength this year."

Near-expiry-date make-up shops have grabbed attention on social media. Many clearance stores now sell snacks and lipstick at less than half price. Cosmetics have led the decline in spending in Hainan province, which has one of the world's largest duty-free zones. Between January and June this year, shoppers spent 4bn yuan less on eyeliner and lotion than they did during the same period in 2023.

The government appears flummoxed. On August 3rd the State Council released a 20-point plan to support consumption in areas such as child and elderly care, education, sports and tourism. But the guidelines focus on the long-term cultivation of markets, not "one-off helicopter money to households", as analysts at HSBC, a bank, noted. Indeed, Mr Xi has been resistant to handouts. He has instead told China's youth to persevere through the tough times—or “eat bitterness” as the Chinese saying goes. Many will suck it down with a straw this summer. ■

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Buttonwood

Why Warren Buffett has built a mighty cash mountain

Berkshire Hathaway's boss is an impressive investor, not an economic oracle

8月 08, 2024 07:33 上午

NO INVESTOR COMMANDS attention quite like Warren Buffett. As boss of Berkshire Hathaway, an investment firm that he has run for almost six decades, Mr Buffett's every movement is scrutinised. When he shifts in his seat, investors large and small ponder what it might mean for their portfolios.

Results released by Berkshire Hathaway on August 3rd gave watchers more reason than normal to take note. The company announced that it had cut its stake in Apple by almost half, to $84bn. Its holdings of cash and Treasury bills increased from $189bn in the first quarter of the year to $277bn at the end of June. The backdrop to the announcement was dismal. Stockmarkets were in the midst of a sell-off, after weaker-than-expected data on American employment had provoked worries about the strength of the world's largest economy.

Mr Buffett's reputation has taken on an almost spiritual element: he is known as the "Oracle of Omaha" for a reason. The tens of thousands of investors who flock to Berkshire Hathaway's shareholder meeting are more disciples than stockpickers. It is no surprise, then, that some onlookers see the cash accumulation as a dark omen. They note that Mr Buffett also accumulated cash in the mid-2000s, before the global financial crisis, leaving him in a strong position to buy when other investors' balance-sheets were hammered. What does he know about the economy that they do not?

Less than they imagine. Mr Buffett's extraordinary talent as an investor is not based on a capacity for seeing the future. Indeed, his outperformance is all the more impressive for his lack of supernatural abilities. In research published in 2018, Andrea Frazzini, David Kabiller and Lasse Pedersen, all of AQR Capital Management, a quantitative investment firm, found that Mr Buffett's long-run outperformance can be straightforwardly explained. He has bought high-quality stocks at relatively cheap prices, and applied leverage judiciously. His strategy is, in short, classic "value investing", albeit a form that is combined with the ability to borrow cheaply through Berkshire Hathaway's insurance business.

Just as the explanation for his extraordinary performance is acumen rather than magic, so is the reason for Mr Buffett's cash build-up. In May Mr Buffett said that his investors should expect him to sell shares and build up reserves for two reasons. One is that he expects taxes on capital gains to rise, and wants to realise his profits before that happens. The other is that he sees few cheap, high-quality companies in which to invest. The stockmarket is expensive across the board.

Berkshire Hathaway's investments in Japan are an example of both the merits and the limits of Mr Buffett's strategy. It appears unlikely that the firm would have sold the stakes it holds in five *sogo shosha*, cheaply valued trading houses, during the recent bout of market turmoil. In February Mr

Buffett mentioned the investments as among those he expected to hold indefinitely. At the same time, he has promised his stakes in the companies will not exceed 10%, a figure his holdings already bump up against. Therefore options for expansion—either at home or abroad—remain scant.

Mr Buffett has never claimed to posses the foresight his followers attribute to him. Indeed, he once joked that any firm which hires an economist has one employee too many, and says he has never made any investment decision based on an economic prediction. Although Berkshire Hathaway emerged from the global financial crisis in better shape than the vast majority of its peers, the company's cash holdings declined as a share of its total assets in the quarters running up to the collapse of Lehman Brothers in 2008—not the path an omniscient investor would have taken.

Mr Buffett's new cash pile is undoubtedly enormous. Berkshire Hathaway could, if it wished, buy McDonald's at the burger chain's current share price and have $80bn left over, or take a stake in Meta larger than the one held by Mark Zuckerberg, the firm's boss. If markets do enter a steeper downturn, Mr Buffett will be in an enviable position, able to snap up firms trading at discounts. Fans of Mr Buffett's clear-headed approach to investing should nevertheless take him at his word. His simple maxims are at the root of his long and impressive performance as an investor; his growing cash pile holds no hidden explanation. The value investing Mr Buffett practises has become increasingly tough. In the absence of a much more protracted sell-off, it is likely to remain so.■

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Bitter pills

Africa’s two most populous economies brave tough reforms

Will Ethiopia and Nigeria be able to stick to them?

8月 08, 2024 07:33 上午 | Abuja

WHEN TIMES are tough, politicians reach for metaphors. In Ethiopia, which floated its currency and entered a $3.4bn IMF programme on July 29th, the prime minister Abiy Ahmed (pictured) compared reform to “the pain of surgery, endured for healing”. In Nigeria Bola Tinubu, the president, has defended two devaluations, saying the old system was “a noose around the economic jugular of our nation”. Both want to head towards orthodox policy, however much it hurts.

Lots of other African governments are tightening their belts. Most were already becoming more conventional in their economic policy. Nigeria and

Ethiopia had previously stood out, and not just because they are the most populous countries on the continent. Each had spurned advice from the IMF in favour of a more interventionist path. Policymakers in both countries managed the exchange rate, restricted imports and directed the flow of credit.

In Ethiopia, especially, the turn to orthodoxy represents an important shift. Mamo Mihretu, the country's central-bank governor, argues that the ongoing reforms, which also include plans to open up the banking sector and redesign monetary policy, are "a transformative moment in Ethiopia's economic journey", comparable to India's decision to unleash markets in 1991. That is overstating the extent of the reform, but hints at its ambition.

Although the revolutionaries who took power in Ethiopia in 1991 drifted from their Marxist roots, they never abandoned the idea that development should be led by the state. They controlled the financial system in order to funnel savings into investment projects, protected banking and telecoms from foreign competition and opened industrial parks in pursuit of export-led growth. Nigeria's approach was messier and inclined towards import substitution, using tariffs and import bans to nurture local production. Muhammadu Buhari, president from 2015 to 2023, turned the central bank into a financier for all sorts of ideas, providing cheap loans for everything from chicken-rearing to textiles.

The Economist

Despite their differences, officials in both countries shared a belief that—in the words of Meles Zenawi, Ethiopia's prime minister for nearly two decades—"the neoliberal paradigm is a dead end." By that, he meant the kind of market-oriented reforms that many African countries had adopted from the 1980s onwards. Ethiopian leaders instead believed that an activist state was required in order to marshal the development of capitalism and raise productivity, as it had in parts of East Asia.

The first sign of trouble was strain on the current account. Both countries had propped up their currencies. By changing relative prices, overvaluation acts as a subsidy to imports and a tax on exports (hence why Asian industrialisers often undervalued instead). But officials argued devaluation would be little help to local manufacturers, who rely on imported machines and materials. They worried inflation would ensue. And so they defended the currency.

By the middle of last year, dollars were trading at a black-market premium of more than 60% above the official rate in Nigeria and 100% in Ethiopia. Coffee traders in Addis Ababa were selling their country's biggest export at a loss, just to get their hands on greenbacks. Both countries rationed foreign exchange by restricting imports of items. In Ethiopia that included chocolate, fruit juice and umbrellas; in Nigeria, rice, soap and toothpicks. Before the IMF deal, Ethiopia's international reserves covered barely two weeks of imports.

The second spur to reform was new leadership. When Mr Tinubu took office he was confronted with a squeezed budget, a crippled central bank and billions of dollars in foreign-exchange obligations. He has scrapped tariffs on some imports temporarily and brought in a new central-bank governor, who has undone some of his predecessor's mistakes. Most significant, he has twice devalued the naira and axed a fuel subsidy. Annual inflation is now near 35%, its highest in 28 years.

In Ethiopia change has been brewing more slowly since Abiy took office in 2018. His outlook blends Pentecostalism, self-help and liberal economic instincts, even if his domineering style makes him reluctant to cede control. Reform was delayed by roiling political crises, including a two-year civil war. But after defaulting on a bond payment last year, and with other creditors insisting upon an IMF deal, the government was left with little choice.

Many of those around Abiy were already keen to act. They have signalled their intent by letting the market set the value of the birr, rather than managing it towards a new rate. The central bank has started using interest rates to conduct monetary policy, rather than controls on private credit as before. It says it will phase out a rule which mandates that commercial banks buy government bonds at below-market rates. Ministers have plans to allow foreigners to own property, run banks and buy coffee from farmers. They also want to sell a stake in the national telecoms firm and privatise state-run sugar businesses.

However significant, these reforms do not turn Ethiopia into a free-market economy—the country's economic set-up remains statist. Government-run companies are ubiquitous, tariffs are relatively high and the state's commercial bank owns 58% of total banking assets. Meanwhile, inflation could tug on an already frayed social fabric, at a time when kidnappings are frequent and the army is battling rebels. In Nigeria, too, the pain of reform could prove its undoing. Protesters have taken to the streets in anger at inflation, and lawmakers have just signed off on more government borrowing from the central bank. Recent changes are a step in the right direction. Now reformers must hold firm. ■

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Free exchange

Should central bankers argue in public?

Division is not always a weakness

8月 08, 2024 07:33 上午

JEROME POWELL'S tenure as chairman of the Federal Reserve has been admirably sure-footed. But on July 31st he may have stumbled when he announced that interest rates would remain at 5.25-5.5%. This was soon followed by unexpectedly weak employment data. Markets around the world then plunged as investors worried that the Fed had fallen behind the curve.

Bank of England (BoE) policymakers were, meanwhile, sitting as comfortably as could be expected given the circumstances. On August 1st they had voted to cut rates from 5.25% to 5%. What at first glance may appear a straightforward story of better judgment in fact reveals deeper truths about how monetary policy is set. The BoE's decision was made by the barest of margins. Five doveish members outvoted four more hawkish colleagues, who wanted to hold firm. The Fed, which puts far more value on consensus, would be unlikely to see such a split. In many other countries, it would be impossible: monetary policymakers debate behind closed doors and then present a united front in public.

Economists now broadly agree on how a central bank ought to operate. It should be independent, rather than following the whims of politicians. It should focus on controlling inflation over the medium term. And it should be staffed by judicious technocrats who have been appointed on merit. Yet one question remains unanswered. How, exactly, should central banks set monetary policy? This is not about whether a hawkish or doveish approach is superior, but about the mechanics of decision-making—a matter on which there remains remarkably wide variation.

Until 2019 the Reserve Bank of New Zealand, normally a leader when it comes to monetary-policy innovation, took an extreme approach. Its governor simply set rates by himself. New Zealand's move to a committee system was wise, since such a structure mitigates against the risk that the person in office might not be up to the job. In the 2000s researchers conducted experiments with economics students at the London School of Economics, Princeton University and the University of California. These used a simple computer-run economic model, which was subjected to random shocks. Students had to respond by moving interest rates, and were scored on how well they kept unemployment at 5% and inflation at 2% over the course of 20 financial quarters. In every case committees outperformed individuals. Indeed, a large body of empirical work suggests that well-run committees help smooth extreme perspectives, drive out poor judgment and provide more insulation from both political and personal pressure.

Beyond the relatively straightforward question of whether interest rates should be set by an individual or a group, the divide in the monetary-policy world is between an individualistic approach to committees—as found in Britain and the Nordic countries—and collegiate committees, as at the European Central Bank. In the individualistic model, policymakers express their own views, argue for a desired policy position and then vote for the action they prefer, with the votes later published. Members can and do disagree in public. By contrast, in a collegial system, the approach is to debate the options and then come to a collective decision, which all members stand behind. At the ECB, the aim is to achieve consensus and individual voting records are not publicised.

The Fed is something of a hybrid. Members of the Federal Open Market Committee (FOMC) can go their own way and individual voting records are published. At the same time, the institution places a high value on collegiality. Alan Blinder, an economist at Princeton and former FOMC member, has argued that under Alan Greenspan, the Fed's chairman from 1987 to 2006, the FOMC was an "autocratically collegial system", in which the chairman dictated the consensus and other members were expected to fall in line. A split vote, Mr Greenspan once lectured colleagues, would risk "serious problems for this organisation". Under Ben Bernanke, Janet Yellen and Mr Powell the Fed has been less dominated by one individual. The FOMC is made up of the seven permanent Fed governors, together with the president of the New York Fed and four of the other 11 regional Fed presidents on a rotating basis. No governor has dissented on a policy decision since 2005, but presidents are more willing to go against the grain.

Put the pedal to the floor

Which system is best? The question is a bit like asking if an automatic or manual car is superior—it depends on what you are after. Individualistic committees often move faster. It is easier to corral five votes among the nine members of the BoE's Monetary Policy Committee to change policy than it is to generate a near-consensus at the ECB or the Fed. The BoE was one of the earliest rich-country central banks to begin tightening policy in 2021 and among the first to begin cutting this year. Such a system also defends against the danger of groupthink.

However, this nimbleness comes at a cost. Although the need for consensus may slow down decision-making, it also allows policymakers to speak with a clear voice to financial markets and avoids the cacophony of conflicting signals with which BoE-watchers are all too familiar. When it comes to monetary policy, the expected path of interest rates can be just as important a tool as the level of rates now. The ability to send markets a single message is extremely useful.

Most of the time influence over interest-rate expectations is more valuable than nimbleness. But not always. Imagine a situation in which there are signs the labour market is weakening, inflation is stubbornly above target and markets are in turmoil. At such an inflection point, when a change in the monetary-policy regime is required, it might be better to be more open about disagreement. For once, it is better to be British than American. ■

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Schools brief

- **How AI models are getting smarter**
  Artificial intelligence :: Deep neural networks are learning diffusion and other tricks

Artificial intelligence

How AI models are getting smarter

Deep neural networks are learning diffusion and other tricks

8月 08, 2024 07:33 上午

TYPE IN A QUESTION to ChatGPT and an answer will materialise. Put a prompt into DALL-E 3 and an image will emerge. Click on TikTok's "for you" page and you will be fed videos to your taste. Ask Siri for the weather and in a moment it will be spoken back to you.

All these things are powered by artificial-intelligence (AI) models. Most rely on a neural network, trained on massive amounts of information—text, images and the like—relevant to how it will be used. Through much trial and error the weights of connections between simulated neurons are tuned on the basis of these data, akin to adjusting billions of dials until the output for a given input is satisfactory.

There are many ways to connect and layer neurons into a network. A series of advances in these architectures has helped researchers build neural networks which can learn more efficiently and which can extract more useful findings from existing datasets, driving much of the recent progress in AI.

Most of the current excitement has been focused on two families of models: large language models (LLMs) for text, and diffusion models for images. These are deeper (ie, have more layers of neurons) than what came before, and are organised in ways that let them churn quickly through reams of data.

LLMs—such as GPT, Gemini, Claude and Llama—are all built on the so-called transformer architecture. Introduced in 2017 by Ashish Vaswani and his team at Google Brain, the key principle of transformers is that of "attention". An attention layer allows a model to learn how multiple aspects of an input—such as words at certain distances from each other in text—are related to each other, and to take that into account as it formulates its output. Many attention layers in a row allow a model to learn associations at different levels of granularity—between words, phrases or even paragraphs. This approach is also well-suited for implementation on graphics-processing unit (GPU) chips, which has allowed these models to scale up and has, in turn, ramped up the market capitalisation of Nvidia, the world's leading GPU-maker.

Transformer-based models can generate images as well as text. The first version of DALL-E, released by OpenAI in 2021, was a transformer that learned associations between groups of pixels in an image, rather than words in a text. In both cases the neural network is translating what it "sees" into numbers and performing maths (specifically, matrix operations) on them. But transformers have their limitations. They struggle to learn consistent world-models. For example, when fielding a human's queries they will contradict themselves from one answer to the next, without any "understanding" that the first answer makes the second nonsensical (or vice versa), because they do not really "know" either answer—just associations of certain strings of words that look like answers.

And as many now know, transformer-based models are prone to so-called "hallucinations" where they make up plausible-looking but wrong answers, and citations to support them. Similarly, the images produced by early transformer-based models often broke the rules of physics and were implausible in other ways (which may be a feature for some users, but was a bug for designers who sought to produce photo-realistic images). A different sort of model was needed.

Not my cup of tea

Enter diffusion models, which are capable of generating far more realistic images. The main idea for them was inspired by the physical process of diffusion. If you put a tea bag into a cup of hot water, the tea leaves start to steep and the colour of the tea seeps out, blurring into clear water. Leave it for a few minutes and the liquid in the cup will be a uniform colour. The laws of physics dictate this process of diffusion. Much as you can use the laws of physics to predict how the tea will diffuse, you can also reverse-engineer this process—to reconstruct where and how the tea bag might first have been dunked. In real life the second law of thermodynamics makes this a one-way street; one cannot get the original tea bag back from the cup. But learning to simulate that entropy-reversing return trip makes realistic image-generation possible.

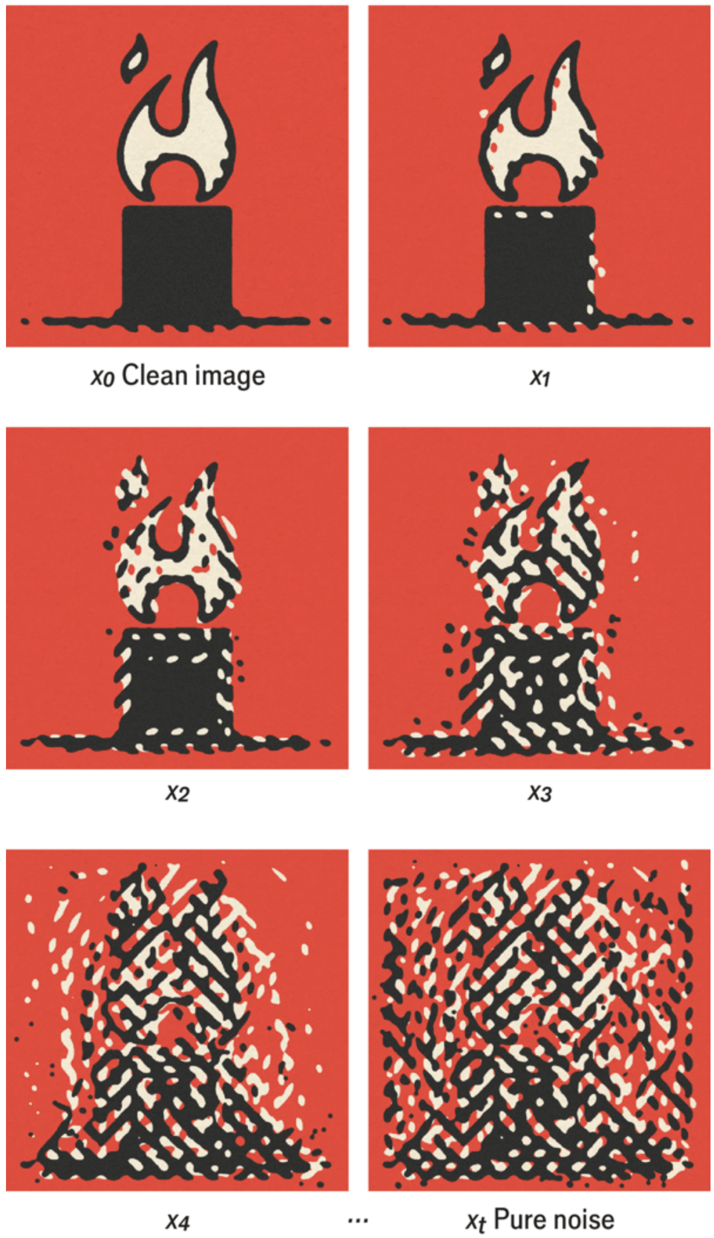
Training works like this. You take an image and apply progressively more blur and noise, until it looks completely random. Then comes the hard part:

reversing this process to recreate the original image, like recovering the tea bag from the tea. This is done using “self-supervised learning”, similar to how LLMs are trained on text: covering up words in a sentence and learning to predict the missing words through trial and error. In the case of images, the network learns how to remove increasing amounts of noise to reproduce the original image. As it works through billions of images, learning the patterns needed to remove distortions, the network gains the ability to create entirely new images out of nothing more than random noise.

→ How a diffusion model is trained

Forward →

The model adds noise to an image over thousands of steps until the pixels are completely random



← Reverse

A neural network learns to progressively remove noise to recover the original image

Source: *The Economist*

Most state-of-the-art image-generation systems use a diffusion model, though they differ in how they go about “de-noising” or reversing distortions. Stable Diffusion (from Stability AI) and Imagen, both released in 2022, used variations of an architecture called a convolutional neural network (CNN), which is good at analysing grid-like data such as rows and columns of pixels. CNNs, in effect, move small sliding windows up and down across their input looking for specific artefacts, such as patterns and corners. But though CNNs work well with pixels, some of the latest image-generators use so-called diffusion transformers, including Stability AI’s newest model, Stable Diffusion 3. Once trained on diffusion, transformers are much better able to grasp how various pieces of an image or frame of video relate to each other, and how strongly or weakly they do so, resulting in more realistic outputs (though they still make mistakes).

Recommendation systems are another kettle of fish. It is rare to get a glimpse at the innards of one, because the companies that build and use recommendation algorithms are highly secretive about them. But in 2019 Meta, then Facebook, released details about its deep-learning recommendation model (DLRM). The model has three main parts. First, it converts inputs (such as a user’s age or “likes” on the platform, or content they consumed) into “embeddings”. It learns in such a way that similar things (like tennis and ping pong) are close to each other in this embedding space.

The DLRM then uses a neural network to do something called matrix factorisation. Imagine a spreadsheet where the columns are videos and the rows are different users. Each cell says how much each user likes each video. But most of the cells in the grid are empty. The goal of recommendation is to make predictions for all the empty cells. One way a DLRM might do this is to split the grid (in mathematical terms, factorise the matrix) into two grids: one that contains data about users, and one that contains data about the videos. By recombining these grids (or multiplying the matrices) and feeding the results into another neural network for more number-crunching, it is possible to fill in the grid cells that used to be empty—ie, predict how much each user will like each video.

The same approach can be applied to advertisements, songs on a streaming service, products on an e-commerce platform, and so forth. Tech firms are most interested in models that excel at commercially useful tasks like this. But running these models at scale requires extremely deep pockets, vast quantities of data and huge amounts of processing power.

Wait until you see next year’s model

In academic contexts, where datasets are smaller and budgets are constrained, other kinds of models are more practical. These include recurrent neural networks (for analysing sequences of data), variational autoencoders (for spotting patterns in data), generative adversarial networks (where one model learns to do a task by repeatedly trying to fool another model) and graph neural networks (for predicting the outcomes of complex interactions).

Just as deep neural networks, transformers and diffusion models all made the leap from research curiosities to widespread deployment, features and principles from these other models will be seized upon and incorporated into future AI models. Transformers are highly efficient, but it is not clear that scaling them up can solve their tendencies to hallucinate and to make logical errors when reasoning. The search is already under way for “post-transformer” architectures, from “state-space models” to “neuro-symbolic” AI, that can overcome such weaknesses and enable the next leap forward. Ideally such an architecture would combine attention with greater prowess at reasoning. Right now no human yet knows how to build that kind of model. Maybe someday an AI model will do the job. ■

Science & technology

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Keeping your marbles

How to reduce the risk of developing dementia

A healthy lifestyle can prevent or delay almost half of cases

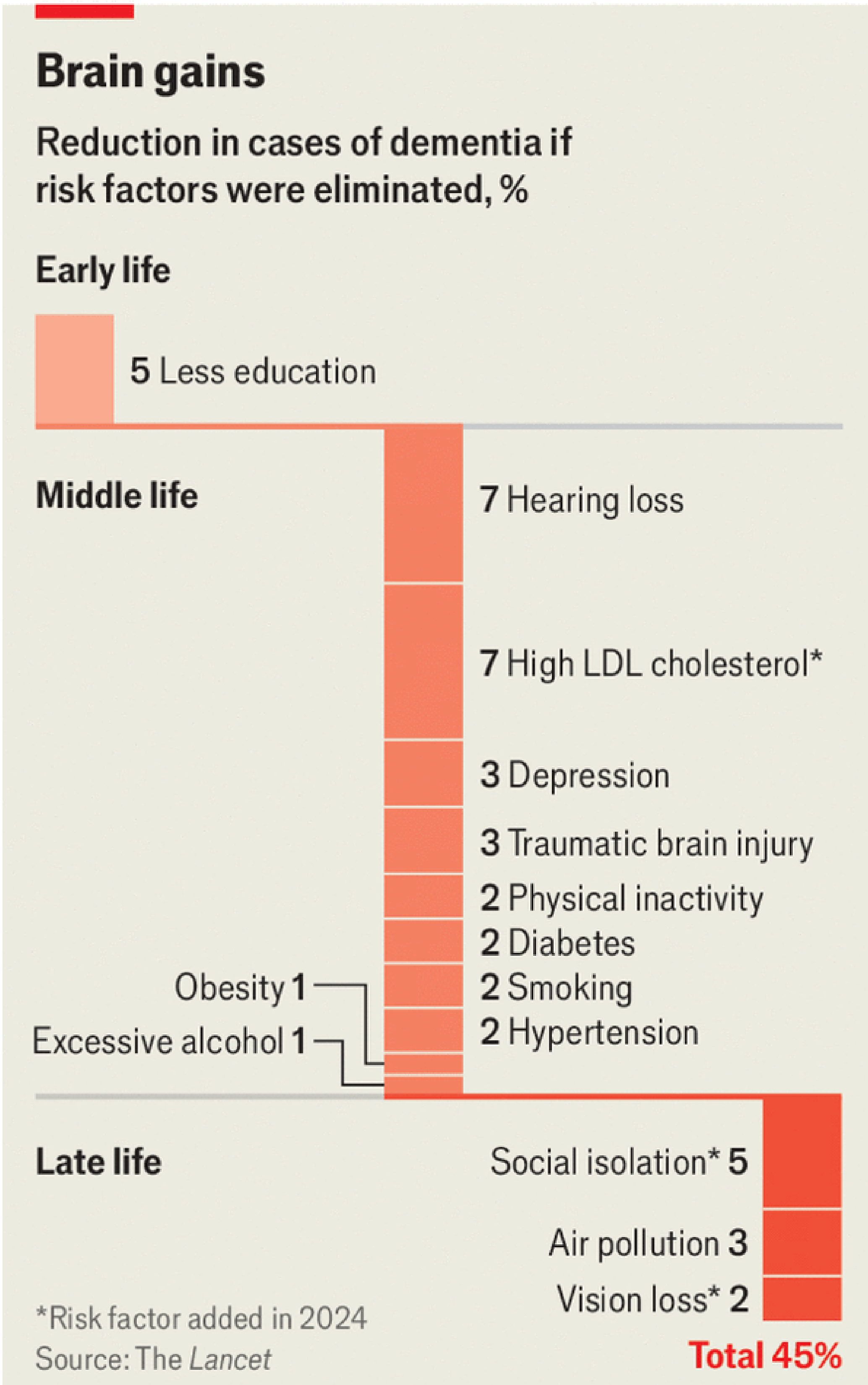
8月 08, 2024 07:33 上午

Cornelia Li

SOME OF THE best strategies for reducing the chances of developing dementia are, to put it kindly, impracticable. Don't grow old; don't be a woman; choose your parents carefully. But although old age remains by far the biggest risk factor, women are more at risk than men and some genetic inheritances make dementia more likely or even almost inevitable, the latest research suggests that as many as 45% of cases of dementia are preventable—or at least that their onset can be delayed.

That is the conclusion of the latest report, published on July 31st, of the *Lancet* commission on dementia, which brings together leading experts from around the world, and enumerates risk factors that, unlike age, are "modifiable". It lists 14 of these, adding two to those in its previous report in 2020: untreated vision loss; and high levels of LDL cholesterol. Most news about dementia seems depressing, despite recent advances in treatments for some of those with Alzheimer's disease, much the most common cause of the condition. Most cases remain incurable and the numbers with the condition climb inexorably as the world ages. That the age-related incidence of dementia can actually be reduced is a rare beacon of hope.

The modifiable risk factors include smoking, obesity, physical inactivity, high blood pressure, diabetes and drinking too much alcohol (see chart). The best way to reduce the risk of developing dementia is to lead what has long been considered to be a healthy life: avoiding tobacco and too much alcohol and taking plenty of exercise (but avoiding those forms of it that involve repeated blows to the head or bouts of concussion, a list which includes boxing, American football, rugby and lacrosse).



The Economist

It also means having a good diet, defined in one study cited by the commission as: “Eat at least three weekly servings of all of fruit, vegetables and fish; rarely drink sugar-sweetened drinks; rarely eat prepared meat like sausages or have takeaways.” So it is not surprising that LDL cholesterol has been added to its not-to-do list. It is also important to exercise the brain: by learning a musical instrument or a foreign language, for example—or even by doing crossword and sudoku puzzles.

Some physical ailments do not bring heightened risks of cardiovascular disease or cancer but have been shown to make dementia more likely. One is untreated hearing loss. The *Lancet* commission’s report from 2020 concluded this was the biggest of its 12 risk factors, a conclusion shared by this latest study. People with hearing loss are about twice as likely as others to develop dementia. The wider availability and use of hearing aids would probably be the single intervention most effective in reducing the incidence of dementia.

It is also not surprising that eyesight problems have been added to the latest dementia-risks list. It is unclear why impaired hearing and vision should have such an impact on the risk of dementia. One idea is that they all have a common cause. That hearing aids are very effective in protecting against dementia, however, argues against that theory for deafness. Diabetes, however, is a risk factor for both failing eyesight and dementia.

Others speculate that people straining to understand what is said to them or to navigate a world made hazy by poor eyesight suffer a debilitating increased “cognitive load”. It may also be that these problems inhibit people’s social lives and make them lonelier. Social isolation and depression are also important risk factors.

Against the world

Some of the modifiable risk factors are, in fact, far beyond any individual’s control. For example, it makes a big difference how many years of education someone has had. Broadly speaking, the higher the level of educational attainment, the lower the risk of dementia. Polluted air is another risk factor. And the only guaranteed way to escape that is to move.

Again, the mechanism by which air pollution contributes to dementia risk is disputed. The danger comes from fine particles known as PM2.5 (defined as those measuring less than 2.5 millionths of a metre in diameter) that, if inhaled, can increase the risk of strokes, heart disease, lung cancer and respiratory diseases—some of which are themselves risk factors for dementia. But a more direct cardiovascular link is also possible: the particles could enter the bloodstream and affect the walls of blood vessels, making them less efficient in clearing the brain of waste.

Longitudinal studies into the causes of dementia take years to run and are complex to organise. They can be controversial and raise ethical problems (randomised-controlled trials, for example, might be possible only if some curable conditions were left untreated). That can make definitive conclusions hard to reach. Many experts, for example, had wanted sleeping disorders added to the list of risk factors. Some studies do, in fact, suggest that poor sleep patterns in middle age may contribute to a higher risk of dementia in later life. But the evidence is mixed, with other studies suggesting that some sorts of insomnia are actually associated with a diminished risk of developing dementia.

Nevertheless, there is plenty of evidence to show that the risk factors outlined by the commission are salient. In rich Western countries, for example, the incidence rate of dementia has declined by 13% per decade over the past 25 years, consistently across studies. Gill Livingston, a professor in the psychiatry of older people at University College London and leader of the *Lancet* commission, has summed up the evidence of progress in North America and Europe as “a 25% decrease in the past 20 years”. Such rapid and significant change can only be the result of changes in modifiable risk factors.

Despite the upbeat tone of the commission’s report, in some countries, such as China and Japan, the age-related incidence of dementia is climbing. In Japan the overall age-adjusted prevalence rate doubled from 4.9% in 1985 to 9.6% in 2014. And according to the China Alzheimer Report of 2022, the incidence of Alzheimer’s in that country had “steadily increased”, making it the fifth-most important cause of death in the country in that year.

Nobody doubts that the prevalence of dementia is going to climb fast in the next decades as humanity ages. All the more reason for dementia-risk reduction to become a global policy priority. ■

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Gendered medicine

Do women make better doctors than men?

Research suggests yes

8月 08, 2024 07:33 上午

MANY FACTORS can influence whether a patient lives or dies. The quality of the drugs they receive, for example, the rigour with which their symptoms are monitored, or—more surprisingly—the gender of the attending physician. In data from a host of different countries, patients seen by female doctors seem to do better than those seen by male ones. Why, though, remains mysterious.

One of the first studies to examine the issue was published in 2017 in the journal *JAMA Internal Medicine* by Yusuke Tsugawa of Harvard Medical School, and colleagues based in Boston. The authors analysed the medical records of around 1.5m older adults who had been hospitalised in America between 2011 and 2014. They found that patients whose primary treatment had been performed by a female doctor were roughly 4% less likely to die, and 4% less likely to be readmitted to hospital in the following 30 days, than those whose primary doctor was a man. The beneficial effect on mortality is comparable to that of being hospitalised in 2013 rather than 2003, with all the accompanying improvements in treatments and technology.

Later in 2017 another study, published in *BMJ*by a separate group of Canadian and American researchers, searched for similar trends following surgery. They examined the outcomes of 100,000 patients who had operations in Ontario between 2007 and 2015, and found that those with female surgeons were, again, around 4% less likely to die, be readmitted or have complications in the 30 days after surgery.

Since then, other studies have made similar claims. In the past 12 months alone two examinations of roughly 1m surgery patients in Ontario; another of 2.7m gastroenterology patients in the province; and one of 770,000 older Americans with medical conditions have all found that patients do better, according to various measures, after being treated by female doctors or surgeons, or by teams of anaesthetists and surgeons that have more women.

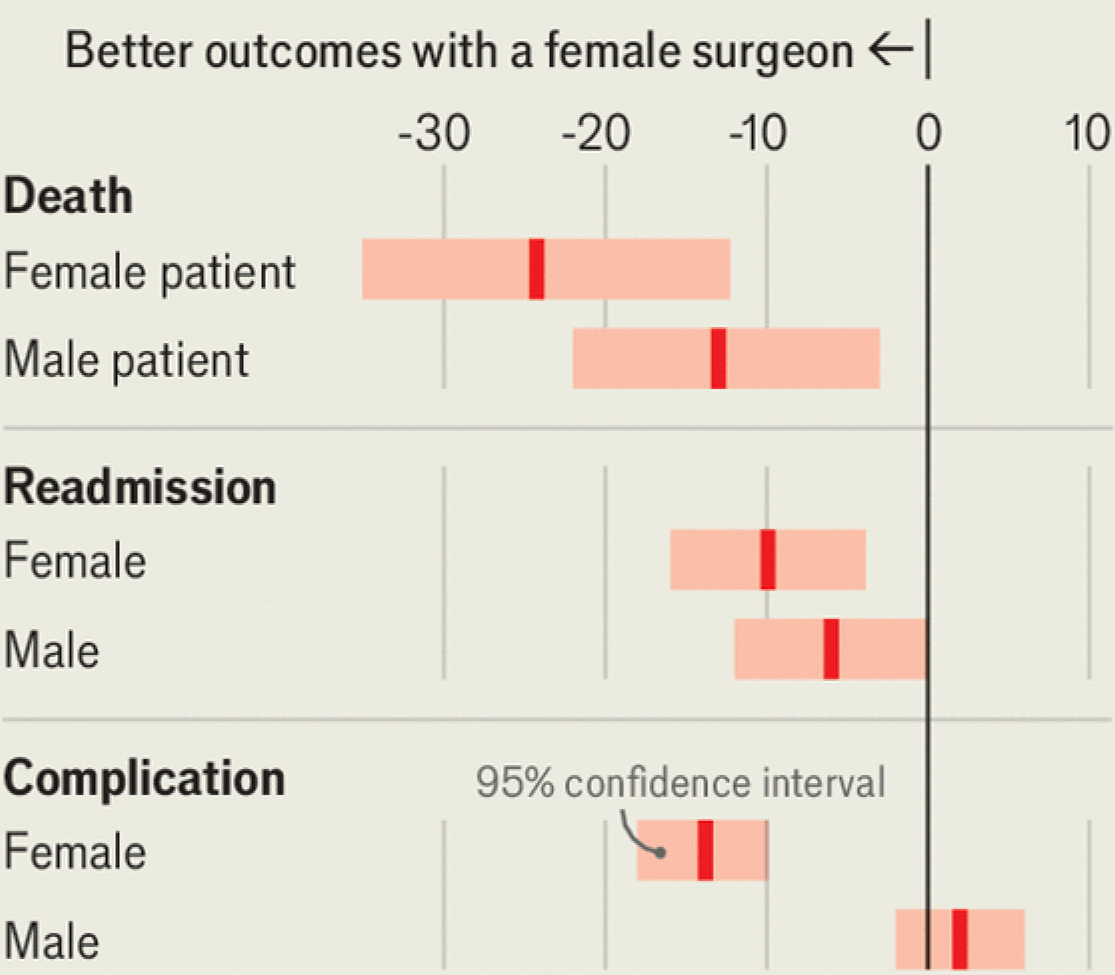
One drawback with the studies is that they are all retrospective, looking back at naturally occurring data rather than randomised-controlled experiments. This could conceal any underlying factors which might be really driving the effect, says Gavin Stewart, an expert in evidence synthesis at Newcastle University. It could be, for example, that female doctors tend to be assigned healthier patients than their male colleagues. In an experiment where patients were randomly assigned doctors, any such links would be broken.

To control for such effects, most studies try to account for the impact of different hospitals and procedures in their analysis, with some comparing across groups of patients who are matched for age, sex and illness severity, as well as groups of surgeons matched by age and surgical experience. However the data are sliced, female doctors seem to do better.

Cuts both ways

Change to patient's risk of a negative outcome when operated on by a female surgeon, relative to a male surgeon, %

Patients in Ontario, 2007-19



Source: "Association of surgeon-patient sex concordance with postoperative outcomes", by Wallis et al., *JAMA Surgery*, 2021

The Economist

Researchers say the next step is to work out why. “I don’t think it’s the presence or absence of a Y chromosome,” says Dr Christopher Wallis, the lead author on several of the Canadian papers. “I think it’s a series of behaviours that are linked with gender.” Past research has found that female doctors tend to spend more time with patients, are more likely to provide preventive care and tend to stick more closely to clinical guidelines than their male colleagues do. This could minimise the risk of preventable deaths.

The benefits of having a female physician appear to be greatest for female patients. One of the papers published by the Boston researchers in April this year found that although older patients of either gender were less likely to die after treatment by a female doctor, the effect was far larger for female patients (3%) than it was for male ones (around 0.8%). A study of heart-attack patients in Florida from 2018 found the same general trend, as did an analysis of surgery patients by the Canadian researchers in 2021. In the latter study, women operated on by female surgeons were 25% less likely to die than those treated by male ones. For male patients the benefit was 13% (see chart).

Part of the explanation may be that female physicians understand the needs of female patients better than their male peers. Female patients report better communication and stronger rapport with female doctors, for example. Whatever the gender of their physician, though, female patients seem to respond better to medical care than male patients do. This is another divide in need of unpicking.

Understanding why such differences in care arise will help all doctors improve their practice. For all the good that snazzy medical equipment and new drugs can do, a physician’s judgment seems to be as important as ever. ■

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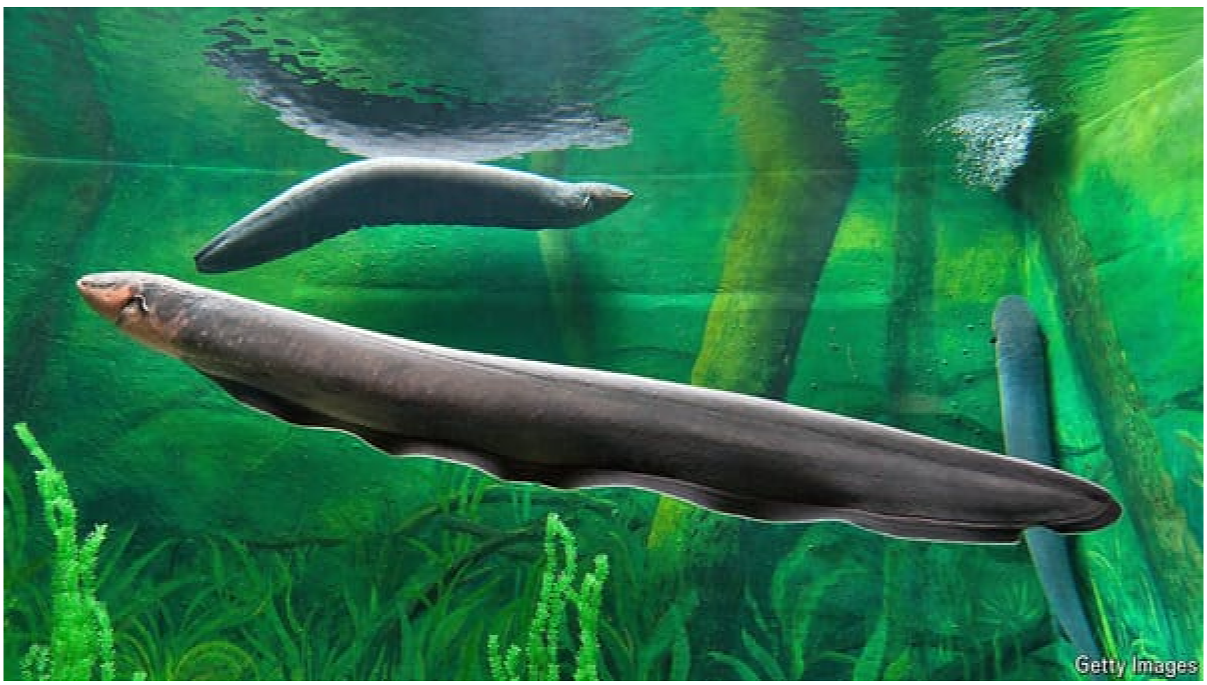
Soft power

New batteries are stretchable enough to wear against the skin

They take their inspiration from electric eels

8月 08, 2024 07:33 上午



BATTERIES ARE getting smaller, lighter and more powerful all the time. This is good news for manufacturers and buyers of products ranging from electric cars to mobile phones and fitness trackers. But for some applications the conventional shape and structure of a battery, with a rigid form and metallic components, is simply too clunky to be of use. Some personal electronics, for example, such as skin patches that monitor health conditions or brain-computer implants that decode neural signals to control electronic prosthetic devices, require more intimate contact.

Being unable to flex as skin and tissue does makes batteries both unreliable (as bodily movement can cause circuits to fail) and uncomfortable to wear. A number of approaches are therefore being taken to produce flexible batteries, including the use of pliant fibres and nanoparticles. Among the most promising, though, are water-based batteries inspired by the way an electric eel stores its charge.

A group at the University of Cambridge has used the eel's technique to come up with what it calls "jelly batteries". These are made from hydrogels that consist of a layered structure of organic polymers that contain over 60% water. This makes them both soft and flexible. Whereas most batteries experience a loss of conductivity if the material they are made from is bent or stretched, a jelly battery can be stretched up to one-and-a-half times its length with no voltage loss, says Stephen O'Neill, a member of the research team. This means it can be worn more comfortably against the skin and prove more robust when implanted into internal organs, like the lung, heart or brain.

The jelly battery works in much the same way that biological processes, such as the nervous system, produce electricity. They rely on the different concentrations of electrically charged particles, called ions, that exist within different bodily cells. This creates a difference in electrical potential, which in turn produces a voltage. That voltage, though, is tiny. Electric eels ramp it up by having thousands of modified muscle cells, called electrocytes, acting together to produce a voltage powerful enough to stun their prey.

Jelly batteries do not go that far. Each individual battery produces just 0.1 volts, in comparison with the 1.5 volts of a typical AA battery. But much as an electric eel can amplify a small voltage with the help of electrocytes, jelly batteries can increase their output by being strung together. They can also be charged and discharged by connecting a power source, although with further development this could be done wirelessly.

Another feature of the jelly battery is that the strong molecular bonds that let the polymers stretch also allow the material to repair itself very quickly if it is broken, says Jade McCune, another member of the Cambridge team. This provides a self-healing ability, which could be useful for applications in extreme operating environments, such as powering sensors embedded into protective clothing.

A second group has also found encouraging results with a self-healing hydrogel battery. This team, based at Guilin University of Technology and a number of other research centres in China, recently reported in *Nano Research Energy* that their battery could sustain a high level of bending and twisting, and even if broken ten times was still capable of self-healing.

Both groups think hydrogel batteries could be commercialised without great difficulty, and that the cost of making them would be reasonable when compared with present battery technologies. The next step for the Cambridge team is to test the biocompatibility of their jelly batteries when implanted in tissue: although, as they are mainly water-based, the team does not expect any rejection problems.

Besides wearable and implantable devices, another potential market for stretchable batteries is soft robotics. For one thing, stretchy components would be safer to operate among people than the rigid parts of conventional robots. They could also help power prosthetic devices, such as gloves that allow stroke victims to move their hands. All this should provide plenty of ideas for wearable innovations.■

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Purple patches

Lavender extract makes excellent mosquito-repellent

Scientists have turned it into clothing

8月 08, 2024 07:33 上午

A MOSQUITO'S BITE can do more than leave an itchy rash. Depending on the pathogens the insect carries, it can lead to a host of nasty diseases including dengue, malaria and yellow fever.

To date, synthetic repellents have been the best way to keep the little blood-suckers at bay. These work, but can cause a range of health problems including rashes, eye inflammation and respiratory distress. This has led many to search for alternatives. The compounds responsible for lavender's fragrance, for example, known as essential oils, have long been shown to deter mosquitoes. Unfortunately, the ease with which they evaporate, and the speed with which they break down under ultraviolet light, has made it impossible to turn them into long-lasting protection.

In a paper in the *Journal of Pest Science*, Zeeshan Tariq and Xiaoqin Wang at Soochow University in China use their background as textile engineers to turn the oils into long-lasting mosquito-repellent fabric that can be fashioned into outerwear.

The researchers took inspiration from another, less noisome, insect. The silk threads produced by silkworms, among other bugs, are tough, flexible and biodegradable. The crucial ingredient is silk fibroin, a protein that can be fashioned into structures that let the liquids they contain leak out slowly. Dr Tariq and Dr Wang speculated that if microscopic silk fibroin capsules could be filled with lavender oil, this liquid would gradually be released.

Working with a team of colleagues at universities across China, the researchers created a solution of silk fibroin and gum arabic, a polymer found in the sap of acacia trees, which is used to help materials form into stable structures. The solution was stirred continuously at warm temperatures as lavender oil and water were added. Under these conditions, the silk fibroin and gum arabic formed into tiny oil-containing capsules. When the solution was cooled, the stirring halted and other important ingredients added, the capsules drifted to the bottom for collection. By adjusting the amount of lavender oil added, Dr Tariq and Dr Wang could vary the lavender oil content from 5% to 15%. They then bound many thousands of these capsules to strips of cotton fabric.

Keen to see if the fabric would repel mosquitoes, Dr Tariq and Dr Wang turned it into arm-length gloves. They then recruited three volunteers willing to repeatedly plunge gloved arms into enclosures teeming with starving mosquitoes for five minutes at a time. The researchers noted how many of the bugs landed on the volunteers' arms during each trial. As a control, each volunteer was also asked to wear a glove with no lavender capsules.

The authors report that the capsules containing 15% lavender oil solution offered excellent deterrence. Whereas an average of 15 mosquitoes landed on each control glove, the average landing on each scented arm was less than one.

The researchers were also keen to test how well the fabric held up in the wash. They, therefore, threw the gloves into ordinary washing machines and repeated the trials. Even after 40 washes, an average of only 2.5 mosquitoes landed on the 15% gloves during trials. Success has rarely smelled sweeter. ■

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Terraforming Mars

Engineered dust could help make Mars habitable

Restoring water on Mars may be easier than you think

8月 08, 2024 07:33 上午

IF YOU WANT to live elsewhere in the solar system, Mars is the least-bad choice. These days, the planet is a frigid, poison-soaked desert. But as the dry river valleys that cross its surface suggest, things were balmy enough in the past to allow liquid water.

For decades, scientists and science-fiction authors have toyed with the idea of restoring Mars to that warmer state by “terraforming” it—changing the planet’s climate to make it friendly to Earthlings. Their proposals tend to involve heroic engineering: injecting vast quantities of greenhouse gases into the atmosphere, say, or using nuclear explosives to melt underground ice.

A paper published this week in *Science Advances* offers an easier method. Samaneh Ansari, a graduate student at Northwestern University, in Illinois, and her colleagues reckon that pumping engineered dust into the atmosphere could warm Mars to the point where much of the water ice that lies beneath its surface would melt, at least in the Martian summer.

The dust would be made of tiny metallic rods each around nine millionths of a metre long. That size is carefully chosen to ensure that the particles reflect heat, which would otherwise escape to space, back down to the planet's surface. Climate models suggest that pumping 30 litres of the dust per second into the atmosphere could boost the average temperature by 30°C or more within decades.

That is a fair amount of dust. But it represents a big improvement on the state of the art. Another paper, published in 2005, investigated chlorofluorocarbons, a class of potent greenhouse gases, and concluded that hundreds of millions of tonnes would be required. Ms Ansari reckons that, in mass terms, her method is around 5,000 times more efficient.

And the paper is just a proof of concept, with plenty of room to make things more efficient still, says Edwin Kite, a planetary scientist at the University of Chicago and one of its authors. As planets go, Mars is certainly a fixer-upper. But the renovations might be a bit easier than you think. ■

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Culture

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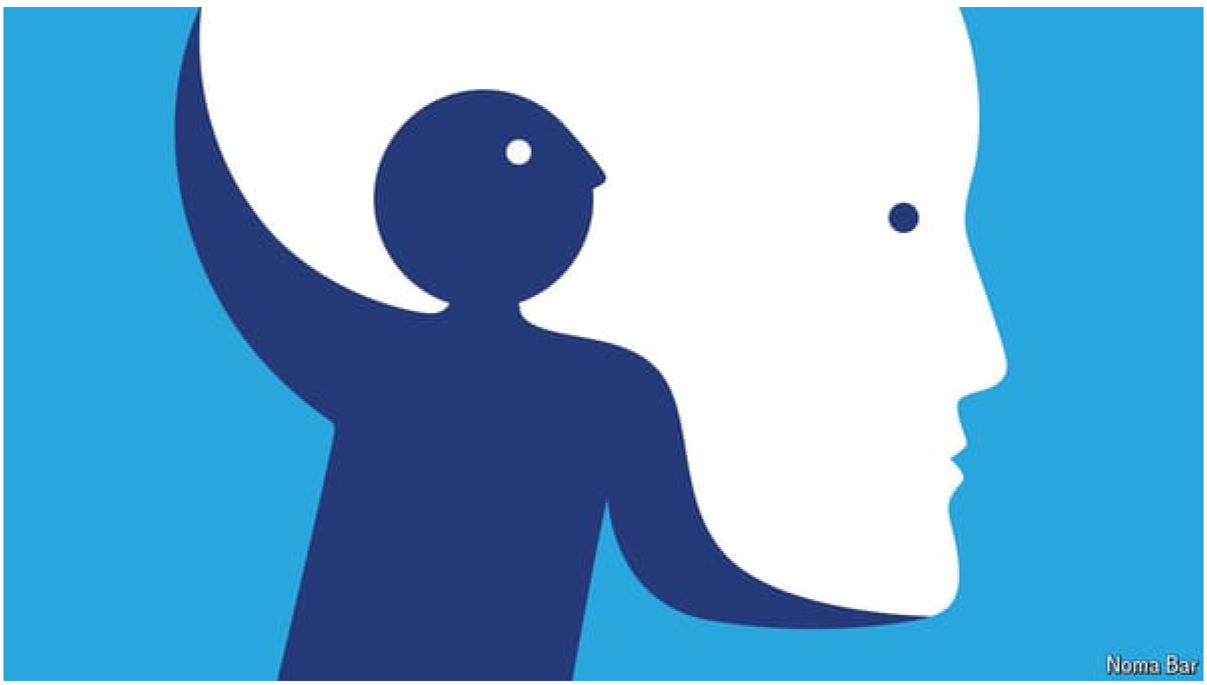
The souls in a new machine

These are the two new books you need to read about AI

They explore the people who make AI work—for good or ill

8月 08, 2024 12:42 下午



Feeding the Machine. By James Muldoon, Mark Graham and Callum Cant. *Bloomsbury; 288 pages; $29.99. Canongate; £20*

Co-Intelligence. By Ethan Mollick. *Portfolio; 256 pages; $30. WH Allen; £16.99*

IT IS NOT only the business world that is excited about generative artificial intelligence (AI). So, too, are publishers. In the past 12 months at least 100 books about AI have been published in America, reckons Thad McIlroy, a contributing editor at *Publishers Weekly*, and many multiples of that have been self-published. At the top of the pile are two new titles, which represent opposing sides of a noisy debate: whether enthusiasm about AI's benefits should outweigh concerns about its downsides.

The darker side of the shiny AI era is the subject of "Feeding the Machine" by three academics at the University of Essex and Oxford University. Automation is born of exploitation, they contend. Today's glowing data centres that run AI systems are akin to the soot-covered factories of the 19th century. Behind the algorithms are humans—yes, lavishly paid engineers, but also an army of workers who make the systems hum, from those who review the underlying data that are fed into the software to those who check its answers.

The authors delve into seven archetypal jobs in the AI supply chain. Online content moderators, often in poor countries, assess whether material on platforms such as Facebook is acceptable under the terms of service, which helps train automated systems. Data-centre technicians are always on call to ensure the infrastructure is up and running. This guzzles growing amounts of electricity. A ChatGPT prompt consumes around ten times as much energy as a Google search.

Readers meet a voice actor who has to compete with an audio-synthesised version of herself for jobs and a machine-learning engineer who struggles with the ethical implications of her work—perpetuating bias, threatening jobs and potentially posing an existential risk to humanity. But the most interesting character-study is of Anita, a Ugandan data annotator, who spends mind-numbing ten-hour days in low lighting to prevent eye strain. A university graduate, her entrée into a glamorous career in tech amounts to watching a constant stream of video footage of car drivers, looking for evidence of driver fatigue—such as slumping shoulders or drooping eyes—and labelling it, all for around $1.20 an hour.

There is much to respect about the authors' critical assessment of AI, yet also much to challenge. It is true that data-labelling is dreary, and that content-moderation can require mental-health counselling. But the authors grossly overstate their case. "The AI industry is just the next phase in a long journey that stretches back to the age of colonialism," they argue. "The solution is to dismantle the machine and build something else in its place."

This extremism is ridiculous, considering that AI can automate expensive services like medical diagnoses, energy distribution and logistics—to name just three—which can help people in poor countries.

How AI gets built is only one facet of the technology. Another is how it gets used. A practical and more positive way to think about the interaction of people and AI is provided by Ethan Mollick, a professor at the University of Pennsylvania's Wharton School. He focuses on how people should learn to use generative AI services like ChatGPT. The technology is an "alien intelligence", he says, that can augment humans' own. But people need to raise their game in order to get the most from it. In that respect, AI is literally a "co-intelligence", as the book's title stresses.

Mr Mollick introduces the idea of a "jagged frontier": the boundary between what AI can and cannot do. It is jagged because it is not clear where humans are better, and the dividing line is always changing. For instance, prompting a large language model (LLM) for a sonnet of exactly 50 words may result in a beautiful text returned in just a few seconds with, alas, 48 words, not 50. This is because the system is designed to produce a simulacrum of what it has seen in its training data, not act as a counter or calculator. In this and in a myriad of other tasks, AI is weird. When it fails, it does so in ways that people would not.

As a result, people need to experiment with AI to learn its capabilities and flaws. Mr Mollick advocates four rules. First, "always invite AI to the table"; that is, try to find a way to use it in every task. Second, "be the human in the loop"—look for ways it can help, rather than replace you. Third, give the AI a persona and prod it. Oddly, LLMs work better when they are asked to adopt a persona, such as "you are a corporate-strategy expert with a flair for originality". Fourth, assume this is the worst AI you will use—so do not be sanctimonious when it fails. Systems will only get better.

The precepts force people to develop new skills to work with the machine, just as humans had to enhance their numeracy to work with calculators and spreadsheets, even as those tools made many things easier. "The strengths and weaknesses of AI may not mirror your own, and that's an asset," Mr

Mollick writes. “This diversity in thought and approach can lead to innovative solutions and ideas that might never occur to a human mind.”

“Co-Intelligence” usefully brings data to bear on AI performance. LLMs score higher on creativity than most people, according to several studies in 2023 by researchers in America, Germany and Britain. AI also helps business people accomplish more tasks, work faster and improve the quality of their output, benefiting average workers most. For software developers, there was a 56% improvement on tasks, according to a study by Microsoft.

Yet AI’s usefulness presents a new problem: it lulls people into a dangerous complacency. When AI systems are very good, people tend to trust the output without fully scrutinising it. When the AI is good but not great, people are more attentive and add their own judgment, which improves performance. It is a reminder that in the AI age, humans are still needed—yet must become sharper still.

Amid AI hype in business, where companies say a lot but seem to do little, “Co-Intelligence” usefully notes that innovation is hard for organisations but easy for individuals. Hence, do not look for how AI will change business from chief executives’ statements but from ordinary worker-bees who quietly incorporate it into their everyday tasks. The revolution will be noticed only in hindsight.

So, gentle reader, did your correspondent use AI to write this review? Yes—it was entirely written by artificial intelligence. Every word of it. Just kidding. None of it was, actually. The reason is that writing is not just the output that readers consume but a process of reflection and intellectual discovery by the writer, hopefully to originate novel ideas, not just express existing ones. Yet Mr Mollick’s first rule was not disobeyed: an LLM was prompted to challenge the article’s points. (Sadly its response was so generic that a vituperous editor was needed instead.)

As AI becomes commonplace, people will be empowered as well as reduced by it. Whether humans are the master craftsmen to their algorithmic assistants, or they become mere apprentices to the AI masterminds, remains the question. It is not one ChatGPT can reliably answer. ■

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Gross-out

“Deadpool & Wolverine” is revolting, but popular

The film has had the highest-grossing opening of an R-rated film

8月 08, 2024 07:33 上午

WHAT IS THE most surprising thing about the new Marvel film, “Deadpool & Wolverine”, the first to be rated R? It is not the violence, which is gratuitous and unpleasantly tinged with sexuality (suffice to say that Wolverine’s claws go where no claws should). Instead, it may be the synopsis, which Disney released beforehand. This starts by explaining how the hero, Deadpool, must save the world from “an existential threat” then suddenly tails off. “Fuck,” it says. “Fuck. Synopses are so fucking stupid.”

Perhaps that is because any synopsis of this film would involve terms like “space-time matrix” and “man in a red body stocking”. But “Deadpool &

Wolverine", as a commercial venture, is not stupid at all. The film, which breaks taboos and the fourth wall with abandon, is startlingly successful: it made $211m during its first weekend (July 26th-28th) in America. That is the largest-ever opening for an R-rated film and the sixth-biggest grossing —the word is unusually apt—opening of all time.

Deadpool the character may save the world; "Deadpool & Wolverine" the film is being credited with saving the Marvel film franchise itself. (Whether or not it was culturally worth saving is arguable.) Recent films have bombed, but the Marvel enterprise—which sells comics and merchandise in addition to films—remains a marvel. The largest continuous, self-contained piece of fiction that humanity has produced is not the writings of Proust, or of James Joyce, but of Marvel comics: over half a million pages to date, and counting. The franchise, as Douglas Wolk, author of "All of the Marvels", has argued, changed the filmography of the 20th century both directly (three of the ten highest-grossing films of all time are Marvel films) and indirectly. "'Star Wars' and 'Avatar' and 'The Matrix'", writes Mr Wolk, "would be unimaginable without it."

Its influence goes beyond film. Phrases such as "'nuff said" and "Spidey sense" came from Marvel. In 2022 Marvel Comics were issued as Penguin Classics, implicitly ranking them alongside the complete works of Jane Austen and Homer. They share some similarities with the latter (endless fighting, odd obsession with body armour), though not style. In "The Iliad", after Achilles defeats his foe, he speaks movingly about "the fate the gods have spun for poor mortal men, that we should live in misery". When Marvel characters win, they tend instead to say things in the vein of "Pow!" and "You skunk!"

Marvel's success was not always easy to predict. The characters, who first appeared in the 1930s during comic books' "golden age", included the Human Torch and Captain America. They battled villainous foreigners and the English language itself. ("Quick! Load the sleep-gas cylinder in your portable bazooka!" is a typical sentence.) There was some zeal—the debut issue of Marvel Comics sold 800,000 copies—but also scepticism. As Martin Goodman, Marvel's publisher put it, "We can't keep putting out this crap for long."

It turns out that they could, though not all of Marvel's habits have aged well in a more global entertainment market. In a "Captain America" film, the Cap bumps into some Frenchmen in wartime Europe; their ongoing discussion is rendered in the subtitles simply by the words: "Speaking French". Not all of its names have aged well, either: the tendency to shorten Captain America's name to "the Cap", to modern British ears, makes it sound as though he is battling not evil but rather unwanted pregnancies with a diaphragm.

Instead of elevating its films, Marvel seems to have chosen to mock itself in relentless, self-referential irony. The opening credits of the first Deadpool film promised a "hot chick", "British villain" and "gratuitous cameo". The latest is filled with in-jokes about the rights to the Marvel characters themselves, and at one point the two characters tussle by a 20th-Century Fox logo that is half-buried, Ozymandias-like, in desert sands.

"Deadpool & Wolverine" often feels like little more than a series of cameos glued together with body fluids, albeit by good actors. Matthew Macfadyen from "Succession" pops up here as a British bad guy to warn another villain that she "has the power to shred the fabric of all realities". Then he looks glum, possibly because he is worried about reality, or possibly because he has just said the line "shred the fabric of all realities". At one point, Deadpool turns to Wolverine and says: "Welcome to the MCU [Marvel Cinematic Universe], by the way. You're joining at a bit of a low point." Financially, thanks to this film, he may not be. ■

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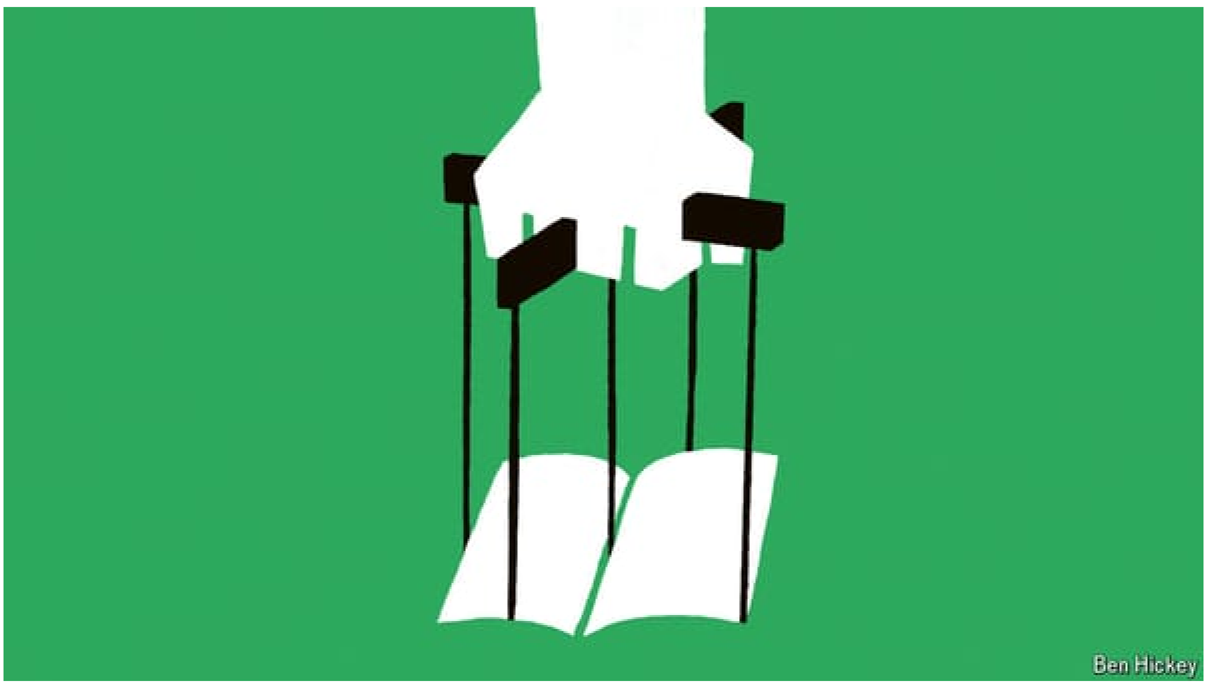
On the make

The mysterious people who have shaped the books people read

Two new accounts examine the fascinating lives of books' forgotten creators and boosters

8月 08, 2024 07:33 上午



The Book-Makers. By Adam Smyth. *Basic Books; 400 pages; $32. Bodley Head; £25*

The Editor. By Sara Franklin. *Atria Books; 336 pages; $29.99 and £20*

LONG BEFORE Amazon dominated the modern book business, delight and discontent were directed at a different alleged monopolist: Charles Edward Mudie. In 1842 the Londoner launched a circulation library; readers could pay one guinea (roughly $76 in today's money) to check out books for a year, one at a time. Mudie's Select Library, which grew to stock around 7.5m books at its peak, undercut rivals' prices by a large margin.

But it was Mudie's role as a gatekeeper that most agitated critics. Because he bought copies en masse, his interest in, or dislike of, a title could determine whether a book was published. He tended to exclude novels that might be considered unchaste, but chased ones that could be padded out into three volumes—helping give rise to the triple-decker novel, which became a staple of Victorian literature. "Rarely before the times of Jeff Bezos has a single individual shaped a reading culture with such single-minded control," writes Adam Smyth, a professor of literature at Oxford University.

Mr Smyth's "The Book-Makers" looks across a 530-year period at 18 people whose work has shaped what people read. Most of them have been forgotten. Take Wynkyn de Worde, a German printer who set up shop on Fleet Street in London in 1500. He published more than 800 titles and accounted for an estimated 15% of all English-language books before 1550.

There is also William Wildgoose, a binder. In the 1600s most books were still sold in loose leaf, and it was up to buyers to pay someone to bind the pages together. Wildgoose bound a copy of Shakespeare's First Folio, which belonged to the Bodleian Library in Oxford and was chained to the reference shelf. (When the Third Folio came out, the library sold the First in its excess book sale, seeing no use for it; centuries later it made its way back.)

One of Mr Smyth's themes is books' "looping" relationship to time: they are objects that bear the mark of their creators but also their readers, with "heckling commentaries" and "scribbled records of ownership". Another is that books are a resilient technology: their forms do not break as radically from what preceded them as you might expect. Printed books, for example, resembled manuscripts—and co-existed alongside them. E-books look like print books. It is in analysing the book's digital present and future, however, that "The Book-Makers" falls short: Mr Smyth devotes too much time to obscure creators of "zines" without focusing on anyone who has made the e-book or audiobook, a staple of modern reading, what they are.

Judith Jones, the subject of "The Editor", also shaped books from behind the scenes. She edited literary greats including John Hersey, John Updike and Sylvia Plath (though she passed on publishing Plath's novel, "The Bell Jar", feeling it was too autobiographical). She saved Anne Frank's diary from the slush pile of rejects and helped persuade Doubleday, the publishing house where she was working, to publish it in America. After others rejected "Mastering the Art of French Cooking", she spent years directing its shape, helping turn Julia Child into a household name. Jones was the master chef behind many of the best cookbooks in post-war America.

Sara Franklin, a writer and professor at New York University, makes a convincing case that Jones's invisibility was a function of her era: she was hardly the only woman working in post-war publishing in Paris and New York who was not taken as seriously as her talents demanded. But writers did not mind Jones's lack of status: they benefited from her astute eye and patient correspondence.

Books are not the only products of human ingenuity to be shaped by people who are overlooked or forgotten. Yet both "The Book-Makers" and "The Editor" make a strong case that the stories behind the stories people read are fascinating in their own right. It just requires you to read between the lines. ■

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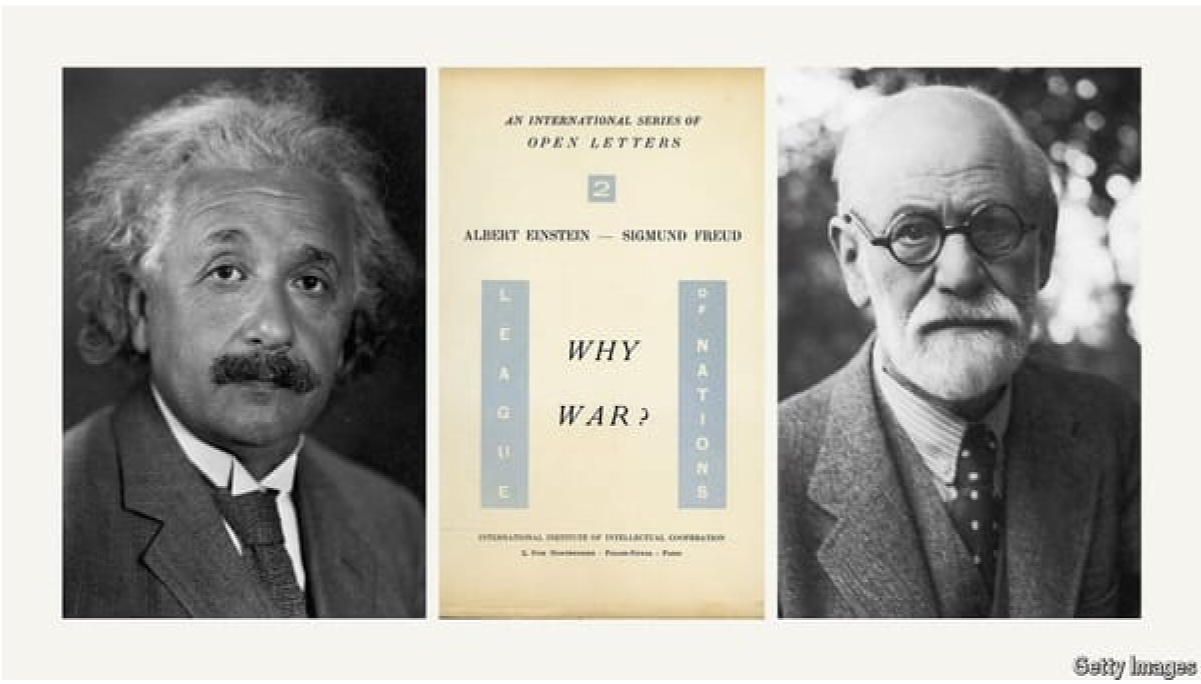
Fight club

Humans have engaged in warfare throughout their existence

Are they ever going to change?

8月 08, 2024 07:33 上午



Why War? By Richard Overy. *W.W. Norton; 304 pages; $27.99. Pelican; £22*

IN 1931 THE League of Nations offered Albert Einstein, a physicist and vocal pacifist, the chance to choose a correspondent on a subject of his choice. He opted for Sigmund Freud, an Austrian psychologist, as his partner. “Is there a way of delivering mankind from the menace of war?” was the question. Freud was not optimistic; he thought that in every human there was a “death drive”, an impulse to violence and destruction. The slim pamphlet emerging from their exchange, "Why War?", makes for heavy reading.

Since then, at least five books with the same title have been published. Richard Overy, a British historian of the second world war, has now written a sixth, which skilfully draws together nearly 100 years of scientific and historical scholarship. His goal is to understand the mechanisms that have embedded warfare throughout human history. Although the answers, he finds, have remained "contested, fractured and frustratingly elusive", there is one undeniable constant: that human groups from the earliest times to the present have resorted to collective, lethal violence against other groups when prompted by ambition, fear, need or prejudice.

To bring some shape to the debate, Mr Overy has split his critique of the academic literature into two sections. The first covers science: anthropology, biology, ecology and psychology. War can be explained as hard-wired into people through evolution (a Darwinian struggle for survival), determined by cultural norms or triggered by ecological pressures. Accordingly, people can be the prisoner of their genes or try to create societies in which warfare is no longer seen as desirable or inevitable.

The second section, which historians and many readers will favour, puts greater emphasis on human agency and mankind as the creator of cultures that sustain or even exalt warfare. Mr Overy describes "four broad motivational categories": belief (religion), power, resources and security. These were the forces behind modern wars and also, Mr Overy argues, much earlier conflicts between pre-state groups.

From Neolithic times, across Europe and North America, sites of mass burials show unmistakable signs of violence: skulls with stone-axe injuries, arrowheads lodged in vertebrae and decapitations. Weapons for killing other humans rather than just for hunting were common; cave paintings show men skirmishing. Early warfare was clearly different in scale from that waged by modern states. But Mr Overy shows that the causes and aims of early conflicts were frequently not dissimilar to those of later periods.

A different question is whether—as Steven Pinker, a Canadian cognitive psychologist, argued in 2011—people are actually becoming less violent than their ancestors and less inclined to wage war. Although there has been no war between great powers since 1945, Mr Overy remains sceptical. The idea that modern men have developed an aversion to killing others is contradicted by the experience of the second world war when, after only brief spells of training, 100m ordinary men were persuaded "to bomb, shell, shoot and bayonet millions of their fellow species".

The prospect of a wider war in the Middle East, Russia's willingness to slaughter Ukrainians over territory, increasing tensions between America and China over Taiwan and the contest for supremacy, combined with the renewed relevance of nuclear weapons, suggests that the stage is set for "the kinds of war for which there is a long historical pedigree". Mr Overy ends with a conclusion that would surely have depressed Einstein and buttressed Freud: "If war has a very long human history, it also has a future." ■

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New fiction

What should you write about your homeland when you cannot return?

Elif Shafak, a novelist, returns with an ambitious book about water and memory

8月 08, 2024 07:33 上午

There Are Rivers in the Sky. By Elif Shafak. *Knopf; 464 pages; $30. Viking; £18.99*

IN A POPULAR TED talk in 2010, Elif Shafak, a British-Turkish bestselling novelist living in exile in London, touted the boundary-flouting, heart-expanding powers of fiction, comparing it to "flowing water". Now water, as both a substance and metaphor, courses through "There Are Rivers in the Sky".

In this ambitious, centuries-spanning novel, Ms Shafak uses various incarnations of water—from the “mercurial and unforgiving” Tigris in ancient Mesopotamia to the “acrid and vile” Thames in Victorian London to the “drying, dying force” of climate change in the 21st century—to consider the forces and stories that connect people across continents and time. Just as raindrops and tears evaporate up to the skies and return “to this troubled earth again…and again”, so too are the pains of past generations visited upon their descendants. “Water remembers,” Ms Shafak writes. “It’s humans who forget.”

The novel opens on a rainy day in the seventh century BC, in the doomed kingdom of Ashurbanipal, an Assyrian ruler known for his library and cruelty. It then jumps to the banks of the murky Thames in 1840, where a pregnant tosher (sewer scavenger) gives birth to a brilliant son named Arthur, who later becomes fascinated by the mysteries of Mesopotamia and what remains of Ashurbanipal’s tablets.

Bringing the story into the modern day is Narin, a Yazidi girl who lives by the Tigris in Turkey with her grandmother, a healer who uses water to wash away disease and purify the mind. And there is Zaleekhah, a lonely hydrologist who abandons her failing marriage to live in a houseboat on the Thames in 2018. She ponders suicide by drowning, seeing it as “less a departure than a homecoming, a return to water”.

Ms Shafak, who has not returned to Turkey for years because of the repressiveness of President Recep Tayyip Erdogan’s regime, revisits some of her usual themes. These include the aches of exile, the brutality of zealotry and the way the past so often haunts the present.

She could have been more sparing with her symbolism. All this water—metaphorical and otherwise—gets a bit sloshy. Moving back and forth between storylines can also be disorienting, and Ms Shafak’s penchant for using grand language for grand ideas can feel humourless and overwrought. Yet there is something bracing about the sweep of this book, which encompasses the fall of empires, the massacres of peoples, the fight over history and even the hopeful dawning of love. ■

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The best of times is now

History podcasts are booming

Why listening to stories about the past are a present pastime

8月 08, 2024 07:33 上午

IF YOU THINK history is old hat, try getting a seat at the Royal Albert Hall on October 18th. The soirée at London’s most famous concert venue sold out in May. Some 5,000 people will enjoy a bit of Mozart and Beethoven; the big draw, however, is a pair of chatty historians.

The donnish duo, Tom Holland and Dominic Sandbrook, have each written a stack of books. Fame enough to fill the Royal Albert Hall comes from something else, though. Since its launch in 2020, their podcast, “The Rest Is History”, has become the most subscribed-to podcast in Britain, guiding listeners from Herodotus to the fall of Saigon, by way of Lord Byron’s affair with his half-sister. A new series on the French revolution launched on July 29th, for those who cannot get enough of Paris during the Olympic games. The pair originally conceived of their podcast as an adjunct to book-writing, says Mr Holland. Now they have time for little else.

“The Rest Is History” is hardly alone. The hosts of “Empire”, a history podcast that has clocked over 30m downloads, recently sold out another big London venue, the Barbican, in just two days. “We’re the squarest rock stars you’ll ever meet,” jokes Anita Anand, one of the hosts, who says she has gained more fandom from the podcast than as a radio and TV host.

Professionals in the industry may scoff that plundering the past for stories is easy, or that listeners just hope to sound clever without reading books. But the speed with which history podcasts have grown suggests other factors are in play. Some people realise in their 30s that their formal education has left big gaps. Unlike, say, science, history does not require specialised knowledge. The shows also create a sense of community—and tap into ancient traditions of storytelling. For all these reasons history podcasts are enjoying a golden age.

Relatively speaking, that is. History will never be top of the pops, admits Mike Duncan, an American podcaster. Downloads for sports and entertainment fare, or jokey current-events shows such as “The Joe Rogan Experience”, remain far more popular. But history shows tend to sport a longer tail than competing fare. Not many listeners will want to dig up old episodes of news shows’ quick takes. But Mr Duncan’s podcast on Rome, which ended in 2012, still gets thousands of weekly downloads. “We’re more like a record album than a newspaper,” says Dan Carlin, a broadcaster, whose “Hardcore History” podcast throws off more profits from its archive than new episodes: “History is evergreen content.”

In America around 100m people listen to podcasts every week, according to Edison Research, a market-research firm. Their mean listening time, over an hour a day, has grown 450% in the past decade. Nearly as many 18- to 34-year-old Americans now consume podcasts as watch TV. This has led to a proliferation in the ways that history can be sliced and the stories that can be told. For example, when King Kurus started his “Black History Buff” podcast in 2018, his was a lonely specialisation. Now he competes with half a dozen others exploring themes of Africa and the diaspora. “Dig”, created by four female historians, focuses on women and gender topics and can work as teaching material.

Dan Snow, a television presenter whose "History Hit" is a top-performing podcast in Britain, has said that one secret to success has been to exploit niches where "superfans" of particular kinds of stories lurk. ("History Hit" now has several offshoots, including histories of sex, the Tudors, medieval history and spooky stuff.) But entirely new history sub-genres have emerged in the podcast ecosphere. One that would have seemed improbable not long ago is comedy history. "Natalie Haynes Stands Up for the Classics", a show by an English writer and broadcaster, joins her talent as a professional comedian with her passion for the ancient world. "The Dollop" in America and "You're Dead to Me" by the BBC in Britain feature comedians riffing on historical subjects.

The expanding volume, variety and reach of podcasting is influencing the discipline of history itself. Neil MacGregor, who as director of the British Museum hosted the influential "History of the World in 100 Objects" podcast, which first aired in 2010, is a podcasting partisan. "It is so much easier to literally bring in different voices and views" than in writing, he says, noting that the style of podcasts is evolving away from grand narratives towards dialogue and debate. This creates a broader, more nuanced and tactile understanding of history. "Betwixt the Sheets" takes a frank look at sex through the ages, from the influence of war on intimate apparel to how the Aztecs viewed homosexuality.

History boys and joys

Many podcasters, including professional historians, point to a parallel evolution: their own capacity as storytellers keeps improving. "It's just made us better at our craft," says Elizabeth Masarik, one of the four "Dig" hosts. "We are constantly writing and constantly researching outside of the niche that each of our PhDs is in."

All that is good for an audience that, Mr MacGregor notes, increasingly looks for companionship in podcasts because they spend ever more time in lonely pursuits, such as exercise, than in social forums. "Our audience weren't necessarily interested in history," concurs Mr Holland. "But I think lots of them like the sense of friendship." The rest may be history, but history, at least, seems to be getting better. ■

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Economic & financial indicators

- **Economic data, commodities and markets**
  Indicators ::

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Economic data, commodities and markets

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Economic data

	Gross domestic product % change on year ago: latest		quarter*	2024†	Consumer prices % change on year ago: latest		2024†	Unemployment rate %	
United States	3.1	Q2	2.8	2.2	3.0	Jun	3.0	4.3	Jul
China	4.7	Q2	2.8	4.7	0.2	Jun	0.4	5.0	Jun‡§
Japan	-0.7	Q1	-2.9	0.5	2.9	Jun	2.5	2.5	Jun
Britain	0.3	Q1	2.9	0.7	2.0	Jun	2.8	4.4	Apr††
Canada	0.5	Q1	1.7	1.8	2.7	Jun	2.5	6.4	Jun
Euro area	0.6	Q2	1.0	1.0	2.6	Jul	2.5	6.5	Jun
Austria	-1.1	Q1	0.7‡	0.5	3.0	Jul	3.5	5.3	Jun
Belgium	1.1	Q2	0.8	1.2	5.5	Jul	3.8	5.9	Jun
France	1.1	Q2	1.1	1.2	2.6	Jul	2.6	7.4	Jun
Germany	-0.1	Q2	-0.3	0.3	2.6	Jul	2.6	3.4	Jun
Greece	1.9	Q1	3.0	2.4	2.5	Jun	2.9	9.6	Jun
Italy	0.9	Q2	0.7	1.0	1.7	Jul	1.3	7.0	Jun
Netherlands	-0.6	Q1	-2.0	0.1	3.5	Jul	3.4	3.6	Jun
Spain	2.9	Q2	3.3	2.7	2.9	Jul	3.0	11.5	Jun
Czech Republic	-0.2	Q1	1.2	1.1	2.0	Jun	1.9	2.9	Jun‡
Denmark	1.3	Q1	-5.4	1.6	1.8	Jun	1.6	2.9	Jun
Norway	-0.8	Q1	0.7	1.0	2.6	Jun	3.3	4.2	May‡‡
Poland	2.0	Q1	2.0	2.9	4.2	Jul	3.8	5.0	Jul§
Russia	5.4	Q1	na	3.3	8.6	Jun	7.5	2.4	Jun§
Sweden	nil	Q2	-3.2	0.6	2.6	Jun	2.1	9.4	Jun§
Switzerland	0.6	Q1	1.8	1.1	1.3	Jul	1.4	2.5	Jul
Turkey	5.7	Q1	9.9	3.0	61.8	Jul	55.8	7.7	May§
Australia	1.1	Q1	0.5	1.7	3.8	Q2	3.4	4.1	Jun
Hong Kong	3.3	Q2	1.6	3.2	1.4	Jun	1.5	3.0	Jun‡‡
India	7.8	Q1	5.4	6.9	5.1	Jun	4.7	7.9	Jul
Indonesia	5.0	Q2	na	5.2	2.1	Jul	2.8	4.8	Q1§
Malaysia	5.8	Q2	na	4.4	2.0	Jun	2.5	3.3	May§
Pakistan	2.8	2024**	na	2.8	11.1	Jul	14.2	6.3	2021
Philippines	5.8	Q1	5.3	5.4	4.4	Jul	3.4	4.0	Q2§
Singapore	2.9	Q2	1.4	2.4	2.4	Jun	2.9	2.0	Q2
South Korea	2.3	Q2	-0.9	2.7	2.6	Jul	2.6	2.9	Jun§
Taiwan	5.1	Q2	0.1	3.3	2.5	Jul	2.0	3.3	Jun
Thailand	1.5	Q1	4.6	2.8	0.8	Jul	1.0	0.9	Jun§
Argentina	-5.1	Q1	-9.9	-3.1	272	Jun	221	7.7	Q1§
Brazil	2.5	Q1	3.1	2.0	4.2	Jun	4.2	6.9	Jun§‡‡
Chile	2.3	Q1	7.8	2.7	3.8	Jun	3.8	8.3	Jun§‡‡
Colombia	0.9	Q1	4.4	1.1	7.2	Jun	6.7	10.3	Jun§
Mexico	2.2	Q2	0.8	1.6	5.0	Jun	4.6	2.7	Jun
Peru	1.4	Q1	3.2	2.7	2.1	Jul	2.6	5.3	Jun§
Egypt	2.2	Q1	na	2.4	27.5	Jun	29.0	6.7	Q1§
Israel	-0.4	Q1	14.4	1.3	2.9	Jun	2.8	3.2	Jun
Saudi Arabia	-0.8	2023	na	1.0	1.5	Jun	1.8	3.5	Q1
South Africa	0.5	Q1	-0.2	1.1	5.0	Jun	4.8	32.9	Q1§

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

	Current-account balance % of GDP, 2024†	Budget balance % of GDP, 2024†	Interest rates 10-yr gov't bonds latest, %	change on year ago, bp	Currency units per $ Aug 6th	% change on year ago
United States	-3.3	-6.9	3.9	-15.0	-	
China	1.2	-4.5	1.9 §§	-58.0	7.15	0.4
Japan	3.9	-4.9	0.9	27.0	144	-1.8
Britain	-3.3	-4.1	3.9	-55.0	0.79	-1.3
Canada	-0.7	-1.2	3.1	-43.0	1.38	-2.9
Euro area	3.1	-3.0	2.2	-29.0	0.91	nil
Austria	2.9	-2.4	2.8	-40.0	0.91	nil
Belgium	-0.6	-4.7	2.8	-49.0	0.91	nil
France	-0.2	-5.2	3.3	45.0	0.91	nil
Germany	6.6	-1.5	2.2	-29.0	0.91	nil
Greece	-5.8	-1.3	3.4	-52.0	0.91	nil
Italy	1.1	-5.2	3.7	-55.0	0.91	nil
Netherlands	8.6	-1.4	2.5	-37.0	0.91	nil
Spain	2.5	-3.2	3.1	-54.0	0.91	nil
Czech Republic	0.2	-2.4	3.7	-51.0	23.1	-4.8
Denmark	10.5	1.8	2.2	-55.0	6.83	-1.0
Norway	15.9	12.0	3.2	-71.0	10.9	-7.3
Poland	0.5	-5.4	5.1	-45.0	3.94	2.3
Russia	1.6	-1.2	15.4	422	85.7	12.6
Sweden	5.5	-1.1	1.9	-77.0	10.5	0.4
Switzerland	7.3	0.6	0.4	-59.0	0.85	2.4
Turkey	-2.8	-4.7	26.8	918	33.6	-19.7
Australia	-0.5	-1.5	4.1	7.0	1.54	-1.3
Hong Kong	11.3	-2.8	3.0	-111	7.80	0.1
India	-0.5	-4.9	6.9	-32.0	84.0	-1.4
Indonesia	-0.3	-2.4	6.8	47.0	16,165	-6.2
Malaysia	2.5	-4.4	3.8	-16.0	4.47	2.0
Pakistan	-1.7	-7.4	14.1 †††	-181	279	2.3
Philippines	-3.0	-5.9	6.2	-39.0	57.8	-3.6
Singapore	19.7	0.1	2.9	-18.0	1.33	0.8
South Korea	2.8	-1.6	3.0	-88.0	1,375	-4.8
Taiwan	14.6	0.5	1.5	33.0	32.7	-3.1
Thailand	2.4	-3.6	2.8	nil	35.5	-2.1
Argentina	0.5	-0.5	na	na	936	-70.1
Brazil	-1.4	-7.8	11.8	101	5.66	-14.3
Chile	-3.2	-2.3	5.9	39.0	948	-10.5
Colombia	-2.7	-5.8	10.2	-13.0	4,134	-1.4
Mexico	-0.3	-5.0	9.7	72.0	19.4	-12.0
Peru	-0.4	-4.1	7.0	18.0	3.73	-1.1
Egypt	-4.2	-5.0	na	na	49.2	-37.1
Israel	6.3	-6.8	4.7	72.0	3.83	-4.7
Saudi Arabia	-0.1	-2.1	na	na	3.75	nil
South Africa	-2.0	-5.2	9.4	-88.0	18.5	-0.4

Source: Haver Analytics. §§5-year yield. †††Dollar-denominated bonds.

Markets

In local currency	Index Aug 7th	% change on: one week	% change on: Dec 29th 2023
United States S&P 500	5,199.5	-5.8	9.0
United States NAS Comp	16,195.8	-8.0	7.9
China Shanghai Comp	2,869.8	-2.3	-3.5
China Shenzhen Comp	1,566.1	-2.8	-14.8
Japan Nikkei 225	35,089.6	-10.3	4.9
Japan Topix	2,489.2	-10.9	5.2
Britain FTSE 100	8,166.9	-2.4	5.6
Canada S&P TSX	21,881.0	-5.3	4.4
Euro area EURO STOXX 50	4,668.1	-4.2	3.2
France CAC 40	7,266.0	-3.5	-3.7
Germany DAX*	17,615.2	-4.8	5.2
Italy FTSE/MIB	31,831.6	-5.7	4.9
Netherlands AEX	886.1	-3.8	12.6
Spain IBEX 35	10,599.0	-4.2	4.9
Poland WIG	78,971.6	-6.4	0.7
Russia RTS, $ terms	1,137.5	nil	5.0
Switzerland SMI	11,843.2	-3.9	6.3
Turkey BIST	10,024.3	-5.8	34.2
Australia All Ord.	7,913.1	-4.9	1.1
Hong Kong Hang Seng	16,877.9	-2.7	-1.0
India BSE	79,468.0	-2.8	10.0
Indonesia IDX	7,212.1	-0.6	-0.8
Malaysia KLSE	1,591.9	-2.1	9.4
Pakistan KSE	77,114.5	-1.0	23.5
Singapore STI	3,249.7	-6.0	0.3
South Korea KOSPI	2,568.4	-7.3	-3.3
Taiwan TWI	21,295.3	-4.1	18.8
Thailand SET	1,290.6	-2.3	-8.8
Argentina MERV	1,452,161.0	-2.0	56.2
Brazil BVSP*	127,513.9	-0.1	-5.0
Mexico IPC	52,680.9	-0.8	-8.2
Egypt EGX 30	28,628.2	-2.6	15.0
Israel TA-125	1,970.3	-1.4	4.4
Saudi Arabia Tadawul	11,729.7	-3.1	-2.0
South Africa JSE AS	80,364.9	-2.9	4.5
World, dev'd MSCI	3,372.3	-5.6	6.4
Emerging markets MSCI	1,050.3	-3.2	2.6

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 29th 2023
Investment grade	121	154
High-yield	407	502

Sources: LSEG Workspace; Standard & Poor's Global Fixed Income Research. *Total return index.

Commodities

The Economist commodity-price index

2020=100	Jul 30th	Aug 6th*	% change on month	% change on year
Dollar Index				
All Items	127.4	125.6	-6.4	1.6
Food	139.1	135.8	-5.5	-1.2
Industrials				
All	117.8	117.1	-7.1	4.5
Non-food agriculturals	135.0	129.1	-3.9	13.6
Metals	113.4	114.0	-8.0	2.1
Sterling Index				
All items	127.7	127.0	-5.7	1.7
Euro Index				
All items	134.8	131.2	-7.4	1.7
Gold				
$ per oz	2,390.2	2,385.8	1.4	23.8
Brent				
$ per barrel	78.5	76.6	-9.8	-11.2

Sources: Bloomberg; CME Group; Fastmarkets; FT; LSEG Workspace; LME; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; Urner Barry; WSJ. *Provisional.

The Economist

Obituary

- **Inna Solovyyova studied both stagecraft and the Russian soul**
  Out of Stalin’s terror :: The historian of the Moscow Art Theatre died on May 29th, aged 96

Out of Stalin's terror

Inna Solovyova studied both stagecraft and the Russian soul

The historian of the Moscow Art Theatre died on May 29th, aged 96

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IN HER LAST months and weeks, with many of her students out of Russia because of its war against Ukraine, Inna Solovyova lay bed-bound in her Moscow flat, on the third floor of a grey Soviet block on a hill above the Setun river. Her body might be useless, especially her eyes, but her mind was clear as ever. In easier days she had guided companions round Moscow for hours, tirelessly pointing out churches from the age of Boris Godunov or buildings where Anton Chekhov's Three Sisters might have lived. When she crossed the roads, with her stout, forceful figure and her purposeful step, cars slowed down; and when she went to a favourite restaurant, a cheap, honest eatery tucked away behind the Lenin library, the drivers waiting for their bosses would straighten up, as though to attention. Now her surroundings were reduced to shelves of old volumes and the tick of a Baroque clock.

Here and there though, discreetly placed, were signed portraits of famous directors, paintings by eminent set designers and books signed by artists. She had dedicated much of her life to the history of the Moscow Art Theatre, founded in 1898 by Konstantin Stanislavsky as "a theatre for the first and last time": a theatre built on trust, a microcosm of the country and of Russian life in art. It was rooted in the ideas of Leo Tolstoy and devoted to psychological realism and the exercise of conscience. She too was inspired by these ideas; the founding essence and impulse of the theatre, to get to the heart of questions of life, death and morality, was hers, too. She was a living link to Tolstoy's humanism and Chekhov's almost tactile sense of the passing of time.

Like Stanislavsky, she rejected imitation or slavish reconstruction of the past. The past had to be brought to life with such conviction that no one could doubt its authenticity. Reality had to be seen, experienced and presented in fresh ways. As a theatre critic, advising directors and actors to the end, she was fascinated by the new life that emerged from some refraction of reality in an artist's imagination. The job of art was not to hold a mirror up to life but to reflect its impact, as a shield reflected the blow of a sword.

The violence of that metaphor found echoes in her early life. Each person had a motherland, she liked to say, but she had a mother-time, the late 1930s, an era of grandiose ideas and vast tragedies. She was ten when, in 1937 at the height of Stalin's terror, she saw a neighbour coughing up blood because soldiers of the NKVD (a forerunner of the KGB) had stamped on her chest with their boots. She thought then, to hell with Stalin! And to hell with world revolution, too, if people's lungs had to be crushed. From then on her hatred of both fascism and Stalinism was not abstract, but physical. She rejected the lies, because she had seen the truth, and would not betray her own eyes. It was pointless to fear arrest; that was outside her control, a matter of fate, as it was in the ancient Greek tragedies she knew so well. All she could do was to write a poem in hexameters, in the winter of 1953, calling for Stalin to die. The initial letters of each line spelled out his hateful name.

When he obliged her, not long after, she felt triumphant. He had died and she had survived. Immediately she went out to survey the city she loved. Moscow was empty at first, as if it had surrendered and was waiting for new occupiers to come. Then it filled up with crowds, and the crowds formed into columns. The system sustained by lies and fear had clearly survived Stalin's death. But the noose had been loosened, the air had changed, and it was suddenly easier to breathe.

That change presaged the question that occupied her later. It was not why Russia so often succumbed to violence and darkness, but why sometimes, in this "dimly lit and harsh country", things might suddenly and unexpectedly get better. This ability to self-correct was one of the central themes of Russia's history and of the Moscow Art Theatre. Its first production was "Tsar Fedor Ioannovich", a 19th-century play by Alexei Tolstoy about a humble and saintly tsar who succeeded Ivan the Terrible. It was imbued with a sense of life returning after the exhausting, deadly years of Ivan's rule. The production took its cue from the author's note: "Tsar Ivan has died…The sky has cleared, nature is awakening. Life, with its dark and light, is declaring its rights."

The theatre held its actors to high moral standards, and she too worked that way. Idleness was not allowed. Dignity was her watchword. She would labour in the archives for ten or 12 hours a day, almost without breaks, until the task was done. Her curiosity was inexhaustible and thinking, to her, was as pleasant as swimming. But she was no otherworldly academic. She preferred a shot of vodka to a glass of champagne, could swear roundly if it was called for, and liked to hear the ideas of backstage staff as well as higher-ups. Everything she wrote was underpinned by documents and footnotes; but just as important were imagination and compassion, which allowed her to feel and represent the past as keenly as the present. In the archives she needed to handle the documents, as much as read them. To breathe them in.

One of her favourite literary passages came from "The Life of Archpriest Avvakum", written in the 17th century by Avvakum Petrovich. Petrovich had criss-crossed the entire country, and his book movingly recorded not just Russia's extreme violence, but also its people's tenacity and acceptance of their lot. At one point, after yet another accident with the sleigh, Avvakum's wife asked her husband: "Will these sufferings last for long, Archpriest?" "And I said, 'Markovna, right to our very death.' And so she sighed and answered, 'Good enough, Petrovich, then let's trudge on'."

Inna Solovyova accepted life in that spirit, but also imagined more vivid life to come. On a shelf above her narrow bed, written out on an A4 sheet, were the words of a prayer for an easy death, along with Stanislavsky's advice to his actors: "Simpler, lighter, higher, more joyously." ■
