The Economist

MARCH 14TH–20TH 2026

CHINA'S NEW DYNASTIES

A vast transfer of wealth is under way

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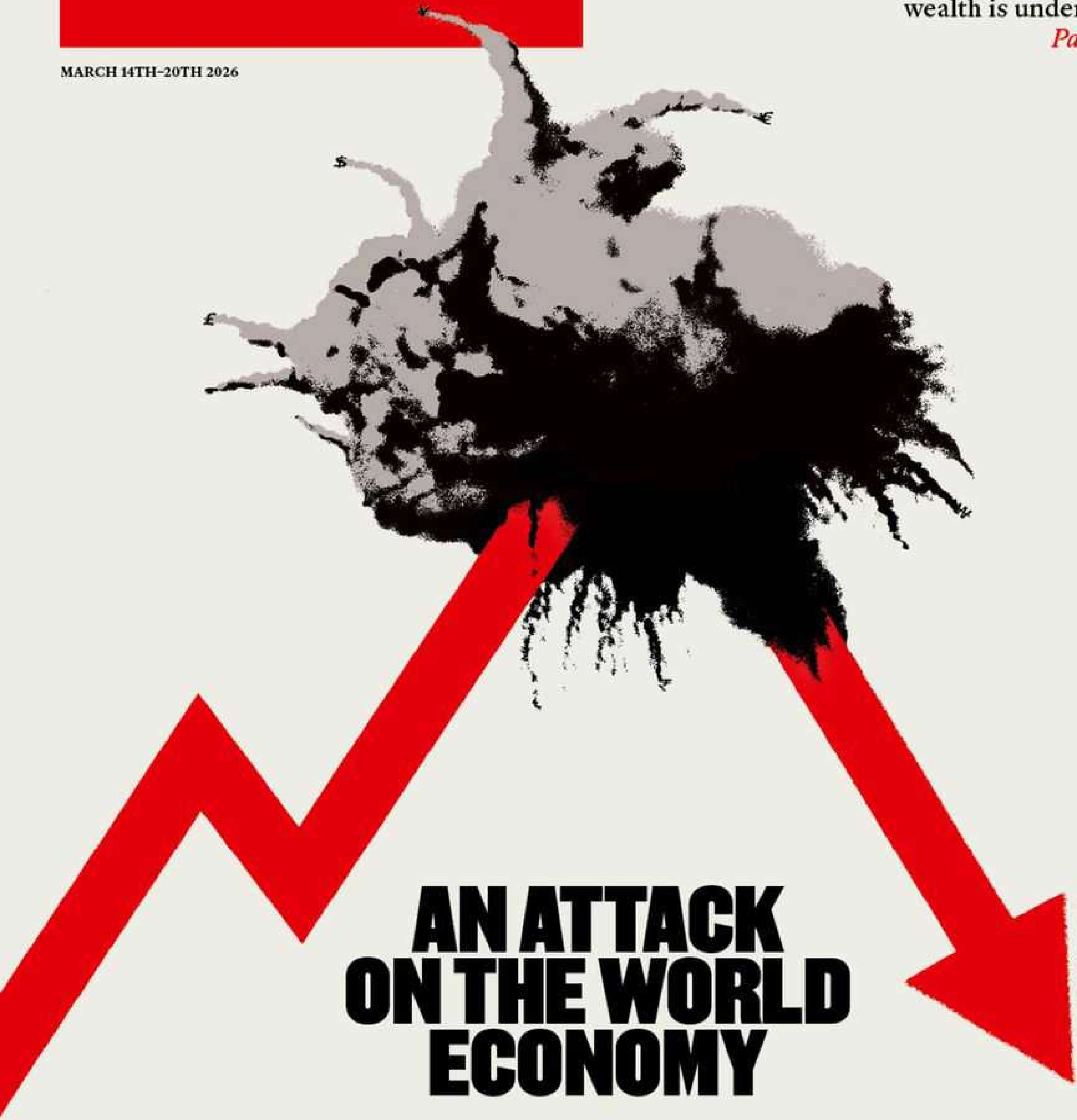

AN ATTACK ON THE WORLD ECONOMY

March 14th 2026

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The world this week

Politics

March 12th 2026

A new supreme leader was appointed in Iran: Mojtaba Khamenei, the hardline son of the slain Ali Khamenei. Mr Khamenei wasn't seen or heard for days after the announcement. Donald Trump was not happy with the choice, suggesting the new leader's tenure would be short. Three vessels were hit in the Strait of Hormuz on March 11th and another three early on March 12th. America sank 16 Iranian mine-laying ships. Massive Israeli and American air strikes continued on Iran. After oil facilities in Tehran were attacked, the World Health Organisation backed advice for the city's inhabitants to stay indoors to avoid breathing in toxic oil-laden air. Nearly 1,300 civilians have been killed in the conflict.

Mr Trump and Pete Hegseth, his secretary of war, seemed to be reading from different scripts in their pronouncements about how long the conflict would last. The president tried to reassure markets that military action is "very complete", whereas Mr Hegseth said "this is only just the beginning". Polling shows that most Americans are opposed to the war, a different situation from the start of previous conflicts, such as Iraq.

On a visit to Cyprus Emmanuel Macron announced that he would deploy a dozen naval vessels, including an aircraft-carrier strike group, to the Mediterranean and Red Sea to help defend countries from Iranian attacks. "When Cyprus is attacked, then Europe is attacked," the French president said, as he raised the possibility of sending French ships to the Strait of Hormuz on a "purely escort mission". Britain has struggled to send one ship, a destroyer, to Cyprus, even though Iran has targeted British military bases on the island. On hearing that Britain was thinking of sending aircraft-carriers, Mr Trump said it would have been nice to have them two weeks ago, but "We don't need them any longer."

Israel intensified its strikes on Hizbullah targets in Lebanon, expanding them to central Beirut. Nearly 700,000 people are thought to have been displaced by the renewed attacks. The Israeli government warned Iranian government representatives in Lebanon to "leave immediately before they are targeted". Iran provides material support to Hizbullah.

A drone strike on Goma, a city in eastern Democratic Republic of Congo, was a reminder that conflict in the region continues. Goma has been under the control of M23, a rebel group backed by Rwanda, since January 2025. Multiple people, including a French aid worker, were killed in the strike, which M23 blamed on Congo's army.

A new report from Yale's Humanitarian Research Lab found that the Rapid Support Forces, one of the main parties in Sudan's civil war, systematically destroyed fields and farming villages around el-Fasher, in Darfur. The findings support UN allegations that the group committed genocide in the city, which it took in October 2025. Tens of thousands of its residents are thought to have been killed in the assault.

The United States re-established diplomatic and consular relations with Venezuela, two months after removing Nicolás Maduro as president and taking him to New York to await trial on drug-trafficking charges. America closed its embassy in Caracas in 2019. The leftist regime remains in power but has been working closely with America to open up investment in its oil industry. The county's parliament has also initially approved a law that allows foreign and private companies to invest in mining.

Human Rights Watch, an NGO based in New York, reported that drone strikes carried out by Haiti's security forces against criminal gangs killed 1,243 people from March 1st 2025 to January 21st this year. At least 43 adults and 17 children who were not gang members were killed in the attacks. A government-backed task-force, working with private contractors, deployed the drones. HRW believes that some of the strikes "appear to be deliberate extrajudicial killings".

Senate Republicans plan to hold a confirmation hearing in mid-March for Mr Trump's new pick to head the Department of Homeland Security. The president nominated Markwayne Mullin for the job after sacking Kristi Noem, who has been criticised for her handling of the immigration crackdown in Minnesota and subsequent protests, in which two people died. Mr Trump fell out with her over the $220m she spent on an ad campaign. Mr Mullin is a senator from Oklahoma.

The Greens narrowly won re-election in Baden-Württemberg, Germany's third-most-populous state, which includes the city of Stuttgart. The Christian Democrats, the leading party in the federal government, came a close second. The populist-right Alternative for Germany (AfD) doubled its share of the vote to come third. It was the first of eight state and local elections taking place this year; the AfD hopes to win more votes than the Christian Democrats in some of them and become the largest party on the right.

Hungary's already strained relations with Ukraine worsened when Viktor Orban, Hungary's prime minister, confiscated a shipment of Ukrainian gold and cash. The shipment was travelling from Austria through Hungary to Kyiv when it was seized by Hungarian forces. Mr Orban claims the gold and cash may have a criminal link, including to "political organisations", seen by some as an attempt to smear his election rivals. Ukraine says the shipment was just a transfer between banks.

Britain's ruling Labour Party released a report aimed at enhancing social cohesion. Entitled "Protecting What Matters", it presented policies for tackling extremism and safeguarding people from discrimination while drawing the country together. But the report caused divisions, most notably over a controversial definition of "anti-Muslim hostility" that critics think could restrict people's freedom to criticise Islam.

The British Parliament finalised a bill that will remove the remaining 92 hereditary peers from the House of Lords, which can amend but not block bills sent from the House of Commons. For centuries, people who inherited a seat have sat in the Lords, but a reform process that started in 1999 whittled the number down to several dozen. The 800-odd members of the Lords will now almost entirely be composed of political appointees, which may encourage cronyism.

In Nepal the Rastriya Swatantra Party looked likely to gain a supermajority in parliament following an election. The progressive and economically liberal party is led by Balendra Shah, who stepped down as mayor of Kathmandu in January. The former rapper was a figurehead for the opposition in last September's student-led riots, in which scores of people died and the prime minister resigned. That same youth-focused Gen Z movement has now swept him to office, breaking the established parties' lock on power.

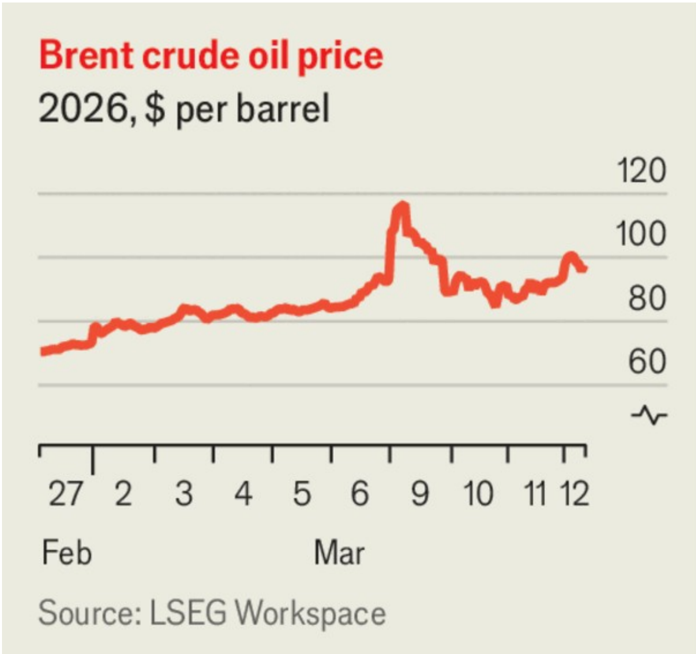
Rail services resumed between Beijing and Pyongyang for the first time since the covid-19 pandemic forced them to stop in 2020. The first train between the Chinese and North Korean capitals was sold out, though officials, the media and businessmen were able to secure tickets. North Korea remains closed to foreigners, apart from some Russian and Chinese tour groups. Next month's Pyongyang marathon has been cancelled. Last year foreign runners competed in the carefully staged event, which ends with a lap of a stadium packed with cheering supporters of the North Korean regime.

The world this week | Business

Business

March 12th 2026

The International Energy Agency co-ordinated the emergency release of 400m barrels of oil among member countries. It hoped this would alleviate concerns of an oil crunch following the closure of the Strait of Hormuz, through which some 19m barrels of crude and refined products normally pass a day. The price of Brent crude nonetheless rose, as vessels were hit in the strait; it is now trading around 30% higher than before hostilities began. The price continues to gyrate; Donald Trump suggested the war was “very complete”, yet hostilities have continued. Other energy prices have also surged. Dutch TTF, the European benchmark for natural gas, is up by more than 60% since the war started on February 28th.



The global shock to energy prices is having a big impact in Asia, which relies on oil and gas imports from the Gulf. With fuel prices rocketing, Vietnam encouraged people to work from home to reduce travel. The government in Thailand ordered civil servants to conserve energy in public buildings and is considering whether to compel private businesses to do the same. Bangladesh told universities to close early for a holiday; daily limits have been imposed on fuel sales there.

In India Reliance Industries said it would maximise production of liquefied petroleum gas at its refining hub in Jamnagar, the world's largest, and work with the government to ensure uninterrupted access to essential fuels for Indian households. Meanwhile, Donald Trump announced that Reliance would back a project to build a new oil refinery in Brownsville, Texas.

Airline stocks took a battering as investors bet that profits will be all but wiped out by higher fuel costs. Several carriers, including Air India, Air New Zealand and Qantas raised their ticket prices or said they would consider doing so. Air New Zealand suspended its annual earnings forecast because of the market volatility.

Defying American tariffs, China's exports rose by 21.8% in January and February, year on year, blowing past market expectations. Imports were up by 19.8%. Chinese manufacturers have turned to other markets to offset a decline in trade with the US. Exports to Europe increased by 27.8%, to South Korea by 27% and South-East Asia by 29.4%. Meanwhile, China's annual inflation rate stood at 1.3% in February, the highest in three years.

America's consumer-price index rose by 2.4% in February at an annual rate, unchanged from January. Energy prices increased by just 0.5% and petrol prices fell by 5.6%. They are expected to jump in the next inflation report, as higher energy costs feed through. Separately, employers unexpectedly shed 92,000 jobs in February, underlining concerns about the weakness of the labour market. The data also showed that since reaching a peak in October 2024, federal government employment has fallen by 330,000, or 11%.

Anthropic went to court to try to overturn the Pentagon's designation of the startup as a "supply-chain risk", which mean its products cannot be used by the Pentagon nor by suppliers in their direct work with it. The designation came after Anthropic insisted on safeguards for use in certain situations, such as surveillance. "Our military will obey the United States constitution, not any woke AI company's terms of service," said the White House. Anthropic says the designation could hamper its ability to raise funds.

Oracle's latest earnings pleased investors. Revenue surged in its recent quarter and the company forecast that it will "comfortably meet and likely exceed" its sales forecast for next year and beyond, thanks to demand for its software from AI data centres. Its spending on AI, which spooked markets late last year, rose sharply in the quarter, but it stuck with a forecast of $50bn in capital expenditures for the whole year.

Battling American tariffs and falling sales in China, Volkswagen's operating profit fell by half in 2025. The carmaker is now cutting 50,000 jobs in Germany by 2030, up from the 35,000 it had agreed to with unions in December 2024.

Research published in the Harvard Business Review suggested that workers are suffering mental fatigue from excessive use or oversight of AI tools beyond their cognitive capacity. The researchers termed this as "AI brain fry", usually the result of using too many AI tools at once and for complex projects. When AI is used to reduce routine tasks, worker burnout is much lower, the survey found. The professions reporting the most AI brain fry were marketing and human resources. Those reporting the least were legal services, and management.

The world this week

The weekly cartoon

March 12th 2026

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

[The damage to the world economy from the Iran war will be severe, but uneven]

[Donald Trump's options to cool oil prices are sorely limited]

[Liquefied natural gas: the overlooked economic chokepoint]

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

Leaders

Leaders | Beyond oil

An attack on the world economy

Whatever happens in the Strait of Hormuz, energy markets have been changed for ever

March 12th 2026

Having DISCOVERED the costs of tariffs, President Donald Trump has now discovered the costs of war. On March 9th he declared that his campaign against Iran would be over "very soon", sending oil prices, which had peaked at nearly $120 a barrel the day before, crashing to nearly $80 (before the war they had been $70). Iran's de facto closure of the Strait of Hormuz has blocked roughly 15% of global oil supply. Mr Trump, facing midterm elections and voters weary of inflation, is signalling that he cannot bear those costs—just as he retreated from his trade war after markets buckled last spring.

Yet Mr Trump is as chaotic in matters of war and peace as he is in economic policy. As we published this, the strait remained all but closed after Iran had struck shipping there. The oil price had rebounded to around $100. Meanwhile, American rhetoric remained belligerent, as Pete Hegseth, the secretary of war, promised to fight on harder than ever.

The confusion betrays the president's lack of good options. Whereas de-escalating the trade war is more or less in his gift, he cannot restore the old energy market. Whatever happens, the world is entering a new era of energy insecurity.

The shock the war has unleashed could be huge. True, the world depends less on oil than it did in 1973, when an Arab embargo caused crude prices to quadruple, or 1979-80, when the Iranian revolution and the Iran-Iraq war hit supply. Then, it was still common to burn oil to produce electricity. Today it is used less widely, mainly to power transport and make petrochemicals.

Yet this evolution is double-edged. Today's oil demand is stubborn, so prices have to rise more for a given disruption of supply. And this one is extreme: the loss of supply is greater than in either 1970s shock. Even at the worst moments of the crisis, traders have not come close to pricing in an indefinite closure of the strait. The oil price required to bring demand into line with supply in such a scenario could be over $150 per barrel.

Members of the International Energy Agency can draw on 1.8bn barrels of emergency stocks and they are releasing 400m. But access is often throttled by pipelines or other constraints. Even China, which has built up a separate vast stockpile, has seen the need to stop exports of some refined products. The fact that transport is a key input to so much of the world economy means that bottlenecks could cause grave harm.

And the shock is not limited to oil. Qatar's main liquefied natural gas (LNG) export facility remains closed after a drone strike, taking nearly a fifth of global supply off the market. An expansion of its output has also been postponed. The loss of Qatar's exports has set off a scramble in Asia. In Europe, where gas storage-tanks are unusually empty for the time of year, prices are up by more than half. America could export more LNG, but its demand for natural gas is rising, because of the boom in energy-hungry data centres.

Iran could drag the war out to try to suggest that it and not Uncle Sam is calling the shots. On March 11th Iran hit three cargo ships in the Strait of Hormuz and, later, two tankers near Iraq. Like Yemen's Houthi rebels, who have successfully attacked shipping in the Red Sea with low-tech weaponry despite NATO members' high-tech efforts to stop it, the Iranian regime has learned that it can lob drones at ships and energy infrastructure while being flattened by bombs.

Even when the war ends the world will have changed. Iran's new hardline supreme leader, Mojtaba Khamenei, now knows that energy prices are America's weak spot. In Ukraine, which has tested drone defences, some Iranian-style machines still get through. American troops are not about to occupy Iran to stop the launches. America does not have the capacity to defend every tanker, even if it provides them with cheap insurance. Disruption to energy markets will therefore come and go with geopolitical tensions, especially if Iran concludes that it needs a nuclear weapon to be safe.

That is the new reality in which investors, businesses and policymakers must now operate. For investors, the contrast between an increasingly volatile world and buoyant equity markets just became more stark. Chaos in the Middle East joins a long list of threats to markets, including gloomy scenarios related to artificial intelligence, trouble in private credit and a loss of faith in indebted governments. Government-bond yields have risen since the crisis began, especially in southern Europe and Britain, which depends on imported LNG.

Businesses face a new risk premium, as energy prices reflect the ever-present danger of conflagration. As after the pandemic and start of the Ukraine war, they must again pore over their supply-chain risks, including their exposure to the Gulf economies, whose reputations for stability have been shaken and which can expect less investment and fewer tourists.

For policymakers, painful decisions loom. Energy storage is part of the solution. It was foolish of Mr Trump not to replenish America's oil reserves at the low prices that prevailed before the war. Adding to emergency stocks will now cost more. High prices should induce more supply outside the Middle East. Until it does, countries like America may find it hard to resist the lure of energy protectionism. When oil producers and refiners, including China and India, start to restrict exports in an attempt to protect their consumers from high prices, the damage to other countries can be severe.

Central banks will have to cope with a renewed inflationary threat that heightens the risk of both recession and wage-price spirals. And politicians will face voters clamouring for energy subsidies, like the support doled out in the rich world after Russia invaded Ukraine, which exceeded 2.5% of GDP in many European countries, adding to their debts. That would shift the pain to poorer countries, especially in Asia; in 2022 Bangladesh endured blackouts. It is difficult to predict how this crisis ends. But even if countries get policy right, it is already clear that the war has made the world economy less prosperous, more volatile and harder to govern. ■

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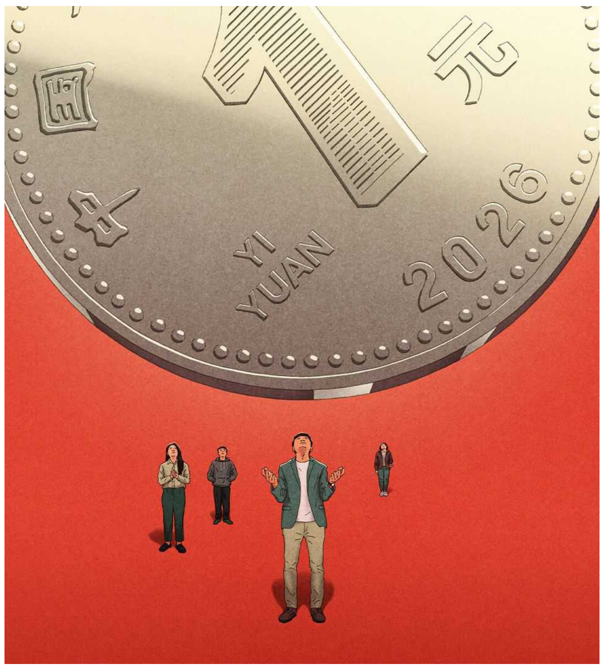
Leaders | A new dynasty

China's hereditary elite is taking shape

The Communist Party is afraid to tax inherited wealth

March 12th 2026



OVER THE past half-century, China has conjured vast wealth out of widespread poverty. Now comes the vexing part: how to pass it on to the next generation. For China, this poses a new and underappreciated risk. On its current trajectory, the first great intergenerational transfer in China's modern history will widen inequality, cement privilege and breed resentment. The government, devoted to "common prosperity", is shockingly insouciant about what that will mean.

In 1978, on the eve of China's economic take-off, the average household's assets were worth barely $1,500 in today's money. Now, that figure has reached about $170,000, a hundred-fold real increase. Alas, the fruits are uneven. The richest 10% of the population now own nearly 70% of China's total private wealth, roughly equal with America and well above most advanced economies, according to the World Inequality Database. And the richest 10% are, like most of China, rapidly ageing. Their heirs are in line for windfalls.

Across the rich world, increasing hereditary wealth is creating a class more inclined to search out tax loopholes than to strive or innovate. China will have those problems and more. First, its inheritocracy is brand new. It was only in the 1990s, when China allowed homeownership, that people started to accumulate a lot of assets. A business boom got going at the same time, minting millions of millionaires—and hundreds of billionaires. Of those worth at least 5bn yuan ($720m), 23% were over 60 in 2016. Today, 49% are that old.

Another uniquely Chinese feature is society's demographic structure. Although some ultra-rich families flouted the government's one-child policy, most urban dwellers abided by it. The assets of two parents are thus about to go to a single heir. New clubs and matchmakers have sprung up to help the richest couple with each other, magnifying their inherited advantage.

And a last factor is slowing economic growth. Even as wage gaps have narrowed slightly, wealth is starting to matter more. This represents an abrupt transition for China, from an era when people believed anyone could prosper through hard work to a bleaker acceptance that what really counts is the right "amniotic fluid", as one person quips in our briefing this week. Meanwhile, steep declines in property prices have hurt almost all middle-class Chinese, for whom housing was their biggest asset. The uber-wealthy, with more diversified portfolios, have emerged in better shape.

The most severe consequence may be a new fault line in society. For years Chinese people were inveterate optimists, believing in the fundamental fairness of life, even when the poorest faced long odds. Recent surveys have shown a marked rise in pessimism—and, given the difficulties of monitoring public opinion in China, they may be understating that trend.

One concern for the government is social instability, though it has tools to suppress unrest. Another is that young adults may choose to withdraw from the rat race or sit back on their wealth. With youth unemployment over 16%, some are questioning the endless competition that can make life in China so stressful. As the great inheritance plays out, the go-getter spirit that fuelled the country's rise may ebb. Persistent inequality will also add to economic imbalances: the tendency of the well-off to spend less of their income than the poor helps explain China's low consumption rate.

Despite President Xi Jinping's talk of greater equality, official thinking is woefully behind the curve on inheritance. The Communist Party, bizarre as it might sound, is opposed to a significant redistribution of wealth. It has a Thatcherite moral objection to handouts, worrying that they will make people lazy. It would instead prefer strong economic growth, whereby gains are more evenly shared. But ignoring accumulated wealth will ensure that deep inequality becomes ingrained.

The solution need not be radical. China should focus on taxing capital, a glaring hole in today's fiscal system. It has neither an inheritance tax nor a recurring property tax, and its capital-gains tax is riddled with exemptions. Its income tax is also hobbled by complexity. Combined with cuts to consumption levies, the result is that China's total tax revenue, excluding social-security contributions, has declined over the past decade, from 18% to 13% of GDP, about three-quarters the rate of peer countries. Observers fret that Mr Xi is returning China to Marxism; few notice that, perhaps unwittingly, he has made it a partial tax haven.

Since the early 1990s China has often promised to consider introducing an inheritance tax, yet has not done so. It has also moved at a glacial pace on levying a property tax. Why the delay? Some officials cite the fear that taxes may weigh on growth and that the wealthy may shift their fortunes abroad. Neither argument is persuasive. If inequality keeps rising, it can damage growth, too. And China is well-placed to stop an exodus of wealth with strict capital controls.

A more compelling explanation is that the Communist Party fears the political fallout. Taxing wealth requires assets to be reported. This has bedevilled the launch of a property tax, in part because many corrupt officials own several homes. Forcing political elites to come clean would expose pervasive graft—and trigger a pre-emptive wave of home sales when the property market is weak. Beyond officialdom, there is a need to justify higher taxes to the public, particularly to the rich who stand to lose the most.

Mr Xi's inaction on taxes is a reminder that, for all his power, he is still wary of stirring up resistance.

China's leaders, sometimes celebrated for their technocratic brilliance, have consistently been slow to correct obvious mistakes. They were too hesitant to end the one-child policy, to deflate the property bubble and to retreat from their zero-covid strategy. Once again, they face a slow-moving but easily visible problem: the transfer of vast riches. The danger is that they wake up in a decade or two to see that they have nurtured a permanent wealthy elite on top of a disillusioned society. ■

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Leaders | Iran’s nuclear programme

There are no good options for Iran’s nuclear programme

If America cannot eliminate the threat, what should it do?

March 12th 2026

MANY THINGS make the Iranian regime loathsome, but what causes it to be especially dangerous is its pursuit of nuclear weapons. Its promise not to build a bomb was belied by its determination to enrich uranium to weapons-grade. That has long underpinned the regime’s attempts to intimidate its neighbours and threaten Israel’s survival.

If the war unleashed by America and Israel on February 28th is to count as even a narrow success, it must therefore set back Iran’s nuclear ambitions for years, and ideally for ever. The best way for this to happen would be for the regime to be replaced by a democracy focused on improving the lot of its people and living in peace with its neighbours. Such a government would pose the least threat. Yet an aerial war will struggle to create such a renewal. It could even make the situation worse.

The regime has surely understood that being a threshold power makes you a target and that for a nuclear programme to offer any protection, it must go all the way. The new supreme leader, Mojtaba Khamenei, is thought to be more eager than his late father and predecessor to get a bomb—and after the death of his family is likely to want vengeance. In Iran those arguments may overshadow the fact that American and Israeli missiles and bombs have done great damage to the economy. Despite knowing that future work on a nuke will be met with extraordinary firepower, Mr Khamenei may tolerate the risk.

Post-war Iran would begin a programme with a head start. Roughly 400kg of highly enriched uranium is buried inside the country, enough for about ten bombs. Whether in the hands of a hostile regime or, if order collapses, a warlord looking for a buyer, this fissile material poses a grave threat.

America has three options. One, backed by some in Israel, is to send in special forces to seize it. As we describe, that would take a huge, days-long occupation, involving a specialist assault force protected by over 1,000 troops and constant air support. This is feasible, though demanding and risky, but America has lost the element of surprise and intelligence suggests that the 400kg is in two or even three places, possibly putting some of it out of reach. Furthermore, although Iran would have to restart enrichment from scratch, it would retain its know-how.

That leads to a second option, which is to bomb Iran every time it poses a threat. This war has shown how costly that would be. Iran has learned that even its low-tech drones and missiles can roil world energy markets and disrupt the Gulf states, which sell themselves to investors and expats as oases of calm. American voters would surely reject going to war if each engagement only reset the clock for the next one. American strategists would not want to be stuck in the Middle East when their focus is China.

That leaves a deal with the regime to end its nuclear threat. This is a tough option: Mr Khamenei may reject an agreement. The regime may accept and then go on to cheat. And yet it is still the best option. Iran is exhausted after the bombing. To rebuild its economy it needs sanctions to be lifted. In exchange, it may be willing to strike a permanent deal as part of a ceasefire, whereby the regime agrees to the end of enrichment, monitoring of its nuclear programme and the dilution or removal of the highly enriched uranium.

It would be an odious compromise. In 2015 Barack Obama negotiated a similar—temporary—deal, but Donald Trump abrogated it in 2018. What an indictment of his Iran policy that, eight years and two wars later, he has no better options. ■

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Leaders | America’s midterm elections

How to teach Donald Trump a Latin lesson

By alienating Hispanics, he has given Democrats an open goal

March 12th 2026

“Hispanics love Trump,” said Donald Trump in 2024. It was not just empty boasting. He won 48% of the Latino vote that year, more than any previous Republican presidential candidate. Like many others, Hispanics were feeling squeezed by inflation and largely blamed it on President Joe Biden. Many chafed at disorder on the border, where for a while a wide-open asylum system had attracted an influx of people from poorer countries. Mr Trump promised to cut the cost of living and kick out migrants who had committed crimes. Lots of Latinos took him at his word, and now feel buyers’ remorse.

Far from taming prices, Mr Trump is driving them higher with tariffs and a war of choice in Iran. And far from concentrating on deporting rapists and gangsters, his agents have been rounding up grannies and gardeners. Texan builders are struggling to build houses because Latino bricklayers and electricians are frightened to come to work. Federal agents are barging onto private property without judicial warrants. Hispanics feel besieged by swaggering men in masks. Small wonder Mr Trump's approval rating among them has collapsed to 22%.

That will make it harder for Republicans to hold on to Congress at the midterm elections in November. Their gerrymandering in places like Texas, which assumed that their Latino support would remain high, could backfire. Nationwide, if the election is close, a Hispanic surge could tip dozens of seats. A new Economist/YouGov poll finds that Latinos favour Democratic candidates over Republicans by 43% to 27%. In the past six months, the prediction-market odds of Democrats flipping the House of Representatives have improved from 69% to 85%. For the Senate, where only a third of seats are up for election, the odds have risen from 29% to 47%.

The loss of Hispanic support is not the only reason why Republicans face a possible drubbing. Plenty of other Americans are hacked off with high prices and ICE agents who act like a lawless paramilitary force. Still, history suggests that when a party alienates a whole demographic group, the political effects linger. Republican presidential candidates won California nine times out of ten between 1952 and 1988, but never carried it again after a Republican governor backed a statewide anti-immigration referendum in 1994.

The administration knows it has a problem, and has been trying to soften its tone. Kristi Noem, who once posed triumphantly in front of a cage of half-naked Hispanic men, no longer heads the Department of Homeland Security (DHS). Recruitment ads for ICE agents no longer appeal so directly to macho xenophobes. The DHS website once declared that "America has been invaded by criminals and predators. We need YOU to get them out." Now it appeals for "protectors" and even "analytical" types. The White House has told Republicans in Congress to stop talking about "mass deportation" and emphasise the removal of criminals.

Yet the underlying policy has not changed much. Many Latinos still live in fear that they, or a relative, will be grabbed off the street, shackled and separated from their loved ones. And some in Mr Trump's orbit make clear that they think certain Americans are more American than others.

All this leaves an open goal for Democrats. They may still trip on their own bootlaces. And Mr Trump may yet win back some popularity by, say, changing the communist regime in Cuba. But if the Democrats position themselves as the party of economic predictability, rather than scattergun tariffs and self-inflicted oil shocks—and of the rule of law instead of racially tinged bullying—that should appeal not only to disillusioned Hispanics but to Americans in general. ■

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Leaders | Drones v gangs

Haiti needs order first, then elections

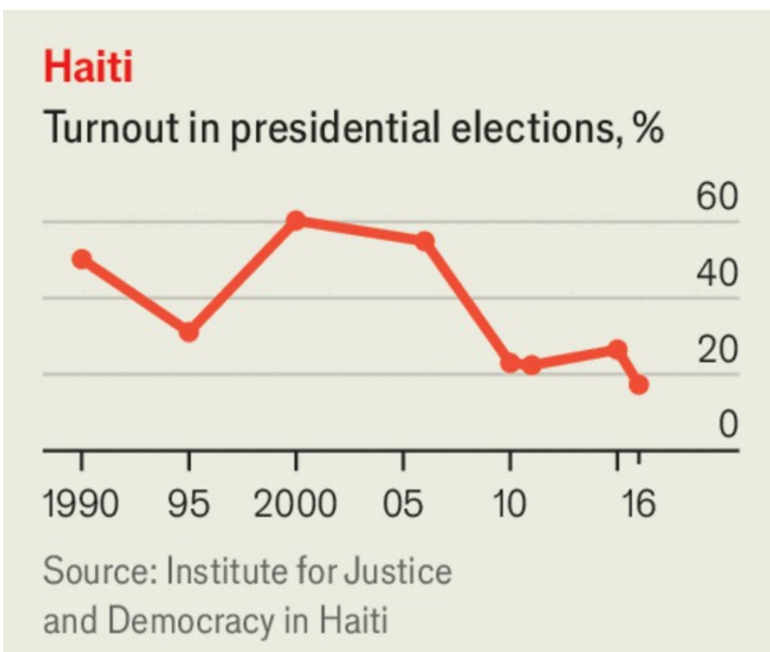
Voters must be able to turn out without risking death

March 12th 2026

Gangsters control most of Haiti's capital, Port-au-Prince, extorting money from civilians at every turn. Pedestrians must pay a toll to enter a gang-ruled neighbourhood; traders must pay "taxes", even on food. The result is ruin. Haitians are more likely to suffer from severe hunger than people in war-racked Sudan. Only 10% of clinics are fully operational. Some 1.4m people have been forced to flee from their homes—about as many as were displaced by a huge earthquake in 2010. But whereas that natural disaster prompted a swift humanitarian response, Haiti's political collapse has driven donors to despair. A security mission backed by the UN has been running since 2024, but it has done little to improve public safety.

Now there is hope at last. For the first time in years, the gangs are starting to retreat. In 2025 the Haitian National Police began fighting back with help from private security-contractors—including Vectus Global, a firm founded by Blackwater's Erik Prince. They use small aerial kamikaze drones to hunt gangsters; hundreds have been killed. The UN security mission is being revamped with American backing. It will soon have five times more personnel and an explicit mandate to go after gangsters independently. The first troops are due to arrive from Chad in April. The streets of Port-au-Prince show signs of small improvements, though few areas are yet safe. The acting prime minister since 2024, Alix Fils-Aimé, is in favour with the Americans and has brought a measure of stable leadership.

All this gives Haiti its best chance in years to restore something resembling calm. But reviving a minimally functional state will require much more than blowing up gangsters. Haiti needs a government with a democratic mandate to rebuild the country, and a muscular civilian police force that acts in Haitians' best interests. This means holding elections in which Haitians feel safe enough to vote as they wish, not as criminals with guns tell them to.



It is a difficult task. Since its first tolerably free elections in 1990, Haiti has endured coups, military rule, vote-rigging and brief foreign occupation. There have been no elections since 2016, when Jovenel Moïse, a failed banana farmer, won the presidency with the support of less than 10% of registered voters. Turnout was 18%, the lowest ever. Moïse was later assassinated. Haiti's electoral council has scheduled elections for August, but it seems unlikely the country will be ready so soon.

Rather than rushing to hold a vote, the government and its international partners should try harder to improve security. The drones must be targeted and proportionate. When the new UN force arrives it should start by protecting Haiti's main roads, so that food, goods and people can move again. That would ease hunger and give the economy a chance to grow after seven years of deep recession. The police force—which has been under civilian control only since 1995—should take the lead in consolidating any gains, working street by street to make neighbourhoods not merely gangster-free but reasonably safe.

Then Haitians deserve a choice. The gangs will undoubtedly back pliable candidates, and members of the old corrupt elite will try their luck. What Haitians really need is, if not a Mandela figure, at least a leader capable of getting the basics right: orderly streets and a non-predatory state. It is far from clear who that leader might be. (Mr Fils-Aimé cannot run.) However, better security might give candidates time to emerge. Haitians, mindful of the consequences of bad leadership, should scrutinise them carefully. ■

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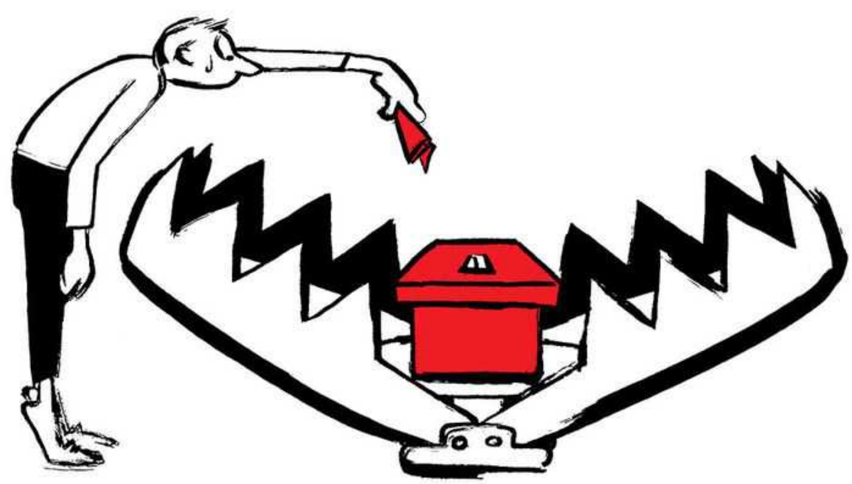
Letters

Letters | A selection of correspondence

Is it optimistic to think that Hungary's election in April will be free but not fair?

Also this week, methodology, congressional districts, the Articles of Confederation, meeting rooms, food, Donald Trump

March 12th 2026



Your assessment that Hungary's election in April will be free but not fair is, if anything, optimistic ("Can Viktor Orban be beaten?", March 2nd). The framing of your interactive article implies that there is a limit to what Viktor Orban, the populist-right prime minister, is prepared to do. History suggests otherwise.

Fidesz, his right-wing party, has never before faced a real threat of losing power. Previous opposition coalitions were fragmented, strategically inept, and easy enough to defeat through gerrymandering and media capture alone. Peter Magyar and his centre-right Tisza party are a different type of opposition altogether. That the Orban regime has not yet resorted to active interference says less about its restraint than about the bar it has never previously had to clear.

Direct interference in the election would not be a qualitative leap. The infrastructure is already in place if the regime chooses to use it: postal-vote manipulation, organised transport for voters, vote-buying and the provision of public benefits in exchange for votes in rural communities are established practices. Consider the case of Georgia in 2024. The pro-Russian Georgian Dream party faced a consolidated opposition with a credible polling lead, had similarly captured state institutions, and escalated to credible allegations of direct fraud precisely when facing an existential threat. That is the trajectory to watch in Budapest.

Mr Magyar has played his hand close to perfection. But there is only so much any politician can do against a man who keeps an ace up his sleeve, and has never had more reason to play it.

Vlad-Petru VoicuMilan

In spite of the government's successful efforts to engineer the electoral, social and economic system in its favour, Mr Orban has governed with a legitimately won popular mandate. All attempts to mount a united opposition have thus far failed precisely because they underestimated his domestic support. The current situation is different.

The regime is genuinely scared. The recent "honey-trap" kompromat operation against Mr Magyar suggests that Fidesz no longer believes its popular mandate or its control of the media is enough to secure victory. While Mr Orban plays the international statesman, and touts a "golden age", his domestic machinery has resorted to dumpster diving for dirt on the opposition.

Moreover, the geopolitical stakes have shifted. With current global volatility and the resurgence of great power competition, Europe can no longer afford to have its united front spoiled by Hungary at every turn. Fortunately for the EU, the government's desperation may be a signal that they won't have to.

Luca La CavaLondon

Did America's war on poverty fail, you asked, citing a recent paper by Richard Burkhauser and Kevin Corinth (Free Exchange, February 21st). The paper adopts measures of income and tracks trends in income and poverty in the periods before and after Lyndon Johnson's war on poverty in the 1960s. The authors conclude that poverty fell significantly in the 1939-63 period without increasing dependency rates, whereas subsequent reductions in poverty were accomplished largely through transfer payments that tended to increase dependency.

There are several reasons to question the authors' methods and findings. First, the paper relies on cross-sectional data. This overlooks the actual movement of households into and out of poverty. However, solid empirical evidence demonstrates that intergenerational mobility rates fell sharply from the 1940s to the 1980s.

Second, the paper converts in-kind benefits into income. In-kind benefits are not disposable income, and although they may mitigate the material insecurity faced by low-income households, they also do not enable the accumulation of savings or free choice over spending. Third, the authors make no reference to the effects of the Great Compression of the mid-century, when recovery following the Great Depression was a function of a national mobilisation for the second world war. A finding that poverty fell between 1939-63 because of rising low-end wages without mentioning the war and the enormous changes in labour-market practices and policies it wrought is, at the very least, ahistorical.

And lastly, the authors focus on transfer payments as the main vehicle of government anti-poverty spending rather than considering more broadly based public goods and services. Expanding opportunity by improving public health, public education, public security, public sanitation and other crucial public goods can raise equity and efficiency. Reducing the provision of such public goods in the name of reducing dependency, as America has done since the 1970s, raises barriers to escaping poverty traps.

It would be unwise to draw conclusions about the longer-term effects of the war on poverty without considering the social and political context in which it was waged.

Thomas RemingtonVisiting professor of governmentHarvard UniversityCambridge, Massachusetts

As a former staffer in Congress I fully agree with your analysis on why it is so hard to work there today ("Bleak House", February 21st). Another factor behind this is the number of constituents in congressional districts, which has risen hugely over the past century. After 1910, when the total number of seats in the House of Representatives increased to its current size of 435, each member had on average 212,000 constituents. Today that figure is 760,000, but with wide variation among states owing to a quirky apportionment process.

America has one of the highest ratios of constituents to representatives of any country in the world. As you rightfully noted, this means that each member's finite time is increasingly spent on the most well-resourced interests.

Overturning the Permanent Apportionment Act of 1929 would not only make their lives easier, it would also ensure that voters have a greater say in what is supposed to be the more representative of the two chambers. Even a modest reduction in this ratio, say to 500,000 Americans per congressional seat, would add about 250 more elected officials to help carry the load.

Ryan ZamarripaAdjunct lecturerSchool of Social WorkColumbia UniversityNew York

I was sorry to see your apparent endorsement of the notion that legislatures are doing a good job only if they pass a lot of laws. Legislatures should be able to consider a lot of bills, but ideally not to pass any that are bad ideas. There are many of these in every legislature.

As well as considering bills, lawmakers apportion funds among programmes, evaluate the efficiency and effectiveness of enacted policies and try to help constituents who are having difficulty with those programmes. These are all intertwined.

By any measure for any audience, the current American Congress is extravagantly incompetent at all four of these, but some day it may again be useful to assess legislative performance by other measures than simply the volume of legislation enacted.

Jim KentNew York

Your interactive on "America at 250" (February 14th) didn't mention a critical piece of early American history. The Founding Fathers' first attempt to form a national government was through the Articles of Confederation, the first draft of which was presented to the Continental Congress a mere eight days after the Declaration of Independence in 1776.

Eventually ratified in 1781, the articles created a profoundly weak central government, consisting of a single, unicameral legislative branch with the powers to negotiate treaties, coin money and declare war, but explicitly lacking the powers to impose taxes, regulate interstate commerce, or draft soldiers. There was no executive office, nor any judiciary. The simultaneous crises of demands by European merchants for payment in hard currency, an economy hampered by state protectionism and a rebellion in Massachusetts made the founders realise that governing by begging was not much of a way to run a country. The lessons played an important role in guiding the constitution of 1787.

Paul ShrinerAnkeny, Iowa

Bartleby's column on "The excruciating quest for a meeting room" (February 14th) listed the names of the rooms where employees tried to hold their gathering, whether in Decisive, or in Capable, and so on. We had difficulties once naming rooms in offices. Because we are in the Washington area, naming the spaces after the Founding Fathers was an early thought, but quickly rejected when we realised that "Someone needs to fix the camera in the rear of John Adams" would trigger complaints. Likewise, naming rooms after first ladies was discarded, out of a fear that, "Dolley Madison is hot", or worse, "frigid", would become the standard quibble about room temperatures. So we went with national parks. Denali is the largest room with twin 80-inch conference screens that I've nicknamed, "George" and "Orwell".

Kurt McMillanFalls Church, Virginia

Regarding Bartleby's water-bottle-toting hordes desperately searching for a meeting room, despite bookings being made in Effective and in Considerate, there was surely space in Continent at the end of the corridor.

PADDY FLETCHERCo-chief executivePort of Leith DistilleryEdinburgh

The Free Exchange column on China's high household spending on food was economically neat (February 28th). But after living for almost a decade in Asia I suspect the explanation is also cultural.

I grew up in Germany, where food is solid and satisfying, but seldom civilisational. One respects a sausage; one does not anchor the year around it. Marrying into a Taiwanese family has been an education. In much of East Asia, food is a primary form of social organisation. The range of regional cuisines alone complicates comparison. The granularity of technique, season and symbolism exceeds what most European cities can sustain at similar scale. Street food is not a concession to cost. It is civic infrastructure. Several generations prepare and eat together. The table becomes the axis of continuity.

Engel's law, that "as their income increases, people devote a smaller share of it to sustenance" may remain intact in spreadsheets. Culturally, however, it may be better to sit down, eat well and revise its assumptions.

Christoph SchauerHotel managerMandarin Oriental, Vienna

May I please request a spell check regarding Donald Trump's Board of Peace (The world this week, February 21st)? Are we sure he didn't spell it "Bored"?

Dr Jonah GannonPerth, Australia

By Invitation

- Pedro Sánchez: No to war

By Invitation | Spain’s leader speaks

Pedro Sánchez: No to war

It is naive to think that escalating conflict in Iran will lead to anything good, writes Spain’s prime minister

March 12th 2026

MOST PEOPLE remember the scene. In February 2003 Colin Powell, then America’s secretary of state, stood before the UN Security Council and held a small vial for the cameras, supposedly containing anthrax. His message was simple: Iraq has weapons of mass destruction—we need to attack it.

Spain had its own version of that moment. Our prime minister at the time, José María Aznar, told the public: “You can be sure…that I am telling the truth: the Iraqi regime has weapons of mass destruction.” Few believed him. Just 5% of Spaniards supported an intervention. In fact, millions took to the streets to oppose a war they saw as illegal, immoral and unnecessary. But Mr Aznar dragged us into it anyway.

The rest is history. A sad one. The Iraq war lasted eight years. It claimed the lives of around 300,000 people, most of whom were innocent civilians, and plunged the entire Middle East into worsening instability. It also triggered the worst wave of insecurity Europe had faced since the fall of the Berlin Wall, contributing to a massive surge in terrorism, a migration crisis and price rises that eroded the purchasing power of millions of households. A war presented as a mission to spread democracy and peace delivered exactly the opposite.

Today we face a similar situation, and my government's position is the same as that voiced by Spanish society two decades ago: NO TO WAR. No to the unilateral violation of international law. No to repeating the mistakes of the past. No to the idea that the world's problems can be solved with bombs.

This position does not stem from any antipathy towards the American administration, and even less from sympathy for Iran's brutal regime. My government has always supported the transatlantic bond, and it has repeatedly and unequivocally condemned the terrible harm that the ayatollahs inflicted on their own people—particularly on women—and on many countries across the Middle East.

Our position stems from the fact that this war is illegal, a major threat to the rules-based international order, and contrary to the interests of humanity. No one knows whether it will contribute to the fall of the hardline regime. What we do know is that its costs will be huge, and that they will not be borne by the ayatollahs alone. Iranian civilians will suffer them disproportionately. And the rest of the world will follow with disrupted transport, higher prices, increased insecurity and greater economic uncertainty.

Previous analysis by the European Central Bank estimated that a partial blockade of the Strait of Hormuz, through which a third of the world's seaborne oil production passed before the war, could lead the euro zone to lose 0.7 percentage points of GDP growth and gain almost one point of inflation in a year alone. And that analysis did not contemplate a military conflict of the scale and duration that could now unfold.

The war against Iran may serve to increase the profits of military-adjacent industries, and to cover up domestic problems and shortcomings in certain places. But it will not serve to make Israel safer or promote a fair solution for Gaza. It won’t weaken Vladimir Putin or make peace in Ukraine any easier. It won’t help eradicate poverty in the global south, or tackle climate change. And it certainly will not deliver higher wages, stronger public services and better lives to our citizens back home.

For all these reasons, we decided not to authorise the United States to use the military bases located on our territory for this operation. This is our right as a sovereign country, and a possibility contemplated in our bilateral agreements. It is also our responsibility as wardens of the welfare of the Spanish people. And it is our duty as members of the UN and firm supporters of international law. Real allies owe each other mutual support in times of struggle, but not blind obedience down a reckless path.

War is not the answer. That is why we have been working with our European partners and several countries in the region to forge a consensus for de-escalation, secure a ceasefire and reopen the route to diplomacy and peace.

Some will say our aspiration is naive. But what is truly naive is believing that a relentless exchange of drones and missiles will lead to anything good. What is naive is to think that democracy and stability will emerge from the ashes of such a conflict. History has already tested that formula—and it does not work.

Fortunately, we are not alone in this thinking. Many countries have advocated a similar view since this war began, and I hope that many others will follow. The time has come to choose what principle will guide our common future in this century: the rule of force, or the force of rules. Spain will always stand on the side of international law, co-operation among nations and the protection of human life. That is the mandate that citizens give us when they elect us. And it is the only path that will allow humanity to move forward, building prosperity for all. ■

Pedro Sánchez is the prime minister of Spain.

Briefing

Briefing | Communist estate-planning

China is wrestling with a novel phenomenon: inherited wealth

Even as the economy slows and opportunity narrows, a lucky few receive big windfalls

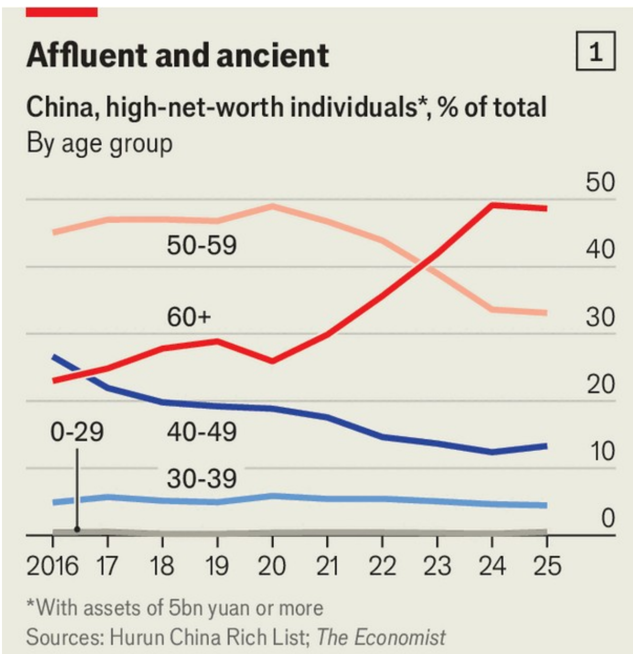
March 12th 2026

Chen Kai likens his work to promoting the use of condoms. People are starting to hear cautionary tales about what can go wrong and so are becoming interested in protecting themselves, he says. But there are cultural obstacles: writing a will, or indeed having much wealth to pass on in the first place, are novel concepts in modern China. Private enterprise and private wealth—eradicated in the early decades of Communist rule—have been possible again only for the past 40 years or so.

The first generation to get rich after China embarked on market reforms is beginning to die, which is why Mr Chen's state-backed charity, the China

Will Registration Centre, is helping the elderly write and file wills. Yet even Mr Chen is somewhat conflicted about China's first big inter-generational transfer. A small sliver of society will soon be inheriting vast wealth just as a prolonged economic slowdown is shrinking the economic prospects of the young. That unearned income should be taxed, argues Mr Chen: "It's absurd for a socialist country not to introduce an inheritance tax."

It was only in the late 1970s that Deng Xiaoping, then China's paramount leader, opened the economy and "let some people get rich first" as a step towards "common prosperity". Over that time a lot of people have become rich. In 2025 alone, mainland China minted 70 new billionaires, bringing the total to 470, according to a report by UBS, a bank. (America has 924.) These billionaires alone have amassed some $1.8trn.



Almost none of that wealth is inherited. Fully 98% of billionaires in mainland China are self-made, compared with 66% in Hong Kong and 69% in Taiwan. But China's wealth is in increasingly liver-spotted hands. Those 60 or older accounted for 49% of people worth at least 5bn yuan ($720m) in 2025, up from 23% in 2016, according to data from Hurun, a research firm (see chart 1). In the decade beginning in 2025, Chinese with a net worth of more than $5m will pass on $2.1trn, according to estimates from Altrata, a wealth-intelligence firm.

That will get messy. Gao Hao of Tsinghua University studied the deaths of founders or controlling shareholders of listed Chinese firms between 2003 and 2024, finding 67, with an average age at death of 64. Just six of them had written wills.

Perhaps the best-known billionaire with a murky estate was Zong Qinghou, who died in 2024 at 79. He was born poor, but turned a business making yogurt drinks into a beverage empire called Wahaha. For a time he was China's richest person. His rags-to-riches story embodied the seemingly limitless possibilities of the reform era.

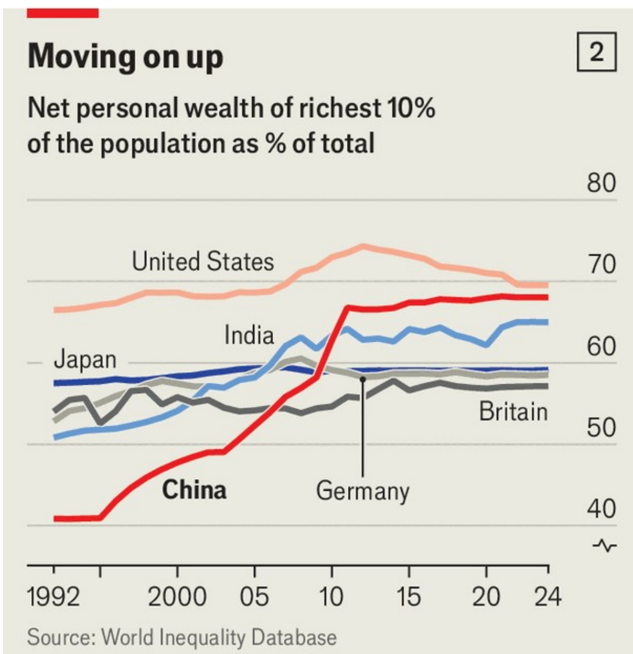
Zong's daughter, thought to have been an only child, inherited his wealth. But a year after his death, three other people claiming to be his children disputed her claim to his assets and sought more than $2bn from his estate. The legal battle, which is still unresolved, has gripped the country. Suddenly lots of entrepreneurs "wanted to understand the ins and outs of the Wahaha incident", says Mr Gao.

That was only the tip of an iceberg. From 2006 to 2015 there were fewer than 90,000 court judgments on matters of inheritance, according to The Economist's tally. From 2016 to 2025 that number almost quintupled. This reflects increasingly complex families, with more divorces, unmarried parents, childless couples, children living abroad and so on. Chinese law splits assets evenly between parents, spouses and children (including those from mistresses), but some want to pass their wealth to grandchildren or unmarried partners. To complicate matters more, many wills are not valid.

The problem afflicts more than the ultra-rich. China's 500m-strong middle class has also accumulated wealth, including through the privatisation of public housing. The urban home-ownership rate rose from 20% in 1980 to 96% in 2022. Despite a housing slump in recent years, about 70% of household wealth is in property. The authorities increasingly have to grapple with cases like that of one Ms Jiang, a single 46-year-old in Shanghai, who died in December without a will or any close relatives.

Worries about mismanaged inheritance are common enough that courses have sprung up to help prepare the children of the rich for the responsibilities that lie ahead. Oliver Rui, who directs programmes on family offices and wealth-management at China Europe International Business School in Shanghai, says perhaps 3m family businesses will be passed on by the mid-2030s. “In just 40 years, we’ve completed a development path that the West has taken a hundred years or longer to traverse. Our wealth-accumulation speed is far faster,” he tells two dozen young men and women at a seminar about how not to squander their inheritance. Your family businesses are worth on average nine figures, another speaker crows.

One tactic to secure inherited wealth is intermarriage between rich families. “It’s like a spider’s web,” says Rupert Hoogewerf of Hurun, a compiler of China’s rich lists, of the proliferating marital ties among the elite. “They all came from nothing, but the next generations are very much in a class of their own.”



At any rate, wealth is becoming more concentrated. In 2024 the top 1% in China held 30% of the wealth and the top 10% held 68%, according to estimates from the World Inequality Database overseen by Thomas Piketty, a French economist. That’s up from 16% and 41%, respectively, three decades before (see chart 2).

Many Chinese once viewed wealth and success as reflections of hard work or intelligence. The rich were an advertisement for the dream of advancement. In 2004, according to a paper by Michael Alisky, Scott Rozelle and Martin Whyte, 62% of Chinese felt that "effort is always rewarded" and blamed poverty on lack of ability.

But in recent years economic growth has slowed sharply and ordinary Chinese have become gloomy about their prospects. The proportion who think hard work pays off fell to 28% in 2023. People now see unequal opportunity as the biggest factor contributing to poverty; connections and being born rich are considered the keys to wealth. They think mobility has slowed. From 2004 to 2014 70% of respondents thought their family situation was better or much better than five years before. In 2023 only 39% thought so.

Unemployment among those aged 16 to 24 who are not studying is 17%. Jobs in the civil service and state-owned enterprises have become coveted for their stability and benefits, with hundreds or thousands applying for each position. Yet there is growing resentment at the perception that these are secured through connections.

This view is epitomised in complaints about luobokeng or radish holes: job descriptions that are theoretically open to anyone but in practice are tailored to a specific, pre-ordained recipient. This year's Jiangsu Spring Festival Gala, a big television show, featured a skit on luobokeng that went viral because it voiced people's "unspoken grievances, resentment, and helplessness", as a blogger puts it.

At a café in Guiyang, the capital of one of China's poorest provinces, Long Wanyun describes how she and her friends observe the curated lives of rich kids on Xiaohongshu, China's answer to Instagram. They joke that the main distinction these days between successful people and everyone else is not how they did in the national university exam or what job they landed after graduating, but whose amniotic fluid they were formed in. "Your birth determines your future," says Ms Long, 26. "This is something we've all felt in recent years. We have to learn to accept that we will only be ordinary people."

Not everyone is accepting, of course. As she sweeps the steps of her storefront in Guiyang, Wang Caoyi, 45, seethes with anger at the state of the economy. "No one is making any money," she says, pointing to shuttered shops across the street. She calls her family "three-generations poor". She is helping her father pay off debt and plans to tell her son not to marry. "If all the money is in one person's pocket, it won't circulate," she gripes.

Widening inequality worries China's leaders. "Realising common prosperity is more than an economic goal. It is a major political issue that bears on our party's foundation for rule," argued Xi Jinping, China's paramount leader these days, in 2021. He insisted at the time that the government was redoubling efforts to curb inequality. "We cannot let an unbridgeable gulf appear between the rich and the poor." An oft-quoted Confucian saying runs: "Fear not scarcity, but inequality."

Mr Xi set goals of achieving "common prosperity" by 2050 and of making substantial progress to that end by 2035. But the Communist Party has also emphasised that common prosperity is about "first making the cake bigger, then dividing it fairly", not "robbing the rich to help the poor". It says it wants an "olive-shaped" distribution of wealth: a robust middle class with few poor or rich people. It talks of a three-pronged approach to reducing inequality, through higher wages for the poor, state assistance and philanthropy.

The party also bashes the rich on occasion. As part of a "common prosperity" drive, some state-owned financial institutions capped bankers' salaries at $400,000 a year and made some who earned more than that return the difference or bonuses. It periodically enjoins private companies to donate more to charity. Its anti-corruption campaigns often claim the scalps of business leaders or officials. Indeed, the rich are supremely conscious that, however upright their conduct, the state may confiscate their wealth more or less at will.

Yet the party has dragged its feet for decades about introducing an inheritance tax. It considered including one in its first tax system in 1950, but decided against it to help promote economic recovery after a long civil war. In 1993 and again in 2013, it considered the idea but decided against it. Last year lawmakers proposed an inheritance tax at the National People's

Congress (NPC), China's rubber-stamp parliament, to promote social equity, philanthropy and consumption. The NPC acknowledged the merits of taxing inheritance but urged further research, putting off any action until "an appropriate time".

Some economists argued that it was a bad idea to introduce new taxes during a slowdown. The party has described reducing taxes and fees as "a major policy choice for addressing current downward economic pressure". There was also fear of encouraging capital flight, which remains possible despite China's capital controls. There also may be a vested interest at work: many party grandees are rich. An inheritance tax would not only dent their families' fortunes, but also risk exposing widespread graft among senior officials.

There is no indication that resentment at inequality and official hypocrisy will lead to social unrest yet. But it does appear to be changing the aspirations of young people. "Love you, dear self!" urges one meme—a call, in essence, to stop striving and splurge. "Effort doesn't guarantee success, but not trying definitely feels good," argues a blogpost explaining the meme. "One generation holds power tightly in their hands, allowing only a tiny amount of resources to slip through their fingers. By the time the younger generation arrives, there are barely a few grains of rice left."

The fad is the latest variation on "lying flat"—a euphemism for dropping out of China's exhausting rat race. Ms Long in Guizhou, for one, is content just to earn enough for espresso drinks and the stylish Adidas Tang jacket around her shoulders. "In this downturn, we must patiently wait for the wind to change," she says.

Some young people are happy to live off their parents. Kenlao, meaning "gnawing elders", is a dismissive term for those who rely on parental largesse. In recent years such deadbeats have been superseded by "full-time children", who might do chores in exchange for room and board.

Zheng Shanghang, the son of literature professors in the eastern province of Zhejiang, studied film direction and art management. His job at a state-owned enterprise made him miserable, so when his mother said she would be happy for him to return home, he quit. "I don't worry about my next meal. My parents have covered most sources of anxiety in that regard," he says. He spends his time making videos about his life, not looking for other work. "After quitting, my priority is definitely how to make myself happy every day."

Other young people see marriage as a surer means of upward mobility than hard graft. A whole industry has arisen to provide "socialite courses", which teach women how to attract a rich husband. A marriage consultancy with the same remit promotes its services on social media with a video entitled "Marriage is always more important than effort."

The party has long worried that a nation of hard workers will slack off. "We cannot use 'class stratification' as an excuse to justify our loss of fighting spirit. Children from ordinary families should strive even harder and firmly believe that every effort brings its reward," exhorted an editorial in the People's Daily, a party mouthpiece, in 2017.

Yet even some of the rich appear to be losing their will to strive. Chen Yuhui, whose parents built an electronics contract manufacturer before selling it in 2018, summarises for the seminar in Shanghai the difference between the risk-taking era of their parents' generation and the current age. Her parents' generation made China the factory floor of the world. Now her family lives off income from investments, which she manages. “Frankly, 80% of what they achieved back then was given by the era’s dividends,” she says. “The second generation shouldn’t take risks; we should protect our wealth.”

Wang Weiyang is the CEO of Tucson, a firm that builds custom furnishings for celebrities, tech titans and financiers. He started his first business at the height of the reform era. “After opening to the outside world, you could sell everything,” he recalls. “Our generation was full of dynamism.” These days, the affable boss reflects, both the domestic economy and export markets are harder to navigate. “There are fewer opportunities than before. Why? Everything’s established,” he says.

In his chunky Valentino boots and flared Levis, Mr Wang, a youthful 59, does not look on the verge of decrepitude. He displays medals from the 20 marathons he has run on his office wall. What is more, his daughter-in-law, Ke Xi, does not seem short of drive. The 26-year-old grew up in an ordinary family and always knew she wanted to “move up” in life. She married Mr Wang’s son but does not yet feel she can relax. She is in charge of marketing and digital initiatives at Tucson and, along with her husband, Wang Mo, who returned to develop Tucson’s export business after studying at Le Cordon Bleu in Australia, has big plans to modernise the firm.

They intend one day to list the firm, and thus hope to bankroll an elite upbringing for their future children, including educations at top universities in America. Ms Ke can “lie flat”, she says, only once their net worth ends in eight or nine zeros.

But as industrious and ambitious as all this sounds, Ms Ke does not see boundless opportunity. She describes herself as the epitome of “involution”, a term that is widely used to describe competition so intense it is counterproductive. “It’s not that young people today aren’t willing to grind,” she insists. “It’s just that even if they did, they know it wouldn’t be meaningful. It might mean going from 1 to 1.2, whereas before it might have meant 1 to 50 or 100. They seemed to have no ceiling, but now our ceiling has been completely pushed down by class.” ■

Briefing | Epic consequences

The damage to the world economy from the Iran war will be severe, but uneven

It has already caused the biggest energy supply shock in history

March 12th 2026

Big oil shocks, a generation of economists has been taught, are a relic of the distant past, when energy production was concentrated in the Middle East and the world economy was not so energy-efficient. Over the past two weeks, however, the old way of thinking has returned from the scrapheap. A big enough shock in the Gulf, it turns out, can still initiate a profound crisis. And the shock emanating now from the Strait of Hormuz is huge.

Iranian missiles have trapped about 15% of global oil supplies on the far side of the strait. That is roughly twice the disruption the world suffered in the 1970s, offsetting the fact that the energy-intensity of the world economy has fallen by half since then. Although the International Energy Agency (iea) announced on March 11th the release of up to 400m barrels from emergency reserves, that is only a temporary fix, subject to bottlenecks of its own. Prices rose after the announcement.

About a fifth of the world's shipments of liquefied natural gas (LNG) have been halted, too, and the shock is spreading to other commodities. The price of fertiliser, which is made using natural gas, is surging, stoking fears of food shortages. Sulphur, a by-product of oil-refining, is getting more expensive as well, which will in turn affect copper-smelting. A dearth of helium is imperilling production of computer chips. The IMF has urged governments to prepare for the "unthinkable".

In light of the effective closure of the strait, and the lack of an assured means to reopen it, price movements have, if anything, been modest. Crude oil was only about $25 a barrel above pre-war levels as The Economist went to press, having fallen back after Donald Trump said on March 9th that his "little excursion" in Iran was already "very complete, pretty much".

But every day that passes without America's president making good on that pledge, it becomes harder for the market to balance supply and demand. Nobody knows what price would be necessary to shave 15% off the world's appetite for oil permanently. If the Strait of Hormuz remains closed just until the end of the month, some analysts reckon crude could surge to $150 or even $200 a barrel. That would be a recipe for global recession and a surge in inflation—a repeat of the "stagflation" of the 1970s. Even in a middling scenario, in which some oil trickles through the strait but most shipping remains disrupted, the damage to the world economy would be severe.

Severe, but uneven. Look at America's financial markets and you would not conclude economic Armageddon was nigh. The S&P 500 index of stocks is down by a modest 1.5% in March. The yield on ten-year Treasury bonds has risen, but not yet exceeded its high over the past three months. Look at Europe and things seem a little worse: European stocks are down 5-6% on the month. In Asia things look even more troubling: Japanese stocks are off 7.3%; South Korean ones by over 10%.

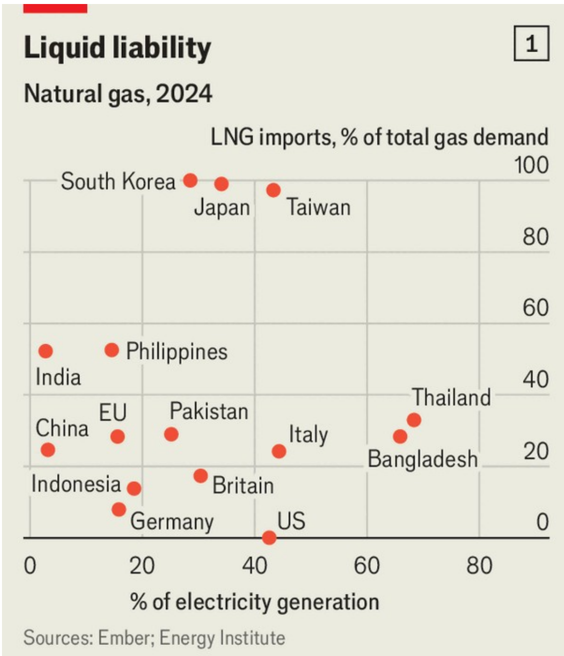
In other words, financial markets are expecting some regions to suffer more than others. Since 2019 America has been a net energy exporter, owing to its fracking boom, meaning that parts of its economy benefit from higher oil prices. Its economy is also far less oil-intensive than it once was. Since the 1970s the ratio of oil consumption to real GDP has fallen by more than 70%, as vehicles have become more efficient and cheap natural gas has replaced oil in heating and power generation. Although America's exports of LNG have grown in recent years, they have not done so to the degree that would be necessary to equalise gas prices with Europe, where they are now more than five times as high.

Still, American consumers are already feeling the pain at the petrol pump, where low tax rates mean prices are especially sensitive to movements in the oil market. A rule of thumb holds that every $10 rise in oil adds roughly 25 cents to the price of a gallon of gasoline. Average pump prices have climbed by nearly 20% since the war began, a number that will rise more the longer the war goes on. And if consumers spend less on other goods as a result, the economy will suffer a hit to local demand, even as its oilmen rake in higher profits.

That would not be something that the Federal Reserve, grappling with above-target inflation even before the war, will be in a position to offset easily with lower interest rates. Traders still foresee rate cuts, but fewer than they did before the war: their expectation of where rates will be a year from now has risen by 0.4 percentage points since the end of February, to about 3.3%. This is putting upward pressure on Treasury yields, which might otherwise be expected to fall in times of global stress.

More at risk of an inflationary shock is Europe. To wean itself off Russian gas delivered by pipeline, it has come to rely heavily on LNG. The iea recently projected that it would need to import a quarter of global shipments of the stuff. That leaves Europe exposed to soaring LNG prices.

A bidding war for LNG has ignited on the spot market, with shipments redirected in response to higher offers. Clean Mistral, a tanker, had been sailing to Spain from America when it abruptly turned and headed for Asia instead. Europe's benchmark gas price climbed above €56 ($65) a megawatt-hour on March 9th, more than 75% higher than before the war began, though it has since eased slightly.



For now, a repeat of the energy shock that followed Russia's invasion of Ukraine in 2022—when gas prices briefly topped €300 a megawatt-hour, inflation in the euro area rose above 11% and the continent's economy stagnated for more than a year—looks unlikely. Nonetheless, higher gas prices will still feed into inflation—especially in Britain, where gas still fuels almost 30% of power generation (see chart 1). Central bankers often try to ignore energy shocks, since they should cause just a passing jump in inflation. But that works only if ordinary people expect inflation to subside again—a questionable assumption after several years of inflation above central banks' targets of 2%.

Goldman Sachs, a bank, estimates that after periods of high inflation a 10% increase in energy prices raises long-run inflation expectations in the EU by around 0.12 percentage points, roughly three times the normal effect. If disruptions in the Strait of Hormuz persist for five more weeks, the bank reckons euro-area inflation could rise by nearly a percentage point over the next year.

Indeed, before the war traders had been betting that the ECB would soon begin cutting interest rates. Now they expect the opposite. Markets are predicting two quarter-point rate increases by the end of the year as investors reassess the inflation outlook. The central bank could find itself unable to succour the economy just as the squeeze on consumers and companies from rising energy prices starts to hurt. If it raises rates, it could even intensify the pain.

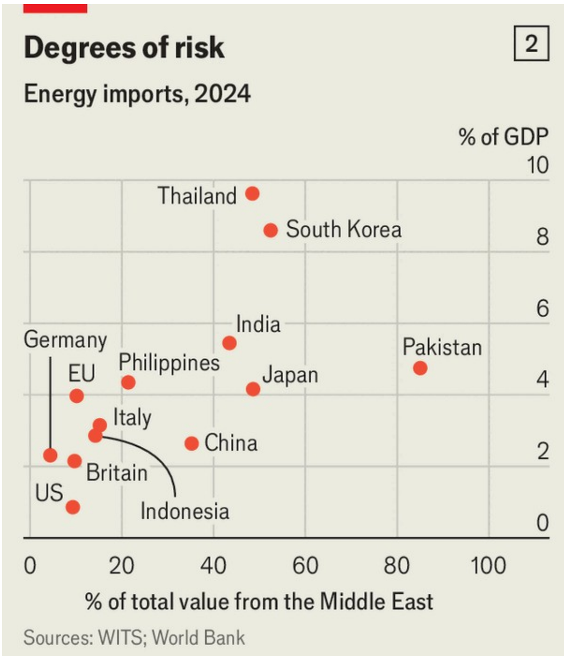
Asian economies are more exposed still. The region depends far more heavily on imported energy. The Gulf supplies between 40% and 80% of seaborne crude bought by China, India, Japan and South Korea, along with a large share of their gas. In 2025 Asia absorbed roughly 87% of the crude and 86% of the LNG passing through the Strait of Hormuz.

Although China imports more than 11m barrels of crude a day, government and commercial stockpiles cover more than 100 days of imports. LNG storage should last over 40 days. Officials have already begun bolstering domestic supply, ordering refiners to suspend exports of diesel and petrol. China's controls on fuel prices shield consumers from higher crude costs; much of the burden will fall on state-owned refiners rather than households.

The rest of Asia, though, will not be so lucky. Imports account for 87% of Japan's energy consumption and 84% of South Korea's, according to the iea. Both also rely heavily on oil from the Gulf. Japan gets about 95% of its oil from the Middle East, with roughly 70% routed through the Strait of Hormuz. South Korea buys about 70% of its oil and around a fifth of its LNG from the region. Strategic reserves offer some cushion, but a lasting rise in prices would sharply inflate import bills.

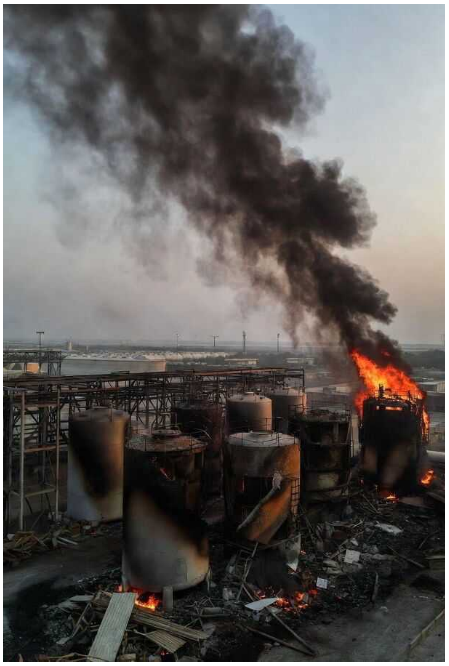
Higher energy costs are weighing on currencies that were drooping to begin with. On March 9th the South Korean won briefly approached 1,500 per dollar, its weakest level since 2009. The slide in South Korea's equity markets has been severe enough to rattle politicians. Lee Jae Myung, the president, is so alarmed he has announced a 100trn won ($68bn) scheme to stabilise the stockmarket and has promised to cap fuel prices.

Companies and consumers in the rich world are likely to prevail in bidding wars for scarce commodities; their governments, though increasingly indebted, can afford to provide handouts. It is poorer Asian countries that are likely to bear the brunt of the energy shock, bringing strain on both the public finances and the external balance of payments.



India spends roughly 3% of GDP a year on imported oil and Thailand nearly 5% (see chart 2). When prices rise, bills swell quickly. Goldman Sachs reckons that a lasting jump from $70 a barrel to $85 would sap Thailand's current-account balance by about 1.2% of GDP and India's by roughly 0.6%—and the current price is higher. Wider deficits tend to weaken currencies. India's rupee recently fell to a record low against the dollar, raising the cost of imports and so amplifying the economic pain.

Another risk lies in remittances. Millions of Bangladeshi, Indian and Pakistani workers in the Gulf send money home. Damage to Gulf economies will reduce those inflows and so harm those countries' balance of payments. To make matters worse, on March 10th the United Nations warned that food prices could rise too, on account of higher energy, fertiliser and transport costs.



Public finances will also take a hit. Many governments suppress retail fuel prices through subsidies, tax cuts or self-denial at state-owned oil firms. This cushions households from oil shocks but shifts the burden onto the state. India, for instance, was already spending more than $30bn a year subsidising retail energy. The poorest economies may have little choice but to accept shortages and rationing. Many simply cannot afford soaring LNG prices. Fertiliser plants are shutting across South-East Asia. The Philippines has ordered government offices to switch off computers at lunch and cut back on air-conditioning; Bangladesh has brought forward the Eid holiday. In the most distressed cases, governments with fragile finances, such as Pakistan's, which relies on IMF lending, may find themselves unable to pay swelling bills for imports.

Most Gulf countries are unlikely to be brought to the brink of crisis, given that many of them have huge stashes of petrodollars tucked away. But they could well suffer the deepest recessions, and the most fundamental shock to their economic models. Iran has struck oilfields, refineries, ports and airports across the region—the infrastructure that underpins their prosperity. Although a Saudi pipeline can reroute some oil to Yanbu, a port on the Red Sea, most oil produced in the region is now trapped there.

Overflowing storage is forcing oil companies to suspend production—and thus forgo billions of dollars of revenue a week. If the strait remains closed until April and production takes two months to recover, annual hydrocarbon output could fall by roughly 12-16% in Saudi Arabia and the UAE, Goldman Sachs estimates. Losses in Bahrain, Kuwait and Qatar could exceed a quarter of annual production.

Oil is not the only industry under strain. The Gulf has also become a big exporter of metals and chemicals, but the conflict is forcing those plants to close, too. A big Qatari aluminium smelter has suspended production. An even bigger one in Bahrain has halted exports.

Tourism has also been hammered. In Bahrain and the UAE the industry accounts for more than 12% of GDP—above the global average. Missile strikes not only halt those flows in the short term; they also dent them long after the fighting stops. Excise and value-added tax receipts—increasingly important sources of government revenue—atrophy along with visitor numbers. Property markets dependent on foreign buyers may also slide.

All told, a two-month conflict could cause GDP to contract by double digits in Bahrain, Kuwait and Qatar, with declines of roughly 8% in the UAE and about 5% in Saudi Arabia, according to Goldman Sachs. Worse, the conflict threatens the region's economic model. For years its monarchies have marketed themselves as safe, stable hubs for capital and talent. That image is now tainted.

Mr Trump may believe he can limit the war's economic damage by reining in the fighting if markets panic. But much harm has already been done. And unlike in the trade wars he has initiated, he does not control all the levers. "We are the ones who will determine the end of the war," growled a spokesman for Iran's Revolutionary Guards this week. ■

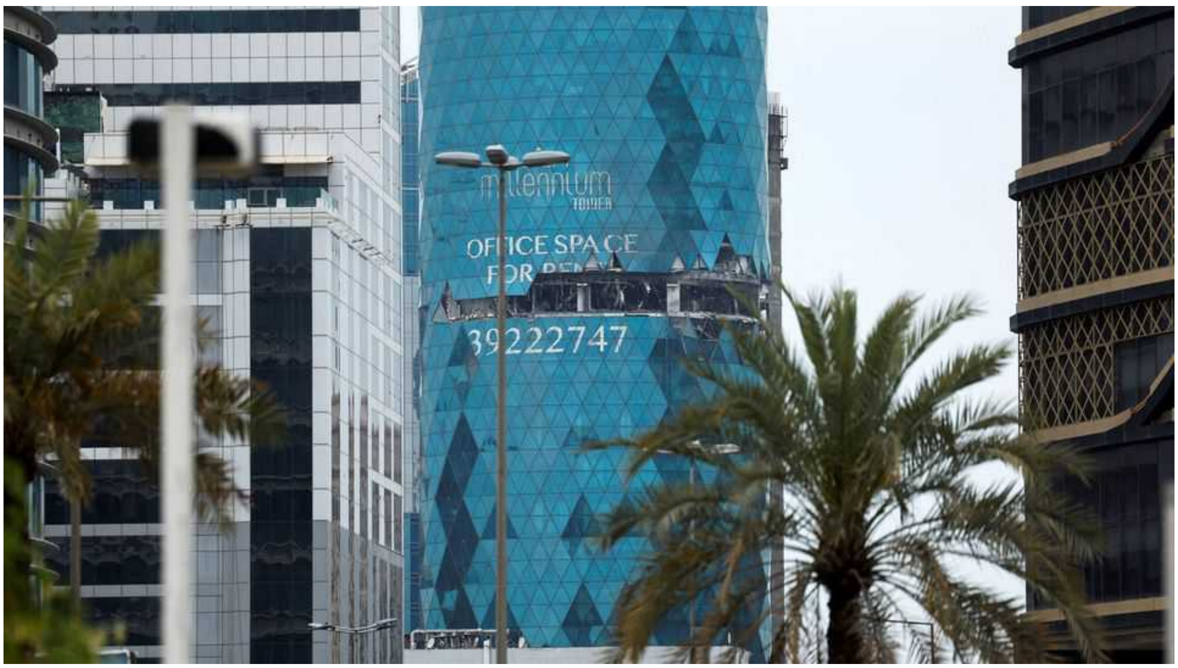
Correction (March 12th 2026): An earlier version of this article said that Europe's natural gas prices are 15 times as high as America's. The correct figure is more than five times. Sorry.

Briefing | The sick man of the Gulf

America’s war on Iran may bring Bahrain to its knees

The tiny, indebted kingdom is seeing its main sources of revenue dry up

March 12th 2026



What was once a glitzy petro-skyline now looks like a cautionary tale. The plate-glass skyscrapers of Manama, Bahrain’s capital, are pocked with jagged holes from which singed girders gape. As America and Israel have rained bombs on Iran, Iran has rained retaliatory drones and missiles on this tiny Gulf island of 1.6m. Refineries, factories, high-rise apartments and the headquarters of America’s Fifth Fleet have all been hit.

Even before the war began, Bahrain was on course to run a budget deficit of more than 10% of GDP this year, owing to the (previously) low oil price and rising debt-servicing costs. At 146% of GDP, its public debts are among the heaviest in the world. Almost a third of government revenue goes on interest payments.

Bahrain used to host a thriving banking industry which, along with fairly modest revenue from oil and gas, sustained a comfortable prosperity. But those days are gone. As Dubai became a bigger hub and bankers tried to win favour with rich rulers in Saudi Arabia and the UAE, financial firms relocated their offices. Gas reserves are dwindling.

The oil and aluminium industries account for more than two-thirds of government revenue and around a quarter of GDP. Both have been hit. BAPCO, the national oil company, has halted some shipments from its Sitra refinery. Aluminium Bahrain (ALBA), which operates the biggest aluminium smelter outside China, has suspended exports. The smelter is still running, but many fear it will follow a similar plant in Qatar and stop work. Restarting an aluminium smelter is no easy task: once cold, they can take six months to reactivate.

The main problem is not Iran's bombardment, but the closure of the Strait of Hormuz. That leaves no way to export oil or aluminium. If Iran mines the strait, it could remain closed for months, freezing Bahrain's economy.

There is a long-standing assumption in the Gulf that Saudi Arabia and the UAE will always bail Bahrain out, as they did, along with Kuwait, in 2018. That could well happen again this time. "But you can only bail somebody out if you have the cash yourself—and these countries are suffering, too," says Khalid Janahi, a former banker.

Bahrain has a further vulnerability that keeps its rulers up at night. With the airport closed, its only connection to the outside world is a 25km causeway to Saudi Arabia. More than 80% of tourists—mostly thirsty Saudis, visiting the closest spot where alcohol is legal—arrive this way. An Iranian attack on the causeway would be a "doomsday scenario", says a businessman, which would shatter whatever confidence remains.

Bahrain's Sunni ruling class has no love for Iran, which has long tried to stir up unrest among the island's largely Shia population. (The ruling class have done their bit to stir up unrest, too, through their undemocratic and repressive rule.) It is ironic, therefore, that Bahrain looks considerably less able to endure a protracted war than Iran does. ■

United States

United States | MAGA, c’est moi

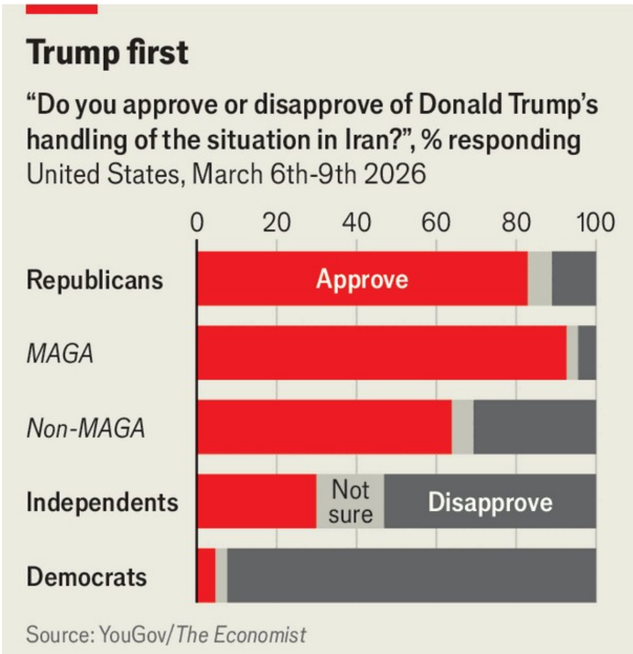
Why MAGA backs Donald Trump’s war—for now

If the conflict in Iran drags on, will his America First base stick with him?

March 12th 2026

AMERICAN PRESIDENTS often benefit politically when they lead the country into armed conflict. On the eve of the Gulf war in 1991 George H.W. Bush’s approval rating stood at 64%. Within days of launching Operation Desert Storm it surged to 82%. His son did even better: after declaring a “war on terror” and making the case for invading Afghanistan in 2001, George W. Bush’s approval rating leapt from 51% to 90%. It faded over the following year and a half, before jumping again to 75% at the start of the Iraq war.

Then there is Donald Trump, whose approval rating stands at 40%—a figure that almost perfectly mirrors public support for his attack on Iran. Among the general public, there has been little rally-round-the-flag effect since the war began on February 28th. Support among Republicans has risen modestly: 83% now approve of how Mr Trump is handling Iran (see chart). Most striking, though, is the divide within the party. Self-described MAGA Republicans (93%) are far more likely to approve of the war than non-MAGA Republicans (64%).



That may seem odd. MAGA, after all, styles itself as a movement wary of foreign entanglements and military adventurism. Over the past decade its adherents cheered Mr Trump as he called the Iraq war a "big, fat mistake" and promised to avoid "endless" conflict in the Middle East. Before winning a second term in 2024 he made a simple promise: "You're not going to have a war with me." Now he has broken that promise, yet his base still backs him. Why?

Part of the answer is that MAGA is less a movement defined by principles than one organised around Mr Trump himself—a man with remarkably flexible beliefs. Our own research on factions within the Republican Party suggests that MAGA supporters and isolationists are far from the same group: the overlap between them is only partial. The president may have put it best when asked how his supposedly non-interventionist base viewed his decision in January to remove Venezuela's leader, Nicolás Maduro. " "MAGA loves everything I do," Mr Trump said. "MAGA is me."

But MAGA's cult of personality explains only so much. The movement's enthusiasm for the strikes on Iran also reflects the appeal of Mr Trump's broader approach to military power. If ever there were a style of foreign policy suited to the "America First" crowd, this would be it.

For a start, Mr Trump tends to favour spectacular, almost cinematic displays of American force—especially those aimed at toppling or killing enemy leaders. To remove Mr Maduro, Delta Force commandos in helicopters swooped into Venezuela's most fortified military base and seized him. "I watched it literally like I was watching a television show," Mr Trump said afterwards, sounding more like a spectator than the commander-in-chief. If he was entertained, many of his supporters were, too. Before the raid just over half of MAGA Republicans backed removing Mr Maduro; a week later that had risen to 80%.

His rhetoric about Iran follows the same script. America is "knocking the crap" out of it, says Mr Trump. The killing of Ali Khamenei, Iran's supreme leader, on day one provided a dramatic opening act. Pete Hegseth, the secretary of war and hype-man for the conflict, enjoys the highest favourability rating among the MAGA faithful of any administration official.

A second element of Mr Trump's approach is the way it embodies the "America First" credo. The president appears largely indifferent to international law or diplomatic norms, and his administration often treats such constraints with contempt. There are "no stupid rules of engagement", says Mr Hegseth about the attacks on Iran.

Yet if Mr Trump's wars follow few rules, one principle remains constant: America must benefit. He has long argued that America should profit from conflicts in the Middle East—complaining, for example, that America should have "taken the oil" in Iraq. After the raid in Venezuela he likewise suggested America would benefit from the country's vast oil reserves. Actually taking another country's oil to benefit American consumers is hard, however. And in Iran, his war has so far had the opposite effect. As Iran has shut off the Strait of Hormuz, the world's most crucial chokepoint for seaborne crude supplies, petrol prices are surging for everyone, including Mr Trump's supporters.

The final element of Mr Trump's approach to war is brevity. In his second term alone America has launched air or naval strikes in at least seven countries. Yet these interventions have been designed to be swift and limited. Once punishment has been meted out, Mr Trump has shown little appetite for a prolonged commitment.

To MAGA loyalists, the great failure of the wars in Afghanistan and Iraq was not intervention itself but what followed: the deployment of hundreds of thousands of American troops in pursuit of democracy-building. Mr Trump has little interest in spreading American virtues abroad. "No nation-building quagmire, no democracy-building exercise," says Mr Hegseth of the Iran war. Polls suggest MAGA supporters take him at his word: they are about twice as likely as the general public to think the war will last less than a month.

Yet there is a vocal minority within MAGA who are unhappy about all this. One reason is pragmatic: ordinary voters hate high petrol prices. Republicans in rural and suburban districts depend more on big gas-guzzling cars than urban Democrats do. They notice quickly when petrol prices change, not least because they are posted on big neon signs. If the oil shock is short-lived, MAGA will no doubt forgive their hero for causing it. But "the longer this goes, the more risk there is to the president and politics," says Don Bacon, a Republican congressman from Nebraska.

Another criticism is that the Iran war seems like a betrayal of the president's promise to end America's "forever wars" and focus on problems at home. Tucker Carlson, a right-wing pundit, called the conflict "absolutely disgusting and evil", predicting it would scramble the president's movement in a "profound way".

Another gripe has centred on Israel's influence over Mr Trump's decision to go to war Marco Rubio, the secretary of state, raised hackles when he told reporters that America acted after learning Israel planned to strike first—a move he said threatened to put American bases in harm's way. Mr Trump denied that sequence of events, boasting instead that he had forced Israel's hand. Either way, the episode has given ammunition to MAGA critics—especially those suspicious of Israel. "It's hard to say this, but the United States didn't make the decision here. Binyamin Netanyahu did," Mr Carlson railed on his podcast.

If the war turns into a slog, will the MAGA base stay with the president? Mr Trump has called for the Islamic Republic's "unconditional surrender"—a maximalist war aim that MAGA Republicans support in greater numbers than Republicans as a whole. But such a goal could presumably only be achieved, if at all, by sending in ground troops. Mr Trump has not ruled this out. Would that cross a MAGA red line?

Another risk is that Iran could collapse into civil war. That would make the president look weak and incompetent. Mr Trump has long excoriated Joe Biden's withdrawal from Afghanistan in 2021 as a humiliation for America, vowing he would never have done something so "embarrassing". Yet a botched outcome in Iran could leave him facing the same charge.

For now, Mr Trump retains solid support from the MAGA movement. Almost nothing—from his handling of the Jeffrey Epstein affair to his foreign adventures—has dented his 90% approval rating among his base. The Iran war may yet prove the biggest test of their loyalty. "MAGA is Trump," the president said after the first bombs were dropped. The longer the campaign drags on, the more he may discover whether that is really so. ■

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United States | Make Iran Great Again

The view from Tehrangeles

The Iranian diaspora cheered Khamenei's death. They are divided over what should come next

March 12th 2026

Roozbeh farahanipour was at his Greek taverna in Westwood when he heard reports that Ayatollah Ali Khamenei was dead. At first, Mr Farahanipour was suspicious. After leading a student uprising in 1999, he fled Iran and has spent decades in Los Angeles hoping that the supreme leader would one day get his comeuppance. Then President Donald Trump confirmed the killing on his social-media network. "I grab the bottle of champagne and open it and drink it out," recalls Mr Farahanipour. A crowd gathered nearby, waving Iranian, Israeli and American flags. "If anybody passed by, came to congratulate me, I poured the champagne for them."

Half of all Iranian-Americans live in California. Nearly a third—about 230,000 people—are in the Los Angeles area. Many arrived after the revolution in 1979, particularly Iranian Jews. These first émigrés were often wealthy and educated. They settled in Westwood and Beverly Hills, gradually building “Tehrangeles”. So when America began bombing Iran last month, Westwood Boulevard became the place where Iranian-Americans voiced their support. A Mediterranean grill displays a “Make Iran Great Again” sign. A Persian bookshop shows a photo of Reza Pahlavi, the son of the deposed shah and an opposition figure. Beside it hangs a poster that reads: “Regime change in Iran. No more ayatollahs. Islamic Republic must go.”

Although many Iranian-Americans hope for regime change, they are divided over how involved America should be in that process. Like Iran itself, the diaspora is multi-ethnic, multi-religious and multi-generational. The contingent most supportive of Mr Trump viewed the 2015 nuclear deal with Iran, negotiated by the Obama administration, as a betrayal. They believe America should now stay the course until the regime—specifically its powerful security force, the Islamic Revolutionary Guard Corps—is crippled. “This is not the right time to leave the Iranian people alone,” argues Elham Yaghoubian, an activist and local business leader in Beverly Hills.

Her longtime friend, Mr Farahanipour, represents a more sceptical camp. After Khamenei's death, he says, "the US had a big chance to announce the victory and leave the conflict." He wants the bombing to cease so Iranians can take to the streets. The two are united, however, in their distaste for a Venezuela-like outcome, in which Mr Trump backs a more pliable member of the regime to take over. "Whoever's hand is dirty with the blood of the people," says Ms Yaghoubian, "they have no right to be…in control of the country."

Enthusiasm for Mr Trump's campaign may wane if the war drags on. Some of the American-born children of Iranians who left after the revolution are now in their 30s and 40s. Their formative political memories are not of the regime, but of America's forever wars in Iraq and Afghanistan. Many worry that the administration's aggression will bring continued conflict rather than liberation. On Westwood Boulevard, "Stop war" is spray-painted in red over photos of protesters killed by the regime in January.

The mood may already be shifting. On March 8th the denizens of Tehrangeles gathered at the University of California, Los Angeles, for a concert ahead of Nowruz, the Persian new year. The Iranshahr Orchestra's first piece was a funeral march in honour of the protesters. The composer, Shahab Paranj, offered the crowd a few words: "We feel the sorrow, we share the concern, and we remain hopeful." ■

United States | Forced removal

Kristi Noem's ignoble legacy as homeland-security secretary

She will not be remembered fondly by Americans or her workforce

March 12th 2026

TWO DAYS after President Donald Trump kicked her out of his cabinet, Kristi Noem was thanking him for her new assignment. She did concede, however, that the job is a made-up one. "I do want to thank the president for creating this and for giving me the honour and the opportunity to serve as a special envoy to this region," she told Latin American leaders on March 7th at the first meeting of the Shield of the Americas, a hitherto non-existent coalition of right-leaning countries in the western hemisphere. Instead of talking about drugs and migrants at home, now she will be doing it abroad.

For weeks her firing as homeland-security secretary had seemed imminent. Republican and Democratic senators called for her resignation after federal immigration agents [killed two American protesters]() in Minneapolis earlier this year. She faced intense questioning in Congress. On March 5th Mr Trump ended the suspense, announcing her dismissal in a lengthy Truth Social post that focused largely on her successor, Markwayne Mullin, a senator from Oklahoma.

Ms Noem, a former governor of South Dakota, had no law-enforcement experience before joining the department. Yet she oversaw its transformation into an entity focused first and foremost on immigration policing. Congress turbocharged this effort by directing nearly $170bn to the department's immigration agencies. Ms Noem made herself the face of the president's mass-deportation campaign. She posed with a gun alongside Immigration and Customs Enforcement (ICE) agents on the southern border. She filmed a video in front of caged deportees at a notorious Salvadoran prison. Before any investigation could be made into the death of Renee Good, one of the protesters who was killed in Minneapolis, Ms Noem had labelled her actions "domestic terrorism".

Yet none of these things seems to have been the ultimate reason Ms Noem lost her job. During hearings on Capitol Hill last week she was asked to explain how contracts were awarded for a $220m advertising campaign. One ad features Ms Noem on a horse in front of Mount Rushmore, where she tells immigrants: "Break our laws, we'll punish you." Ms Noem asserted that the president had signed off on the campaign. He denied this, and now she is out as homeland-security secretary.

Ms Noem leaves behind a violent and controversial legacy at the department. A rush to train thousands of new ICE recruits and a desire to use the Border Patrol to project force meant that many of the agents sent into cities were ill-prepared to deal with protests. The killings in Minneapolis soured Americans on the administration's immigration policies and forced it to retreat, at least temporarily, from its aggressive tactics in cities. Ms Noem was unpopular even within her own department. Officials who left over the past year describe an environment of fear and intimidation largely created by Corey Lewandowski, her right-hand man.

The department is now in limbo. Democrats have refused to approve further funding unless it includes new restrictions on ICE, such as a ban on face-masks. But their giddiness over Ms Noem's exit may help grease budget negotiations.

There is unlikely to be a big shift in policy. Mr Mullin served for a decade in the House of Representatives before being elected to the Senate in 2022. He is also an immigration hawk and defended the tactics of ICE agents in Minneapolis following Good's death. More importantly, Stephen Miller, the deputy chief of staff, remains the architect of the administration's border and deportation agenda. His job has never been in doubt. ■

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United States | Deport, lose support

Lost Latino love could cost Republicans the midterms

Trump's much-vaunted success with Hispanics is turning to ashes

March 12th 2026

"I GREW UP watching 'The Apprentice'," says Mario Guerrero. "I voted for Trump every, every, every time he was on the ballot." But now, like many of his fellow Latinos, he regrets it.

Mr Guerrero, a construction boss in McAllen, Texas, warmed to Donald Trump because: "He's a businessman. He's a builder. You know, he's one of the most successful ones in the world. He's going to do something great for the economy."

In 2024 there was an extra reason: chaos at the border, not far from where Mr Guerrero lives. Under President Joe Biden, the influx of irregular migrants from Mexico turned into a flood. Mr Guerrero saw “thousands of people living in tents”, having waded or paddled across the Rio Grande. “It looked like a humanitarian crisis.”

During the election campaign, Mr Trump promised to deport the “worst of the worst”, Mr Guerrero recalls. “When I heard that, I’m like, ‘Yes, dude, take out all the murderers. Take out all the rapists.’” Now, he reflects: “That’s not what we’re seeing. [They are] just taking everybody.”

Motorists must now stop and show their papers at checkpoints all over south Texas. Mass deportation has devastated the construction business. Workers are afraid to step out of their homes, says Rene Perez, a contractor, since anyone who looks Latino and has tools risks being snatched. With so few hands available, jobs take twice as long, he says. Mr Guerrero complains of ICE agents grabbing workers halfway through pouring concrete. “You’re talking about a loss of, like, $20,000 off the bat, and you haven’t even started the house,” he says. “What are we going to do if all these builders cannot finish projects, and…they start defaulting on loans?...That’s going to impact everybody.”

Latinos helped Mr Trump win his second term. Polls show their support for him surged from 36% in 2020 to 48% in 2024, the highest share ever for a

Republican presidential candidate. The biggest swings were in south Texas, where 12 of the 14 counties along the border went for Mr Trump. Republicans boasted that Latinos had found a new home in their party.

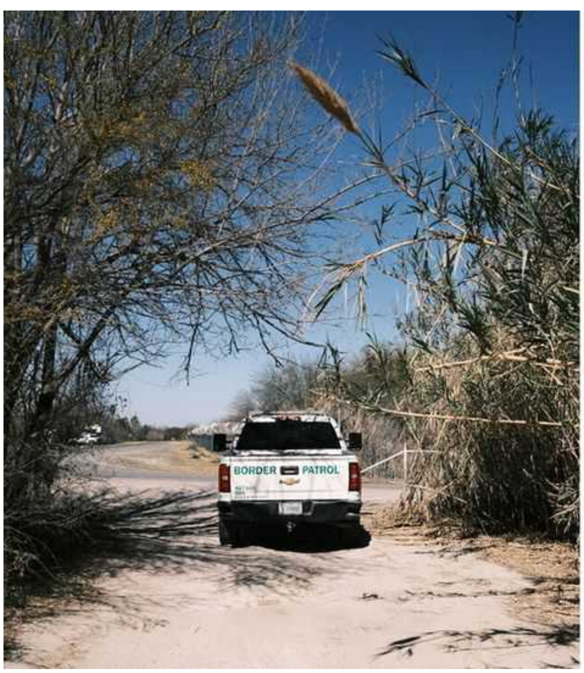
Now those gains are slipping away. A CNN poll found that in the year to February Mr Trump's approval rating among Latinos nationwide fell from 41% to 22%. Another poll, from Pew in November, shows that roughly a third of Latinos have considered leaving America in the past six months, primarily because of politics.

Mr Trump was lucky in 2024, Jim Henson, a pollster, argues. His support among Hispanics peaked just in time for the election. People were still reeling from inflation, and memories were still fresh of disorder on the border. Voters typically blamed Mr Biden for both.

Some of this was justified. Word had spread on the migrant grapevine that under Mr Biden, anyone who walked across the border and claimed asylum would be allowed to stay in America while awaiting a hearing, which could take years. Mr Biden tightened the rules dramatically in 2024 and the number of irregular arrivals plunged. However, the impression in voters' minds of a free-for-all did not fade in time for the presidential election.

“Our community was scared,” recalls Joe Frank Martinez, the sheriff of Val Verde County, a rural stretch of the border. At the peak of the influx, public services were overwhelmed. Householders quaked as strangers trekked across their property at night. “People were asking, ‘When can I shoot someone knocking on the door? Can I shoot through the door?’” Mr Martinez told them no: “You’re gonna shoot someone that might be asking for a glass of water.” Though a lifelong Democrat, Mr Martinez “came out against” Mr Biden because “I believe in the rule of law.”

A year after Mr Trump took over, many Latinos are less convinced that he represents the rule of law. Footage of federal agents killing protesters in Minnesota has appalled them. The mindset is “they can do what they want and not be accountable to anyone,” bristles Sheriff Martinez. In Texas, Mr Guerrero was horrified to see immigration enforcers driving across people’s front yards in pursuit of fugitives. “What if [they] killed a child?” he asks. Eddie Morales, a Democratic state representative, says his constituents “can’t stand” the way Mr Trump has pardoned campaign donors and the drug-running former president of Honduras. An Economist/YouGov poll finds that 68% of Hispanics disapprove of Mr Trump’s handling of immigration. Most now favour abolishing ICE.



Many are disappointed with the Trump economy, too. “Didn’t he tell you that he was going to fix inflation on day one?” asks Mr Morales. Hispanics now disapprove of Mr Trump’s handling of the economy and inflation by a margin of more than two to one. Many voters think presidents have more control over prices than they really do. This helped Mr Trump in 2024 but now hurts him, especially since his tariffs and war on Iran have helped push up prices. A hundred dollars barely buys “half a basket” at the grocery store, sighs Mr Martinez.

Latino disenchantment could decide the midterms. When redrawing districts to benefit themselves in Texas, Republicans assumed that Hispanic support would remain at 2024 levels. But it won’t, claims a report by American Business Immigration Coalition Action, a trade group. Nationwide, a modest 10% swing puts at least ten of the party’s seats in the House of Representatives seriously at risk. In dozens more Latinos could tip the outcome if races are close. The Economist/YouGov poll found that 43% of Hispanics plan to vote for Democrats in the midterms, against 27% for Republicans.

Recent elections are suggestive. Last autumn record-breaking turnout propelled Democrats to winning the governorships of Virginia and New Jersey. That was mostly driven by Latinos who had sat out previous elections choosing to vote. In the March 3rd Senate primary in Texas, Latinos came out in droves for the Democrats.

Republicans retain some advantages among Hispanics. A hard core of MAGA fans think the Trump presidency is going brilliantly. Some hope he will push for democracy in Venezuela and Cuba. Republicans may have an edge on social issues, too. Many Latinos think the Democratic Party is too focused on LGBTQ issues, says Mr Morales. Republicans did well among Latinos in 2024 because “we were talking about prosperity and hope while the Democrat Party was talking about pronouns,” says Monica de la Cruz, a Republican congresswoman from Texas.

“Nobody loves our Latino community… more than I do,” said Mr Trump in 2024. Yet that feeling is ever less reciprocated. Mr Guerrero will switch to supporting Democrats in November. Mr Perez cannot vote; but his wife, who stayed at home in 2024, will now be backing "the opposite of what's currently happening". ■

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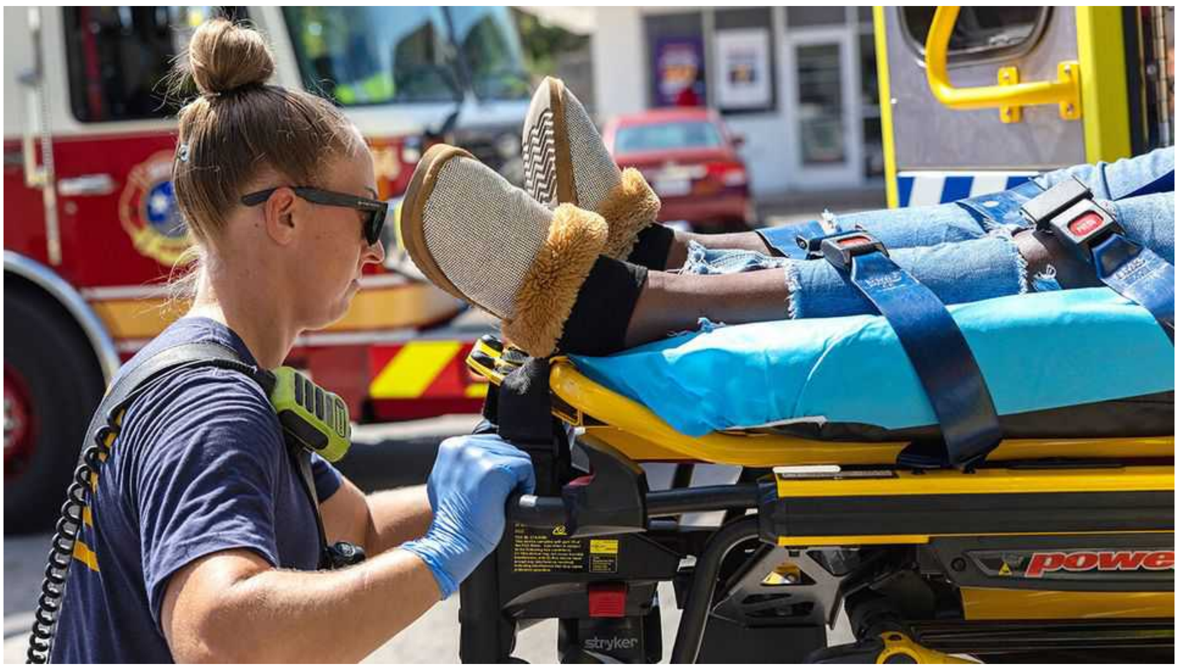
United States | Treating an ailing market

Two very different states take aim at soaring hospital prices

But are price controls the answer?

March 12th 2026



VERMONT AND Indiana do not agree on much. The former has no gestational limits on abortion; the latter has one of the harshest bans. Vermonters have been able to enjoy marijuana recreationally for nearly a decade; Hoosiers have no legal access to the drug. But last year both embraced the same unprecedented health-care policy: they will soon limit how much hospitals can charge patients with commercial insurance (the kind offered with a job).

Two-thirds of Americans are covered in this way. Typically the price of care is negotiated between insurers and hospitals. But this has failed to keep costs down. Since 2000 prices at hospitals have soared by 250%—twice the overall rate for medical care and almost three times inflation. Hospitals now account for nearly a third of all American health-care spending. Their high prices are "the key reason that the US spends so much on health care", says Christopher Whaley of Brown University.

The situation is particularly bad in Indiana and Vermont. In arguing for help, employers in Indiana cited a study showing they pay among the highest prices in the country for hospital services through the insurance plans they sponsor. In Vermont the biggest insurer was at risk of going broke last year. Part of the problem is a lack of competition in a state with few hospitals and one dominant insurer. "There isn't really that market dynamic that could keep prices in check," says Owen Foster, chair of Vermont's health-care regulator.

Vermont is not alone—across America, hospital competition is disappearing. In nearly half of metropolitan areas in 2023, either one or two health systems controlled the entire inpatient-care market. Studies have linked consolidation to rising prices and observed scant improvement in quality. "I think economists are naturally very hesitant to say that regulators should intervene in pricing mechanisms," says Mr Whaley. But he says that hospitals have become so consolidated that price caps might make sense.

In other ways, too, hospital care is far from a perfect marketplace. Patients rarely shop around. Prices are not always obvious. Even when they are, insurance shields patients from the worst of the costs. Those costs may filter through into higher premiums, but the process is opaque and employer subsidies soften the blow.

Indiana's solution is the more targeted of the two. Its price caps will apply only to non-profit hospitals. They must bring their prices below a statewide average by 2029 or risk losing their tax-exempt status. Mr Whaley reckons this could save up to $1bn a year. Mike Braun, the Republican governor, had hoped to go further. But "anybody impacted by it fought a more aggressive approach," he says. "It's about the best we could get done…I would call that sad."

For many on the right, even this level of government intervention is anathema. But the arguments for price caps have a populist tinge that resonates with the MAGA wing of the Republican Party. Mr Braun, for his part, compares hospitals to a water or energy provider. "Even if you're conservative, you're going to be interested in regulating a utility," he says, "because it's the only way you keep them in bounds."

Vermont has taken a different approach. The state regulator will cap what hospitals can charge for every procedure at a multiple of the rate paid by Medicare, the federal health programme for the elderly. Depending on where the cap is set, savings could range from $9.6m a year (if prices are limited to four times the Medicare rate) to $445m (at twice the rate).

Hospitals are not happy. Calculating average prices is not straightforward, says Scott Tittle, the president of the Indiana Hospital Association. "The danger is you start comparing apples to oranges to screwdrivers." He argues that hospitals are already cutting costs and operating on slim margins. Economists warn that caps could threaten innovation, or that the price of procedures might rise to meet the cap.

If maximums are set too low, "there may be some closures that would be very hard felt by Hoosiers", warns Mr Tittle. In Vermont, though, there is a sense that big changes lie ahead. "We really need to transition care out of hospitals, and what that means is the hospitals will not be able to stay as they are," says Mr Foster.

Other parts of the country are watching with interest. Bills that would limit charges have recently been filed in states as politically diverse as Maine, Massachusetts and Oklahoma. Hospital wards have a way of bringing unusual groups together. ■

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United States | Lexington

America's blame-Israel lobby

If the Iran war goes wrong, MAGA will want a culprit who is not named Donald Trump

March 12th 2026

"If you take out Saddam—Saddam's regime—I guarantee you that it will have enormous positive reverberations on the region," Binyamin Netanyahu testified to Congress in 2002, as President George W. Bush was mulling an invasion of Iraq. After the war curdled from military triumph to strategic disaster, Mr Netanyahu's advocacy for toppling Saddam Hussein helped darken suspicions, first in the academic world and then in American politics, that Israel had nefarious influence over American foreign policy.

But Mr Netanyahu was not in power then, having been outmanoeuvred by the only Israeli politician this century cunning and tough enough to sideline him, Ariel Sharon. And, as prime minister, Sharon privately cautioned Mr

Bush about an invasion. Daniel Kurtzer, then America's ambassador in Tel Aviv, recalls dispatching a cable to Colin Powell, then the secretary of state, before the war summarising the views he was consistently hearing from senior Israeli officials and analysts: that Israel was fine with the idea but was not pushing it; that if America invaded, it should depart as quickly as possible; and that it should not imagine it could transform Iraq into a democracy. Pretty good advice, in retrospect.

The war on Iran presents a more complicated picture. Mr Netanyahu, now Israel's longest-serving prime minister, has for years opposed negotiations with Iran and pressed for military action. And whereas in the two previous Gulf wars American leaders worked to recruit other allies while keeping Israel out—fearing its participation would alienate the Arab world—this time the two armed forces are fighting together, and all but alone. After Marco Rubio, the secretary of state, said Israel in effect set the timing of the initial strike, Donald Trump protested too much, insisting, "If anything, I might have forced Israel's hand."

Unlike in the years after the invasion of Iraq, the suspicion that Israel dragged America into war is not seeping into American debate. It is rushing in to fill the vacuum left by Mr Trump's failure to rally Americans behind any core national interests. It immediately became the stuff of popular culture. "Detractors on CNN are saying that Trump had no authorisation for this war, but he actually did," joked a fake newscaster on the sketch programme "Saturday Night Live" the day after the war began. "Netanyahu said it was OK." Democratic senators have accused Mr Trump of choosing to "follow Israel". And some of the loudest voices in Mr Trump's MAGA movement are saying the same thing: Tucker Carlson, a right-wing commentator, has branded this "Israel's war".

Mr Carlson is half right: this is also, not only, Israel's war. Mr Netanyahu may again prove to have offered lousy advice, but Mr Trump, like his predecessors, was free to reject it. (In fact, for those who suspect undue influence, the true culprit might be Senator Lindsey Graham, a hawk who coached Mr Netanyahu in how to lobby the president, according to the Wall Street Journal.) Mr Trump has shown he will push Israel around, as when he ordered it to recall its bombers at the end of the 12-day war with Iran in June. And he has shown he will ignore Israel's interests in pursuit of what he sees as America’s own, as when he cut a deal with the Houthis in Yemen in May to stop them molesting ships in the Red Sea without demanding they stop attacking Israel. If Mr Trump decides the economic fallout of the war is damaging his political interest, which he equates with the national interest, he will end it regardless of Mr Netanyahu’s goal of regime change.

But just why Mr Trump chose to join in this war is a mystery. It is probably going to become even more confusing to his “America First” supporters over time. He has placed tremendous pressure on European allies to deal with threats on their continent from Russia, which unlike Iran does have nuclear weapons. Just four months ago, his National Security Strategy summarised his agenda for the Middle East as “shift burdens, build peace”. Why didn’t he accept Mr Netanyahu’s reported offer for Israel to strike Iran’s ballistic missiles on its own? Those missiles were a threat to Israel and other states in the region, not to America. Mr Kurtzer suspects Mr Trump wanted a repeat of the quick victory he got in joining Israel’s strikes on Iran’s nuclear facilities in June. “I think he just wanted to be part of the victory parade,” he says.

Maybe the war will end soon and clearly benefit America. Israel will have shown its value as an ally, and Iran’s attacks on Gulf states may draw them closer to the Jewish state. But if the conflict damages America, it will be Mr Netanyahu who has made the gravest strategic mistake, in allying with an intensely polarising American president impulsive enough to wage war without broad support for the cause at home or overseas.

Previous prime ministers viewed bipartisan support in America as “the most existential issue for Israel in the world, more than Iran’s nuclear programme”, says Nadav Eyal, an eminent Israeli journalist. When Mr Eyal was a young diplomatic reporter, Sharon summoned him to his cabin while flying home from a meeting at the White House in 2002 and confided, off the record, that he feared Iraq was “the wrong war”. But he never voiced that concern publicly. By contrast, Mr Netanyahu began making Israel a partisan cause in America when he lobbied Congress in 2015 to oppose President Barack Obama’s nuclear deal with Iran.

Mr Netanyahu’s brutal prosecution of the war in Gaza further alienated Democrats while also exposing the risk of his bet on an “America First”

Republican Party. Before the Iran war began, most Republicans under 45 already supported curtailing military aid to Israel, according to a poll in December by the Institute for Middle East Understanding. Mr Trump’s MAGA base will probably never turn against him. But that just means, if this war goes wrong, they will need someone else to blame. ■

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The Americas

The Americas | A sense of security

At last, Haiti has some hope

Aggressive policing is weakening gangsters' control

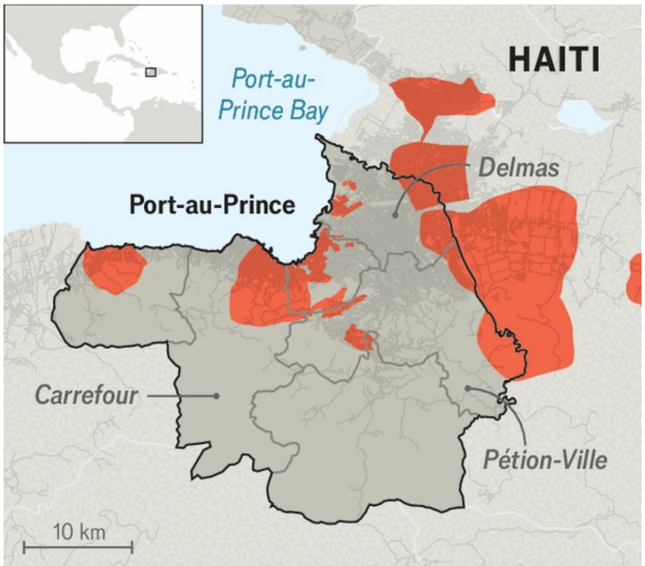
March 12th 2026

The kidnapping was to take place in the busy middle-class neighbourhood of Delmas in Port-au-Prince, Haiti's capital. The commercial hub is one of the few districts still mostly under government control, but Haiti's gangsters have grown accustomed to operating where they please. Not this time. On February 23rd the Haitian National Police (PNH) foiled the gangsters, killing six of them and seizing eight weapons, including four assault rifles. Two officers died in the operation and two others were wounded by gunshots.

Haiti's long-running battle with gangs has been escalating ever since the assassination of President Jovenel Moïse in 2021. (The trial of his alleged murderers started on March 10th in Miami.) A confederacy of 26 gangs took control of much of the capital, and still holds it today. It calls itself Viv Ansanm, Haitian Creole for "Living Together". Since then, thousands of Haitians have been killed and almost 1.5m displaced by gang violence. But at last there are signs, like the foiled kidnap plot, that the gangs' grip is weakening. A new police chief, Vladimir Paraison, who took up his post in August, has ferociously pursued Viv Ansanm, working with international partners like the United States and private-security firms. The streets of Port-au-Prince show small signs of progress as Haitians try to piece their lives back together.

A sense of political unity is emerging. Though Haiti still lacks a president, the prime minister, Alix Fils-Aimé, became the country's sole leader after the dissolution of the fractious council that had been in charge. It had failed in its mission to restore security and hold elections, now many years overdue. Mr Fils-Aimé enjoys the backing of the United States, which gives him an advantage. That he has such support is evidence of the difference made by the American chargé d'affaires since he arrived in June. Henry Wooster, a seasoned diplomat, ended months of uncertainty over the American administration's stance on the country (Donald Trump once called it a "shithole").

The chargé d'affaires has revitalised international efforts to confront the gangs. The United States brokered a security plan for Haiti at the United Nations in September. It replaced the meek international police mission, set up during the Joe Biden administration and led by Kenya, that was under-staffed and under-equipped. The new Gang Suppression Force (GSF) is bigger, better funded and has more leeway to use force. The first 1,500 troops, from Chad, arrive in April, with a total of 5,500 to be deployed in the coming months.



Gang strongholds, January 2025

Source: Global Initiative against Transnational Organised Crime

The improvements are encouraging. The streets in upper Delmas are clean, with rubbish now being collected. Business is beginning to buzz. The airport, forced by the violence to close in November 2024, has reopened for domestic flights, though international passengers must still fly into the capital by helicopter from the northern city of Cap-Haïtien. Gangsters still control many roads, demanding bribes at gunpoint for passage.

For all the improvements, only a sliver of the capital seems safe. It runs from the middle-class suburb of Pétion-Ville and the gated mansions of the elite in the hills above the city to the downtown area, home to some government ministries. Much of the rest of the capital, where 2.9m people live, is still controlled by gangs. In suburbs like Carrefour, relative peace reigns, though few dare go out at night for fear of running into gang patrols. “For the bulk of the population that live in gang-controlled areas, absolutely nothing has changed,” says Diana Manilla Arroyo, head of Médecins Sans Frontières in Haiti.

Few foreigners reside in Haiti. Many embassies and UN offices are closed. The United States once had 400 diplomats in the country, including staff at the now defunct Agency for International Development. Now it has just 20.

Haiti’s economy is ragged. Commerce continues, but the gangs charge tolls to people entering and leaving neighbourhoods and demand fees from people moving goods, including food. Vicky Onélien, a 28-year-old designer, had to leave her neighbourhood last year after gangs set up roadblocks that made it too dangerous to get to work. She worries about her family and questions police strategy. Gangs are entrenched in her neighbourhood while the police still “have no presence”.

State finances are dire. Government revenue has fallen to barely 5% of GDP, the lowest in recorded history, according to Gabriel Verret, a Haitian economist who has advised several presidents and finance ministers. (The average across the Caribbean is 20% of GDP.) “The Haitian state is standing,” says Mr Verret, “but barely.” Last year gangs burned his home, and others near the finance ministry, to the ground. The government spends three-fifths of its scant resources on salaries. Little is left for other running costs or for capital spending.

Much now rests on the shoulders of the prime minister. Mr Fils-Aimé is a 54-year-old businessman who hails from Haiti’s elite (and is friendly with several people subject to American sanctions for corruption and ties to the gangs). His two main jobs are linked. The first is to consolidate security gains and continue to push back the gangs. The second is to steer a more secure Haiti through its first elections in almost a decade. In February the country's electoral body started to register political parties wanting to field candidates. It has begun to prepare for the first round of voting, scheduled for August.

To succeed, the prime minster must rely on the 55-year-old Mr Paraison, who has worked for the national police since it was set up in 1995 (Haiti previously had no civilian police at all). He plans to recruit 4,000 officers a year in order to raise a police-to-resident ratio that has always been far below international standards. "We are equipping ourselves with everything necessary so that our officers are truly armed and well prepared to face this challenge," Mr Paraison says.

Foreign assistance, which used not to include support for the police, is now essential for Mr Paraison. The US State Department funds a helicopter medical-evacuation service and a small trauma unit for PNH officers, run by Hero Foundation, an American NGO that is building a 30-bed hospital in Pétion-Ville where wounded policemen will be treated. This kind of provision boosts morale. Mr Paraison "has this warrior mentality," said Stacy Librandi, who runs Hero Foundation. "The rank-and-file love him."

The mood at the PNH is also boosted by working in a task-force with the new, American-backed GSF. In addition the PNH is being bolstered by a team of highly trained military contractors, mostly former American and Salvadoran soldiers. The contractors help the police carry out "kamikaze" drone attacks: cheap drones with explosives strapped to them flown into gangster territory and detonated. They have proved effective in pushing back the gangs. "The drones are giving the police a chance to fight," says Ms Librandi. The police previously carried out operations against the gangs on their own. Now they have serious back-up.

While the United States provides the bulk of security funding, more than $1bn over the last three years, Canada has also helped. It has given $350m since 2022, more than half of it for training and equipping the police with armoured vehicles. The Organisation of American States, an inter-government body, has also paid for equipment, including 90 Kawasaki police bikes, bullet-proof vests, ammunition and even boots and socks.

Many Haitians sympathise with their overstretched police force. But they also worry about the fallout from the increasingly vicious fight against the gangs. Drone attacks have driven gang leaders into hiding, but have also terrified civilians still trapped in their neighbourhoods. In a report published on March 10th Human Rights Watch, an international monitor, questioned the legality of using explosive drones in densely populated urban areas. It said at least 1,243 people had been killed by them in 141 operations in 2025, including 17 children and at least 43 adults who were reportedly not members of criminal groups.

Mr Paraison brushes off such concerns. “Everything in life takes sacrifice. If you don’t feel comfortable where you are, get out,” he says. Pressed on whether poor Haitian families have this option, he doubles down. “Tell me who you hang out with, and I’ll tell you who you are. Unfortunately, we’re in a fratricidal situation…If you don’t want safety, I can’t offer it to you.”

This aggressive stance has helped rattle the gangs. But it may fall short of making Haiti safe enough to hold elections by August. During that process Haitians must trust the police to keep law and order. The United States, Canada and others hope Mr Fils-Aimé can use his acumen and his network (despite its drawbacks) to steer Haiti through. He cannot run himself but has powerful friends who may, including Olivier Barrau, a banker and insurance titan.

Weakening the gangs is a boon. But if Mr Fils-Aimé cannot re-establish democracy after ten years of lawlessness, Haitians may find their country slipping into chaos once again. ■

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The Americas | The new national pride

Brazilian cinema is having its moment

Thank growing competition and a more internationally minded Academy awards

March 12th 2026

When the Academy Awards take place on March 15th, few countries will be watching as closely as will Brazil. Last year, for the first time, a Brazilian film was nominated for best picture—"I'm Still Here", set during the military dictatorship. Brazilians dressed in imitation of the golden trophy at carnival and hosted parties in homage to the film's lead actress. "There are three terms everyone in the world knows: Coca-Cola, Jesus Christ and the Oscars," says Fabiano Gullane, a producer in São Paulo. When the film took home an Oscar, "it was like winning a prize for the whole country."

This year promises more. "The Secret Agent", a drama by Kleber Mendonça Filho, is nominated for four Academy awards, including best picture and best actor. Brazilians are dressing up again. At a recent festival Rodrigo Teixeira, another producer, mused that cinema had overtaken the nation's flagging football team as "the biggest source of pride for our country."

Brazil's sudden success has led to euphoria in a nation that has long been considered Latin America's cinema laggard. Mexico, a land of film fanatics, has won over two dozen Academy awards. It boasts over 7,000 cinema screens, twice as many as Brazil. Brazilians agonise that Argentina, its main football rival, already has two Oscars to its name. Even slender Chile has won three. When a Brazilian agent tried to drum up interest in the films of Glauber Rocha, a celebrated local film-maker, in Europe in the 1960s, he lamented: "Glauber, truly nobody is interested in our films."

The rise of Brazilian cinema is "not just a victory for the film sector, but a successful business case," says Ana Paula Souza, a journalist who covers cinema. For decades, Brazil's entertainment landscape was dominated by Rede Globo, a prolific producer of soppy telenovellas to which Brazilians were glued every evening. Much like old Hollywood, Globo produced everything in-house. It had the country's best actors, screenwriters and directors on contract, and prevented them from working for other companies. The rest of the industry was left with the cinematic scraps of advertising and music videos. Cinema was the preserve of an intellectual elite, while paid television was non-existent. In 1992, amid a deep recession, only three locally made films got a national release.

State support and laws to foster competition turned things around. In 2002 the government set up Ancine, the cinema regulator. It collects data on Brazilian films and determines the number of days that films are exhibited. It also controls a fund for local film-makers. Then, in 2011, the country passed the “Paid TV Law”. Restrictions on foreign ownership of cable TV channels were lifted. Telecoms firms were allowed to compete. It also mandated that paid channels broadcast at least three and a half hours of Brazilian content every week during prime time, half of which had to be produced independently.

The law shook up Brazil’s film sector by cutting into Globo’s monopoly, says Eli Carter, an associate professor of Brazilian film and television at the University of Virginia. Though Globo remains dominant, independent production houses mushroomed to fill the mandatory weekly slots. The penetration of paid television rose from around 15% in the 2000s to almost half by the mid-2010s. By the time paid television lost market share to streaming services and the internet, Brazil had dozens of independent production houses up and running. Ancine’s fund for independent film-makers was awash with money.

The government of then President Jair Bolsonaro, a hard-right populist, cut funding for the arts, including Ancine. Mr Bolsonaro considered much artistic output to be “a waste of money”. Cinema audiences also shrank during the pandemic and have not recovered. Over half of Brazilian films shown in cinemas in 2025 sold fewer than 1,000 tickets. Industry focus has therefore shifted to streaming platforms, such as Netflix and HBO Max.

“Today we have several big producers, big directors, big distributors: we have reached a mature moment,” says Caio Gullane, Fabiano’s brother and partner. “Now we need a second cycle, which means exporting our work abroad and increasing the market share of Brazilian productions in the country.” To achieve this, the Senate is discussing a “streaming law” that would force platforms to produce more local shows, display them on their home pages and pay Ancine’s tax benefiting local film-makers. It is expected to pass in the coming months, and would “extend what the paid television law did to the streaming sector,” says Mr Carter. It could double state support for the industry.

Brazilians have one final reason to hope that their good fortune will last: an internationalist turn by the Academy of Motion Picture Arts and Sciences. The 10,000 members of the Beverly Hills-based organisation determine the Oscar winners. Since 2016, when actors criticised the Academy for over-representing white men, it has expanded its membership across continents. Today more than a fifth of members are not from the United States. This may have helped international productions—like the South Korean drama “Parasite”—to win big in recent years. “The language barrier no longer exists in Hollywood: it ended with ‘Parasite’,” says Mr Teixeira. Brazilians expect little joy from this year’s football World Cup. The Academy Awards just might deliver. ■

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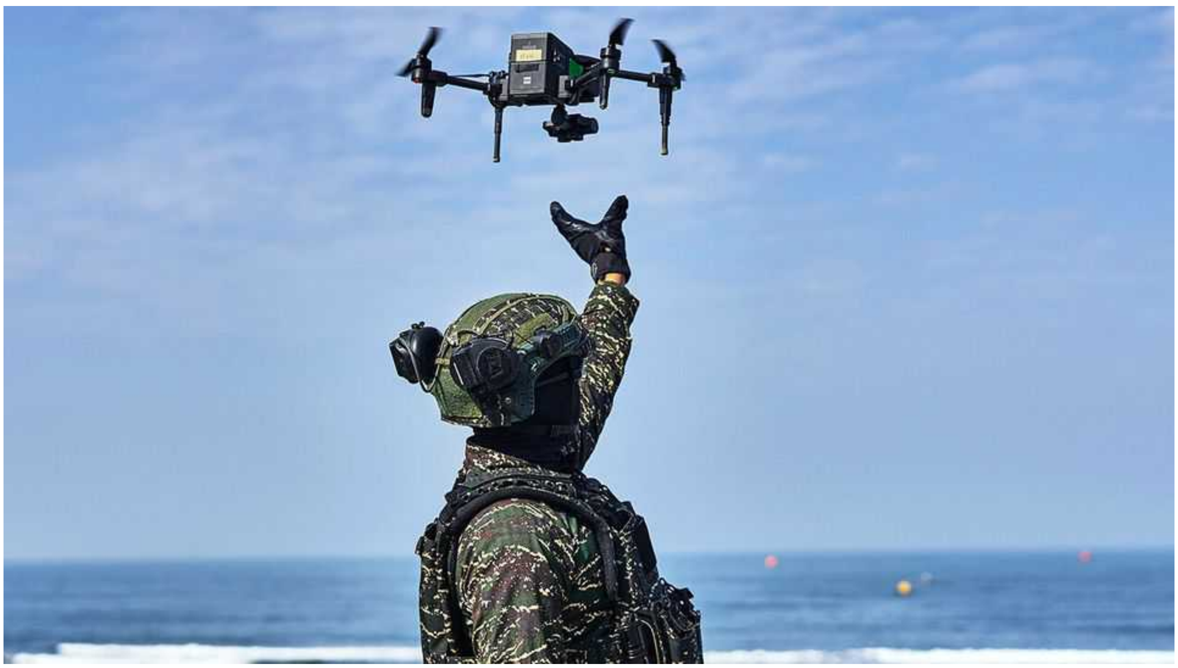
Asia

Asia | “China-free” drones

Taiwan’s bid to export drones free of Chinese parts is taking off

The island’s unmanned aerial vehicles are already in use on Ukraine’s front line

March 12th 2026



BEFORE RUSSIA’S all-out invasion of Ukraine in 2022, David Liu never imagined making military drones. But when Taiwan, where he lives, launched a programme to build its own drone industry that year, he jumped at the chance. His firm, Kunway Technology, now exports two models to Ukraine via Poland, both “kamikaze” quadcopters. The bigger of them can carry bombs of up to 8kg and fly at 140kph. They are twice the price of equivalents from China, the world’s biggest drone-maker. But they have one key selling point: no Chinese components.

Taiwan is not known as an arms exporter. Since China's defeated Nationalists fled there in 1949 it has been among the world's bigger importers of weaponry, mostly from America. Taiwan now makes many of its own arms, but still relies heavily on American ones. Before 2025 Taiwan's defence exports consisted mainly of some old helicopters and small boats donated to African and Latin American countries.

That is changing as Taiwan positions itself as a supplier of "non-red" unmanned aerial vehicles or UAVs—ie, without Chinese parts—to America, its allies and other countries worried about China's espionage and control over industrial supply chains. Taiwan's production of UAVs has increased from about 10,000 units in 2024 to more than 12 times that in 2025. Its exports rose more than 35-fold to about 123,000 units last year—almost all its output.

The Czech Republic was its biggest buyer, followed by Poland (see chart). Industry insiders say their purchases mostly went to Ukraine, where many are used on the battlefield, giving valuable feedback on their performance. Another bumper year for exports is expected in 2026, after reaching 85,500 units in the first two months.

Taiwan launched its drone programme after observing Ukraine's use of the technology. The main aim was to equip Taiwan's own armed forces, which had just a few hundred drones. China had tens of thousands. Taiwan has since pledged to build an entirely non-red UAV industry by the end of 2026, with annual output of 180,000 units by 2028. Last year it also promised to buy more than 200,000 drones for its own armed forces by 2033.

America and its allies are also ramping up UAV production. But most still depend on parts from China, which accounts for 70-80% of global UAV production. That is increasingly seen as a security risk. Taiwan also uses some Chinese drone parts, including rare-earth magnets, but is moving much faster to phase them out because of the threat it faces from China. And as a wealthy, high-tech powerhouse that specialises in precision manufacturing, it has the know-how and capital to quickly develop its own UAV components.

Taiwanese officials say their plan is on track. Complete UAVs and modules representing a cyber risk, such as those for flight control, had to be free of Chinese parts by the start of 2026 to qualify for government procurement and subsidies, says the economic-affairs ministry. Passive components from China, including optical lenses and rare-earth magnets, must be gone by January 1st 2027. The programme is critical not just for Taiwan's own national security but for "gaining access to high-security markets", the ministry says.

Some Taiwanese UAVs are already 100% non-red. Kunway, which started producing agricultural drones in 2016, used to source about 40% of its components, including batteries, motors and propellers, from China. It now buys them all locally or imports them from friendly countries such as Japan. Although that increases costs, Mr Liu estimates that his drones are about half the price of those made entirely in Japan or South Korea. And as concerns about China grow, new markets are opening: Kunway formed a partnership last year to make military and civilian drones in India.

Several other Taiwanese firms are exporting UAVs or components to Europe or contemplating manufacturing there. One, Thunder Tiger, is in talks about building a factory in Poland. It also sells to South-East Asia. But its general manager, Gene Su, says its priority is the bigger American market. It plans to start making drone motors in Ohio this year and, he says, already supplies parts to three of 25 firms shortlisted for a Pentagon programme to buy cheap one-way attack UAVs.

Taiwanese officials hope that all this will help to satisfy American demands for the island to become more self-reliant. The Trump administration has been urging Taiwan to increase defence spending from 3% of GDP to 10%. And the Pentagon wants it to buy more small, mobile weapons to prepare better for a Chinese attack. But Taiwan's bid to embed itself in Western drone supply chains is also part of a hedging strategy in case Mr Trump does a deal with China that waters down America's security commitments to the island.

Surprising gaps in Taiwan's capabilities persist. It is the world's leading maker of the most advanced semiconductors, but according to a government think-tank, the Research Institute for Democracy, Society and Emerging Technology, does not produce flight-control, positioning or communication chips, nor all the software needed, specifically for drones. But the government has pledged $1.4bn to help close such gaps. By 2029, it aims to produce half the rare-earth magnets it needs.

Another obstacle is Taiwan's political opposition, which has blocked a planned increase in defence spending. The longer-term challenge is ensuring stable demand. Some local manufacturers worry that if the opposition, which favours closer ties with China, wins the presidential election in 2028, the government will lose interest in modernising the armed forces. They also fear that global demand could taper after the war in Ukraine ends. Ukraine, which can make some 5m UAVs annually, could flood the market (though it relies heavily on Chinese components).

The hope in Taiwan is that the democratic world's worries about Chinese drone components will only grow. America already requires all its military drones to be free of Chinese parts (although compliance has been patchy). Since December, it has also banned imports of new foreign-made models and components, including those from DJI, China's biggest drone-maker, while allowing the departments of war and homeland security to apply for exemptions for those that do not pose a security risk. Some European countries are tightening restrictions too. Weaning the West off China's cheap drones will take time. But Taiwan has made a flying start.■

Asia | Landslide in the Himalayas

Nepal’s new prime minister is a 35-year-old former rapper

Voters have given Balendra Shah an unprecedented mandate and enormous power

March 12th 2026

IT IS AN arduous trip from Kathmandu, which sits in an expansive valley in the lap of the Himalayas, to Jhapa, a district in the south-eastern lowlands of Nepal. Even on a good day the 430km distance takes well over ten hours to cover by car. On a bad day, better to wonder if your journey is really necessary.

Balendra Shah, popularly known as Balen, made the trip with ease. Two months ago he was mayor of Kathmandu, Nepal’s capital. In national elections on March 5th he stormed to victory in the Jhapa-5 parliamentary constituency, defeating his opponent, the 74-year-old four-time former prime minister, K.P. Sharma Oli, by a ratio of seven votes to two. By the time of going to press his Rastriya Swatantra Party (RSP) had won 183 of 275 seats in Nepal's lower house, just one seat short of a supermajority. Aged just 35, Balen will be Nepal's next prime minister.

The outcome is a democratic confirmation of a "Gen Z" uprising that ousted Mr Oli's government last year. Spurred initially by a social-media ban and sustained by widespread anger over corruption, nepotism and unemployment, young Nepalis stormed the streets in September to demand better prospects. The police responded with live gunfire. In all 77 people were killed during the protests, which spiralled out of control as Nepal's parliament, prime ministerial office and several businesses were set ablaze. Mr Oli resigned and a caretaker government took power, promising to hold elections within six months. So it has.

For much of the past two decades Nepal has been run by three parties: Mr Oli's communists, the centre-left Nepali Congress and a Maoist outfit. They alternated gleefully between propping each other up and toppling each other. Meanwhile economic opportunities grew ever more tenuous and youth unemployment hovered stubbornly at around 20%. The median age in Nepal is just 26 and millions of young Nepalis have emigrated in search of work.

In the immediate aftermath of the revolution, youthful protest leaders took divergent paths. Some joined the interim government. Others set up their own parties. A few flirted with the three old ones. Nepal seemed likely to follow Bangladesh, which experienced a similar youth-led revolution in 2024 but where protest leaders failed to convert their energy into lasting political power. In Nepal, that changed in January, when Balen joined the RSP, a four-year-old party founded by a former television host on an anti-corruption platform.

Balen promises to wipe out corruption and focus on governance. Squashed between two giants, India and China, Nepal is used to being a buffer state where the two vie for influence. Balen's vision is to make it a "bridge". That, along with promises to create 1.2m jobs and double GDP per person to $3,000 in five years, may not be realistic, but it was a breath of fresh air for voters. As mayor since 2022, Balen had a decent track record, having tackled Kathmandu’s sanitation woes and evicted illegal businesses from central areas.

Once Balen joined the RSP, youth leaders followed. So did voters of all ages, including lifelong supporters of the old parties. Kul Bahadur Khadka, a 68-year-old security guard in Jhapa-5, has one son in Dubai and another in Malaysia. The failure to create jobs is why “there is no one to take care of us,” he says. Mahendra Yadav, an 85-year-old in a nearby town, says he supports the RSP in the hope it could deliver a better future for his grandchild.

Balen’s enormous victory brings two big risks. The first is that he fails to meet the outsize expectations a desperate country has heaped on his shoulders. Cleaning up a corrupt system is harder than tidying Kathmandu’s streets. The second is Balen’s governing style. He can be aggressive. He does not speak to the press, preferring to use social media to communicate with the public. His eviction of hawkers from central Kathmandu was sometimes violent and offered them no rehabilitation. Yet, for now, Nepalis can breathe air filled with a rare sense of optimism. ■

Asia | Don’t mention the war

Islamists woo Bangladesh with everything but Islam

They are a hit on campus, too

March 12th 2026

PERHAPS THE biggest surprise to come out of Bangladesh’s “Gen Z” revolution of August 2024 has been an Islamist revival. The student-led uprising ousted Sheikh Hasina Wajed, a prime minister under whom Jamaat-e-Islami, Bangladesh’s biggest Islamist party, had been banned. But few expected, in the election last month, that Jamaat would make history by becoming the country’s main opposition, with about a third of all votes.

It pulled off the comeback by adopting causes far from its traditional platform. Under its current leader, Shafiqur Rahman, it plays down its religious roots and presents itself as the anti-establishment. Jamaat also has history to atone for. In Bangladesh’s war of liberation in 1971, it fought against independence from Pakistan. And, though it is more than 90% Muslim, Bangladesh has a proud tradition of moderate Islam and secular politics.

So Jamaat branded itself as the party of change, anti-corruption and good governance, in contrast to the two big parties that have taken turns in power for most of Bangladesh's existence: the Bangladesh Nationalist Party (BNP), the election-winner; and Ms Hasina's Awami League. Each has been run like a family business, and presided over industrial-scale corruption.

Jamaat's savviest move was in campus politics. Last autumn its student wing won all the big student-union elections. Rather than preach the Koran, campus activists run study sessions, organise welfare groups, fix broken fans in the dorms, and, in one recent example, staged a "hijab rally" at Dhaka University, which drew many women with no Islamist sympathies. The Islamic headscarf has become a cool, countercultural expression of identity.

Jamaat forged an electoral pact with the Gen-Z revolutionaries' new, amateurish, party, prompting an exodus of its star candidates. At the election, only six students won seats in parliament. But Jamaat achieved a political facelift, placing itself on the winning side of a popular uprising.

So Jamaat has become a force to be reckoned with, but Amir Khasru Mahmud Chowdhury, the BNP's new finance minister, is far from alone when he says: "I am not sure what their philosophy is." One problem is that Jamaat is split between moderates and hardliners. And the party leader himself is unpredictable. Wandering off-script, Mr Rahman can provoke Bangladeshi women to take to the streets, as when he explained that biological imperatives like breastfeeding made it hard for women to become political leaders (a surprise in a country that has had female prime ministers for decades).

Jamaat dreams of winning the next election. Asked what it would do then, Mr Rahman answers in boilerplate centre-right dogma: help businesses; tailor education to labour-market needs; and put the screws on corrupt or partisan bureaucrats. Mr Rahman insists that sharia, to which Jamaat is in theory committed, is simply about "justice, welfare and restraint of power". Such vague principles are hard to argue with—which may be the point.

What kind of Bangladesh Jamaat would really build, perhaps God only knows. ■

Asia | Seoul traders

Seoul’s housing market is a huge political and economic headache

Lee Jae Myung is staking his presidency on fixing it

March 12th 2026

IN FEBRUARY SOUTH KOREA’s president, Lee Jae Myung, sold his flat in Seoul at a below-market price. He was making a point: homes are for living in, not investment. Mr Lee calls Seoul’s white-hot property market “the fountainhead of all problems” for the country.

In 2024 the greater Seoul area’s house-price-to-income ratio rose to 8.7. The price of flats rose by 9% last year, the fastest increase in nearly two decades. Since taking office last June, Mr Lee has rolled out measures to slow “speculative” property investment, tightening restrictions for mortgage loans for homebuyers and requiring newly bought homes in Seoul and the surrounding area to be owner-occupied for two years. A capital-gains tax exemption on property sales for owners of more than one home will expire in May.

Housing has flummoxed several presidents. Too many people want to live in the greater Seoul area, home to over half the country's population. And construction of new housing has slowed to a crawl.

Property is a favoured investment; homeowners buy several properties and rent them out. Such owners, not corporate landlords, provide over 86% of the private rental market in Seoul. Many use a system known as jeonse, where instead of monthly rent, tenants pay a large deposit that landlords use to invest until the lease ends.

These deposits are so steep—averaging 590m won (about $400,000) in Seoul in recent years—that jeonse properties are out of reach for many. Stories of landlords who fail to return deposits also spook tenants, who are exploring other options. Paying monthly, a practice called wolse, used to be seen as throwing money away, but is increasingly viewed as a safer alternative, and now accounts for around 60% of rental transactions, up by over 20 percentage points from five years ago.

Corporate landlords, many backed by institutional investors, see an opportunity in the mounting anxieties over housing and the growing number of people living alone—nearly 40% of Seoul's households.

Will Seoul's housing nightmare sink another presidency? For the first time in a decade of polling, over half of South Koreans approve of the president's housing policies. A similar share think home prices will drop eventually, though they expect rents to rise. Early market signals show promise. Prices in upmarket districts such as Gangnam have levelled off, as supply has hit the market before the end of the capital-gains-tax holiday. Yet the newly available homes might not be what first-time homebuyers want or can afford, says Song Seung-hyeon, a property consultant in Seoul. He argues Mr Lee's blanket approach oversimplifies a complex crisis.

South Korea's pressing demographic challenge might help. In about 15 years, baby-boomers living in Seoul will be approaching the age of the country's average life expectancy. Their homes will eventually change hands, freeing up more supply for the less populous generations born since the country's drastic decline in birth rates. Demography is remorseless, but may be too slow for President Lee. ■

Asia | Banyan

Is India the fourth- or fifth-biggest economy? It does not matter

Politicians boasting about India's economic prowess are laying a trap for themselves

March 12th 2026

INDIA'S GOVERNMENT has a soft spot for records. At an AI gabfest in Delhi last month the electronics minister accepted a Guinness World Records certificate for "the most pledges received for an AI-responsibility campaign in 24 hours" (250,946). This month local officials in Narendra Modi's constituency set a world record for the most saplings planted in less than an hour (251,446). And where records are hard to break, officials make do with a decent spot in the rankings. Every so often they brag that India is the world's seventh-largest services exporter. Yay!?

That is why officials have trumpeted for months that India's GDP is the world's fourth-largest, having overtaken Japan's and lagging behind only those of America, China and Germany. One minister boasted it would be third by 2027. The triumphalism is premature. India remains in fifth place.

There was no hiding from this fact when the statistics ministry released a big revision to GDP calculations late last month, which found that the economy is in fact 3.3% smaller than previously estimated, at just under $4trn. The gap between India and Japan is about $300bn at market exchange rates, nearly double the previous estimate. No matter. India will achieve fourth place sooner rather than later, even if instability in the Middle East erects temporary obstacles, giving India's leaders another opportunity to boast. We're number four!

The constant chest-thumping has an effect. Indians know that their economy is in the top ranks. They hear it in speeches and on the news, and repeat it in offices and living rooms. Many attribute this rise—up from tenth place in 2014—to Mr Modi, who rode to power that year promising development. But politicians, though understandably keen to tout their economic stewardship, are laying a trap for themselves.

For one thing, the warm feeling that comes with moving up a rank does not retain its potency for ever. There was a great deal of self-congratulation when the economy entered the top five. But there is hardly a recognised category of being "top four". One reason to care is national pride. And it was indeed a big deal a little while back when India's GDP exceeded that of its former colonial master, Britain. But what is so good now about overtaking an economy moribund enough that it gave rise to the term Japanification?

A jingoistic media would like Indians to see only America and China as peers. But arithmetic is a cruel master. India's economy is a fifth the size of China's and an eighth as big as America's. Germany, Japan and India together add up only to two-thirds of China. Ordinary citizens may not know the precise numbers but they are no dummies. It is obvious that India is not in the same league.

Anyway, what matters more than the absolute size of an economy is how people experience it. That is why economists prefer making cross-country comparisons using purchasing-power parity—which takes into account the cost of living—rather than GDP at market exchange rates, and dividing it by the population. By that measure, India's GDP per person is more Jordan than Japan.

Still, it is an improvement. For many Indians living standards have become visibly better over the past decade. Far more goods and services are on the market, and Indians have growing incomes with which to buy them. Yet there is a difference between the standard of living and quality of life. This is the biggest trap India's leaders are setting themselves. With each invocation of Germany or Japan, Indians are reminded of the conditions they must endure.

A growing number of Indians travel abroad. They come back wide-eyed with barely believed tales of clean air, drivable roads and rubbish collection. Holidaymakers who have never heard of purchasing power still know that Vietnam and Uzbekistan are not rich Western countries. Somehow these places manage feats—such as conjuring pavements into existence—that the world's "fourth-largest economy" cannot.

Even people who have never left their hometowns, let alone the country, cannot fail to notice the sewage that seeps into the drinking water, for it makes them ill, nor the bridges that collapse with metronomic regularity, for they are the ones liable to be crushed. Indeed, a common refrain is heard at neighbourhood chai shops and fancy city bars: "The world's fourth-largest economy, and it looks like this." Providing safety and basic services—now that would be a record to be proud of. ■

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China

China | The downside of Hong Kong's upswing

Hong Kong's property market has turned

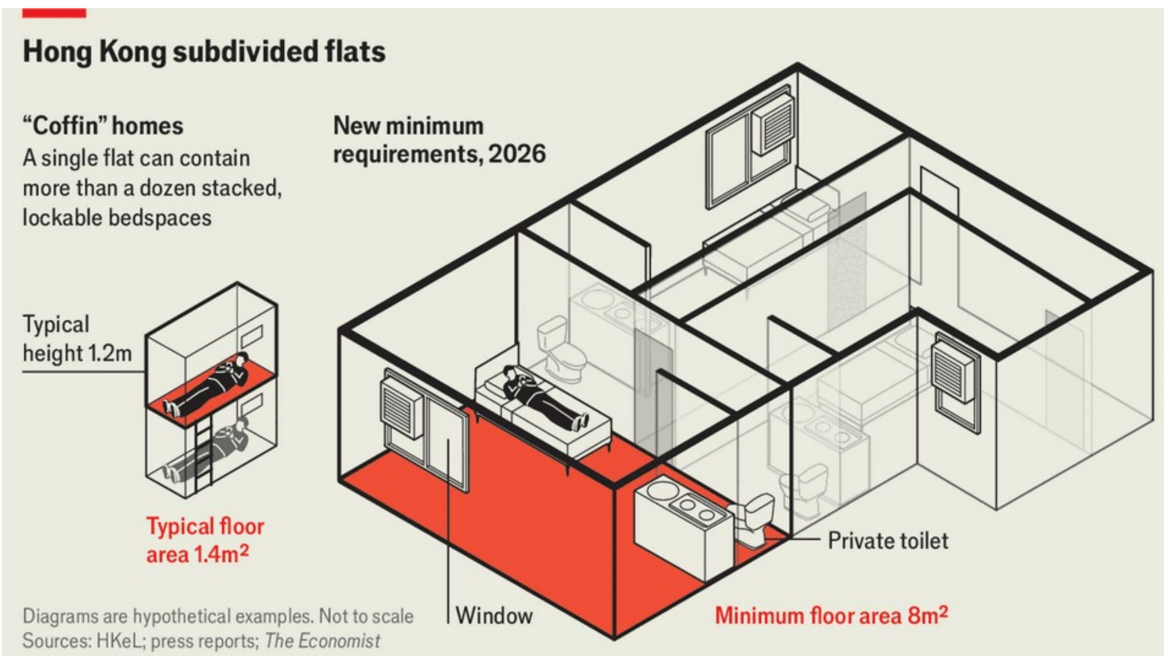
That's not good news for everyone

March 12th 2026

In Hong Kong even the fish are short of space. Mr Chan (not his real name) keeps a red Siamese fighting fish in a water glass above his bed, alongside his hairbrush, nail clippers and cigarette lighter. He sleeps inside a wooden cabinet, about 1.2 metres high and long enough to enclose only a mattress. There are 28 lockable bedspaces squeezed inside the same sixth-floor flat, including one stacked on top of his. Known as "cage homes" or "coffin homes", they leave no room for a goldfish bowl.

Hong Kong is notorious for its cramped and costly housing. Mr Chan's cubbyhole in a 50-year-old building sets him back HK$2,700 ($350) a month. One of his flatmates moved into a bedspace of his own from even worse digs: he used to sleep in a 24-hour McDonald's. About 100,000 other households live in larger "subdivided units", created when landlords turn one flat into many by installing new walls between them. These units house an "eclectic population", says Michael Wong of Hong Kong University, including the elderly, the infirm, students, refugees and poorly paid workers. One such unit in the Wan Chai neighbourhood gives its occupant, a 67-year-old man, enough space for a kettle, teapot and a shelf for his DVDs. His shirt hangs from a screw above his bed, next to a calendar stuck on January 2023.

The bad news for people like him is that Hong Kong's housing costs are not similarly frozen in time. Rents are rising, even at the bottom of the housing heap. This is happening for two main reasons: a shift in the markets and a change in the law. Both reflect the territory's evolving relationship with the rest of China.



Hong Kong's housing market, unlike the mainland's, has finally bottomed out. Prices, which fell by more than a quarter from 2021 to 2025, have risen for five months in a row, year on year. Rents, which rebounded earlier, recently surpassed their 2019 peak. Even among subdivided units, the median rent rose by almost 6% in the year to November, the most recent figure available, according to official statistics.

The city has both mainland China and America to thank for its turn in fortunes. Interest-rate cuts by America's Federal Reserve have eased financial conditions in Hong Kong, where the currency is still tightly pegged to the dollar. Mortgage costs have dropped and the stockmarket has boomed, breathing life into the financial industry, one of the city's biggest employers. America's hostility to China has persuaded some of the mainland's biggest firms to raise money in Hong Kong instead of, or as well as, in America.

Companies are not the only new arrivals from across the border. Over 300,000 mainlanders have received "talent" visas of various kinds over the past six years, on top of 155,000 others who settled in the city via family ties. These arrivals have more than offset the exodus of people scared off by a new national-security law, imposed in 2020, and covid-19 restrictions, which lasted until 2023. Buyers with Mandarin names made almost a quarter of the home purchases in the city last year, according to Centaline, a property agency.

These broad trends may seem a world away from shoebox living. But they can percolate down to the lowest layers of the housing market. And rents could rise for another reason. A new ordinance, which came into effect this month, lays down minimum standards for subdivided units, such as a floor area of eight square metres, an independent toilet and a window looking out. About 33,000 of the existing units will require substantial renovations over a four-year transition period. Coffin homes will remain. They are subject to an ordinance from 1994, which requires enclosures to be non-combustible, with openings at least half the length of the bed.

The new law gained added impetus from China's national government. "We will bid farewell to subdivided flats and 'cage homes'," said Xia Baolong, the central-government official who oversees Hong Kong affairs, in 2021, when touting the benefits of the security crackdown in the city. Officials in mainland China, which is often accused of building too much housing, have long been frustrated by Hong Kong's opposite failing, believing that high housing costs contributed to the social unrest that rocked the city in 2019.

The ordinance will improve living conditions in the units that remain, reducing fire hazards and overcharging for utilities. Landlords must register their properties, making them easier to monitor. But the renovation bill must be paid by someone. And tenants suspect the cost will appear in the rents they are asked to pay.

That worries people like Ms Cheung, an office cleaner who lives in a unit in Wan Chai. She pays HK$2,600 a month for her flat, proudly decorated with anaglypta wallpaper. She knows someone whose rent was increased to HK$6,000 after renovations. That would be beyond her reach. Around 70% of tenants can only afford a rent increase of up to 5%, according to a survey of 151 households by the Federation of Public Housing Estates, an NGO.

The government is trying to help by cutting the long waiting times for public housing. The city, despite its reputation for free markets, houses about 30% of its population in 868,700 public-rental homes. Over the next five years the government aims to add 189,000 units, an almost mainlandish pace of construction. It has also conjured up 16,690 "transitional" housing units in converted schools, government buildings and the like, with another 2,700 on the way. This will reduce demand for subdivided flats, leaving little room for landlords to raise rents much, according to the government. Tenants displaced by the new ordinance can apply for transitional housing, even if their income is above the usual threshold. But there are conditions. Their stay cannot exceed two years and they must pay higher rents after the first 12 months. "This is not reasonable," says Crystal Wong of Concerning Subdivided Units Alliance, a civil group.

Public housing is far more spacious than subdivided units. But it is concentrated outside the city's core neighbourhoods, where many tenants have work, family or other roots. Ms Cheung finishes her shift as late as 10pm in central Hong Kong. She screws up her face at the thought of living in Yuen Long, the site of one housing project 80 minutes away.

Meanwhile about 40,000 tenants in subdivided flats are ineligible for permanent public housing, according to official statistics from 2024. Some of them earn too much to qualify. Others are among the most vulnerable members of society, notes Sze Lai Shan of the Society for Community Organisation, another NGO, including refugees and undocumented migrants. If the public system really satisfied the needs of Hong Kong's badly housed residents, there would be no need for the new ordinance, Ms

Wong argues, because there would be no customers for the cramped, unsafe units the ordinance is meant to eliminate.

The law will be phased in gradually and enforced cautiously. “No one shall be rendered homeless due to our enforcement actions,” officials insist. Many residents are “neither optimistic nor pessimistic”, says Ms Wong, because they do not “trust the government will execute the policy”. But if the new rules stick, they will transform low-rent living. Tenants will not be able to make their present trade-offs between cost, size and location. People who want to live as cheaply as possible in the thick of the city will no longer be allowed to compromise on space or amenities. And those ineligible for long-term public housing could fall through the cracks.

Improving conditions in Hong Kong’s poky housing is a worthy goal, but as landlords roll out their renovations over the next few years, some individuals may find themselves hopping from one substandard flat to the next. When the dust settles, they will still have to stump up for eight square metres and a loo. If they cannot afford that sum, they may instead resort to an illegal sleeping place—or curl up in a wooden cabinet too small for a goldfish bowl. ■

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China | Performance anxiety

Some of China's officials are becoming social-media stars

It may help them get promotions

March 12th 2026

Communist Party officials are under pressure to perform. Ordinary Chinese people often complain that they are lazy and out of touch. Worse, so does Xi Jinping, China's leader, who has railed against bureaucratic sloth and demanded that underlings "roll up their sleeves and work". In recent years China's feared anti-graft watchdog, the Central Commission for Discipline Inspection (CCDI), has widened its focus on corruption to investigate "laziness" and "formalism" (code for useless busywork). It is not enough to just deliver economic growth, build small-scale infrastructure and resolve disputes, local officials must be seen to be hard at work.

Traditionally, officials would rely on fawning reports from state-run media to show off their achievements. But, increasingly, young, enterprising types are taking a different tack. They are making a name for themselves on social media. Take Wu Shaoyu, a 36-year-old village official from Hainan province. Filming herself near Tiananmen Square during a recent session of China's parliament on March 9th, Ms Wu vowed to her 240,000 followers on Douyin, a popular app, that she would "devote my heart and soul to being a good representative of the people".

Ms Wu is part of a growing cohort of "influencer officials". Many live in rural areas and start out by making videos to help local farmers sell their products. Among the most popular is Lin Yangduo, a young, muscular party worker stationed in the eastern province of Zhejiang. Sometimes he wears a Mao suit; at other times he dons tight-fitting tops and calls his followers "babe". He shot to fame by posting videos of himself squashing persimmons (a local speciality) on his biceps. Fans have dubbed him China's "hottest village cadre".

Other officials have built a more kind-hearted online image. Pang Fuqiang, a cheery official in the inland province of Shaanxi, became famous by posting videos of himself offering steaming bowls of cheap noodles to grateful elderly residents. Deng Qun, party secretary of a county in Hunan province, in China's south, typically posts about humdrum topics such as traffic conditions on her short-video account, but has gained attention by spending hours carefully responding to the comments and complaints posted underneath.

Chinese audiences appear to find such fare more authentic than the usual diet of dry state propaganda. Higher-ups in the party, too, seem to approve. Influencer officials show that "Communists are forever young, and determined to demonstrate new responsibilities and achievements," effused a commentary in People's Daily, a party mouthpiece, in February. A study by researchers at the universities of Guangxi and Shandong found that social-media-famous officials were more likely to get accolades, promotions and state investment flowing into their jurisdictions.

But some efforts to get noticed can carry risks. He Jiaolong, an official in Xinjiang, amassed over 6m followers on Douyin by making dramatic horse-riding clips intended to attract tourists to the area. She survived a big fall in 2020 but died in January following an accident during a shoot.

And the strategy may sour as more officials take to social media. A city in Heilongjiang province, in north-east China, came under fire in 2024 when it started setting quotas for public-sector workers to “like” officials’ online content. Live-streams may “crowd out the energy that officials have for field visits, investigations and solving practical problems”, noted a recent disapproving commentary in a state-run paper. The phenomenon, it said, should be called “internet-traffic formalism”. It may yet become a target for future CCDI inspections. ■

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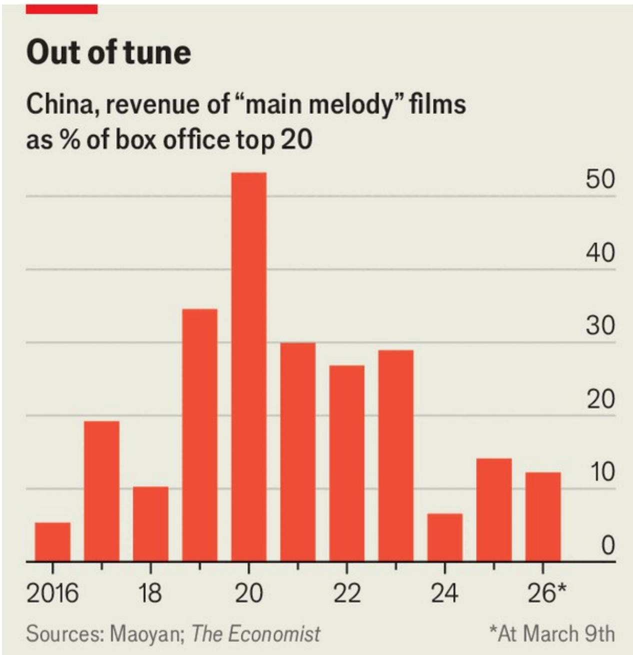
China | From China with propaganda

China's nationalist spy thriller has few girls and lots of government

"Main melody" films are in a rut

March 12th 2026

In the West, spy films have martinis, girls and guns. "Scare Out", a Chinese spy thriller made in collaboration with the Ministry of State Security, has no alcohol, few girls, some guns and a hefty dose of government. In the film, an unnamed (but English-speaking) foreign power tries to steal military secrets with the help of an agent inside China's spy agency. Though the mole turns out to be a close friend, the protagonist, Yan Di, puts country first and hunts him down, ultimately driving the villain to suicide. It all ends with a favourite slogan of China's leader, Xi Jinping. "Never forget your original aspirations," the spy chief tells Yan, as the screen cuts to black.



"Main melody" films, as big-budget productions carrying nationalist propaganda are known, are in a rut. Such titles were once blockbusters, topping the box office every year between 2017 and 2023, except 2019. Those days are now gone. Released on February 17th, "Scare Out" has so far grossed 1.25bn yuan ($182m), well below the likes of "Wolf Warrior 2" in 2017, which took in 4.6bn yuan in its opening weeks. By The Economist's tally, using data from Maoyan, a ticketing service, the main melody genre peaked in 2020, when it made up 53% of the box-office sales for the top 20 films (see chart). This year its share has fallen to a mere 12%.

Propaganda films used to be a bore. One film from 2009, "The Founding of a Republic", was so widely panned that Douban, a review site, had to turn off ratings for it. But in the late 2010s, filmmakers worked out how to make them watchable. They did so by weaving propaganda together with high production values and engaging story lines, and by roping in big-name directors and star-studded casts. The state, too, threw its weight behind them. In 2018 authorities set up a fund to back films featuring "major revolutionary historical themes that enhance cultural confidence".

"Scare Out" replicates this approach. But the main melodies are losing their lilt. One reason seems to be that the films have become overly formulaic. Some 200,000 ratings on Douban score "Scare Out" a tepid 6 out of 10. It is "fresh packaging around a stale story", writes one reviewer. "A clichéd power struggle between good and evil, and even tries to end on a moral high ground," complains another. Main melody films suffer from a "lack of innovation" in storytelling, says Yanling Yang, a media scholar at the University of Exeter. Audiences are tiring of conventional patriotic tropes, she suggests.

More troublingly for officials, audiences may simply be in no mood for nationalist works. How these titles are received can be an indirect gauge of support for the government. The late 2010s marked the tail end of the economy's boom years, while in the early 2020s people rallied around the state as it suppressed covid-19 outbreaks. (The film "Chinese Doctors", released in 2021, celebrated those efforts.) But now consumers are glum, the property market is down and the economy is gripped by deflation. In such times, nationalist narratives ring hollow.

A big test will be a forthcoming film titled "The Battle of Penghu", depicting the conquest of Taiwan by the Qing dynasty in 1683. "The reunification of Taiwan is unstoppable", its theatrical poster roars. Some commenters online have already ridiculed the unsubtle modern-day allusions. The film's ticket sales may offer a verdict on the main melody genre, and perhaps on the public's appetite for action on Taiwan. Will Mr Xi be watching? ■

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China | Chaguan

There are 56 ethnicities in China—and 55 are getting squashed

China wants its minorities decorative, but not distinct

March 12th 2026

CHINA’S PARLIAMENT is not known for its debates. Meeting for roughly ten days every March, it exists to approve, not to question. But what it lacks in disagreement, it makes up for in colourful dress. The Great Hall of the People, where it convenes, becomes a parade of elaborate costumes. On March 5th, its opening day, Chaguan first spotted a man in a black cape with fiery swirls. Next, a woman in a jangly silver crown twice as large as any worn by King Charles. Then more and more: flowing garments, dense embroidery, splashes of dark red, bright pink and deep blue.

They are the minority—literally. China, in the official telling, has 56 separate ethnicities. Parliamentary representatives who are Han, the dominant ethnic group, generally attend in grey and black business attire. But many delegates drawn from the other 55 ethnicities stand out. Yang Lianying, a Miao woman, was beaming in a floral headdress. "It is not convenient for my normal work," said Ms Yang, who usually serves as a doctor in the south-western province of Yunnan. "During the parliament, I wear it every day."

The pageantry will come to a dreary intersection with the actual proceedings of the parliament. A new law heading for a vote will formalise a sweeping project to erase much of what remains of ethnic distinctiveness in China. Based on precedent, more than 95% of delegates, including the minority members themselves, will dutifully back it. It is a grim milestone in the Communist Party's harder-line approach to ethnic politics, born of fear that the bigger minority groups were proving too hard to control.

In the 1950s China accorded its minorities—about 9% of the population—a range of privileges. "56 flowers, 56 ethnic groups", as a popular song once put it. Although official propaganda often portrayed minorities as exotic mascots, they were given a degree of latitude. They could travel fairly freely, follow many of their religious precepts and educate children in their own languages. The hope was that this would foster development and loyalty. Over the decades, though, outbursts of violence and protest in Tibet, Xinjiang and, to a lesser extent, Inner Mongolia persuaded the party that even relative autonomy had failed.

China started to move in the opposite direction in the late 2000s. Under Xi Jinping, the process has dramatically accelerated. He has pushed harder and faster than his predecessors, willing to launch whatever crackdowns he believes are needed to shore up party rule. The result has been a wrenching and sometimes deadly process. Instead of emphasising differences between groups, the party now speaks of them as together forming the "community of the Chinese nation". Textbooks devote less content to the 56 separate groups. And when Mr Xi talks of them, it is about their unity.

That might sound warm and inclusive. In practice the shift has looked more like aggressive assimilation than enlightened tolerance. In Tibet authorities have arrested monks, taken control of monasteries, packed young children off to boarding schools and forced locals to denounce the Dalai Lama. In

Xinjiang rights groups have documented the detention of more than a million Muslims in a mass re-education campaign, while mosques have been destroyed. In Inner Mongolia officials have crushed protests against making Mandarin the main language of education.

The “law on promoting ethnic unity and progress” will codify many of these changes. Among its provisions, it requires Mandarin to have precedence over minority languages in schools and in official communication; it calls for “new social customs”, including barring anyone from blocking marriages on identity grounds; and it mandates that different ethnicities should live in mixed communities. The law also creates a new legal basis for prosecuting anyone who opposes the party’s definition of ethnic harmony, including parents who instil “detrimental” views in their children.

Uncomfortably for critics in the West, there are some parallels between China’s approach to minorities and those of other countries. For people who say its Mandarin-first policies are discriminatory, look at France, where schools have long placed limits on regional languages. The end of affirmative action in America’s university admissions has an analogue in Chinese provinces that have stopped awarding extra points to minority students in the gaokao university-entrance exam. And Denmark’s “anti-ghetto” law aims to resettle minorities in mixed communities. In a “what-about” contest, China’s defenders already have their ammunition.

In the real world, away from the scorched earth of social media, there is a real policy question, albeit not one that China’s parliament is debating. Will the smothering and suppression of minority languages, religions and customs actually get the party what it wants? Could China have found a durable solution to the challenge of governing a multi-ethnic state by granting greater autonomy to its minority groups, rather than giving them less and less space? China never seriously considered such a relaxation.

In the party’s view, suppression is the path to national unity and stability. What is not known—and may not be known for decades—is whether it is also storing up resentments that may eventually erupt. For now the direction is clear. The party embraces its minorities in the most superficial sense: it likes their singing, their dancing and, of course, their dress. Beyond that, deeper displays of ethnic identity are not just frowned upon but proscribed by law.

At the parliament, the minority delegates had got the message. Leaving one session, Chaguan asked a representative from Inner Mongolia, in a glorious blue silk robe, whether she had seen any policies that would be specifically helpful for Mongolians. “I haven’t,” she said, before quickly adding, “but forging a strong sense of community for the Chinese nation is the guiding thread, and that’s good for all minorities.”■

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Middle East & Africa

Middle East & Africa | Resilient or ramshackle?

Iran’s praetorian guard may emerge from the war diminished but undefeated

The regime’s enforcers will struggle to rebuild their capabilities and their deterrence

March 12th 2026

ANYONE looking for clarity about the war in the Persian Gulf will not find it in the statements of the men waging it. Donald Trump says it is “very complete, pretty much” and also just beginning. Iran’s new supreme leader has not been seen or heard from since he was named to the job on March 9th. His subordinates insist they do not want a fight with Iran’s Arab neighbours yet keep bombing those same neighbours.

As the war nears its third week, it is impossible to say when or how it will end. America and Israel hope to batter Iran into submission or collapse, while Iran aims to do the same with the global economy. The regime wagers it has the whip hand: surely its Islamic Revolutionary Guard Corps (IRGC) will prove more resilient than an American president nervous about high oil prices. In the short term, it may be right. Yet after the war, the Guards will struggle to rebuild their deterrence against the regime’s foes, which has long been used to justify their privileged position in Iran.

On all sides, the costs of the war have already been enormous. By March 12th over 1,800 people, mostly civilians, had been killed in Iran, according to a Washington-based rights group. Iranian attacks have killed at least 30 people in Israel and the Gulf states. Energy markets are in turmoil (see briefing). Israeli strikes on fuel depots in Tehran on March 7th left the Iranian capital shrouded in toxic smoke. The Gulf is losing more than $500m a day in revenue from tourism and travel.

The Pentagon says it has struck more than 5,000 targets since the war began. More than 50 Iranian naval ships have been sunk. Israel believes that less than one-third of Iran’s ballistic-missile launchers are still operational, with the rest destroyed or buried beneath rubble in bunkers. The pace of Iranian attacks on Gulf states has ebbed. It fired just 44 missiles and drones at the United Arab Emirates (UAE) on March 10th, down from a high of 360 on March 1st.

Still, Iran has managed to keep shooting, and its attacks are increasingly on vital infrastructure. Over the past few days Iranian drones have damaged oil refineries in Abu Dhabi and Bahrain, the international airport in Dubai and a port in Oman. On March 11th three cargo ships were hit in the Persian Gulf. Iran also threatened to target banks in the Gulf, which led HSBC to shut its branches in Qatar and Standard Chartered to evacuate its offices in Dubai.

At times Mr Trump, no doubt jittery about the markets, sounds eager for all this to end. He told Axios, a news site, that there is “practically nothing left to target” in Iran. Marco Rubio, his secretary of state, keeps repeating a narrow set of goals: the war will be a success, he says, if it destroys Iran’s missile programme and its navy. That may not be enough for Mr Trump to declare victory. Israel would also like him to keep going. Still, some American officials are trying to steer the president towards a more limited version of the war.

Regardless of how it ends, the IRGC will be central to what comes next. It was already the main centre of power in Iran. Conventional wisdom holds that it will emerge from the conflict stronger still. Mojtaba Khamenei, the new supreme leader, is close to the Guards, though it is unclear how much power he wields; rumours continue to swirl about his health. Many analysts believe other people are calling the shots, among them Ali Larijani, the head of Iran's national-security council, and Mohammad Baqer Qalibaf, the speaker of parliament. For the IRGC, so much the better: both men are former officers.

Yet if its political power is enhanced, other pillars of its dominance are weakened. Before the war the IRGC sought to deter America and Israel with dire warnings of what it could do: thousands of missiles loosed at Israel in a single barrage, fast-attack boats that would swarm American naval vessels, up to 5,000 Americans dead in the first two days of a war.

None of that has happened. Hitting soft targets in the Gulf with drones and lobbing inaccurate cluster munitions at Israel is less a show of strength than a sign of desperation. The success of Israel's decapitation strikes, in this war and the previous one, suggests the IRGC is shot through with informers. It has had two leaders killed in the past nine months; its surviving commanders are probably hiding. The regime has delegated decision-making to officers in the field. Once thought to be a cohesive force, it now looks fragmented.

Both its military capabilities and its business empire are damaged. While launchers can be replaced, other parts of the missile supply chain are trickier. Michael Duitsman of the Centre for Nonproliferation Studies, an American think-tank, notes that air strikes have seemingly damaged all of Iran's solid-fuel propellant factories. Israeli jets have also hit everything from IRGC-linked energy firms to Mehrabad airport in Tehran, the headquarters of Mahan Air, which the Guards have used to smuggle weapons to their regional proxies. On March 11th Israel hit a data centre owned by Bank Sepah, a lender with close ties to the IRGC.

The Guards will also have to contend with a changed region. After the war, Gulf states will surely look for ways to reduce their vulnerability, particularly around the Strait of Hormuz. Dubai, the commercial centre of the UAE, has long served as Iran's economic lung, a hub for both legal trade and money laundering by IRGC-linked firms. Emirati officials are already talking about clamping down on Iranian business.

On March 10th the Trump administration briefed members of Congress about its strategy. Afterwards Chris Murphy, a Democratic senator from Connecticut, bemoaned the lack of long-term vision. “The question that stumped them: what happens when you stop bombing and they restart production? They hinted at more bombing,” he wrote on social media. That suggests one possible outcome of the war. Iran may come to resemble Iraq after the first Gulf war in 1991, when America kept it under onerous sanctions, maintained a no-fly zone over much of the country and carried out occasional attacks.

For decades the IRGC has cultivated a myth of itself as the regime’s competent, indomitable enforcer. That myth has been shattered, at home and abroad, by its military failures over the past two and a half years of regional conflict. In an isolated, divided post-war Iran, its position may be less certain than it thinks. ■

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Middle East & Africa | Supreme but mysterious

Who is Iran's new leader?

No one knows if he will last

March 12th 2026

They did not even have to change his website, Khamenei.ir. Eight days after the death of Ayatollah Ali Khamenei, in a massive Israeli raid, the Assembly of Experts, a body of 88 clerics, anointed the supreme leader's son, Mojtaba, to succeed him. Fearful of air strikes, they met in secret. The candidate, too, was hidden from view. Officials say he was injured. Rumours still swirl of his death. If people knew, they would pour onto the streets, an Iranian fleeing abroad suggests. Preserving the image of an unbroken cult mattered. The faithful were called to city squares to proclaim allegiance, even as bombs fell around them. Acolytes had to make do with kissing a cardboard cut-out.

It was not the fresh start many Iranians had awaited for decades. Mojtaba bears a striking resemblance to his father. He wears the same black turban, a symbol of continuing clerical rule. His appointment, many surmised, may make Iran resist change even more. He lost his mother, wife, sister and child, as well as his father, in the same strike, surely hardening his determination to seek vengeance. “He’ll be an ultra-hardliner,” a relative predicts. He might even drop his father’s fatwa prohibiting nuclear weaponisation. President Donald Trump says he is not happy with the choice and predicts a short tenure.

Moneyed Iranians who know Mojtaba see him differently—as a copy of Muhammad bin Salman (MbS), the Saudi crown prince who ditched many of the values of his parents’ generation, including some oppressive Islamic strictures. Like him, Mojtaba spent his apprenticeship running his father’s sprawling office. He knows all the courtiers’ secrets—the better to hobble them. And like MbS, they say, he relishes business deals. Behind a veneer of modesty—he once drove to his seminary in a battered Paykan, Iran’s first mass-produced car—he is said to control a vast, tax-free empire of conglomerates.

The reality may lie elsewhere. Clerics think him a lightweight, lacking the required religious qualifications of a grand ayatollah and supreme leader. The republic’s revolutionaries may deem his hereditary succession a betrayal of the Islamic revolution that deposed a dynasty. Moreover, with Mojtaba hidden from view and the country at war, should the generals gain the upper hand and approve negotiations with America, they might ditch the theocracy and sanctify a brutal military kleptocracy. ■

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Middle East & Africa | Only the mission matters

Could special forces truly obliterate Iran’s nuclear programme?

Swiping the country’s uranium would require one of the largest raids in military history

March 12th 2026

Last year Donald Trump claimed he had “obliterated” Iran’s nuclear programme. The claim was hard to sustain when Iran had managed to hang on to a good portion of its 400kg of highly enriched uranium (heu), enough for about ten bombs if enriched a little further. “People are going to have to go and get it,” decreed Marco Rubio, America’s secretary of state, last week. That would require an unprecedented military operation deep inside Iran. Is it possible?

The first problem is working out where the heu has been stashed. On March 9th Rafael Grossi, head of the International Atomic Energy Agency, a un watchdog, said that it was "mainly" at Isfahan, in central Iran, presumably in tunnels whose entrances were sealed off with earth in February. Some also remains at enrichment plants at Natanz and Fordow, the latter buried deep in a mountain that was bombed last June. Even if American and Israeli aims were confined to Isfahan, retrieving the uranium would be a huge undertaking. The mh-47g Chinook helicopters used by America's 160th Special Operations Aviation Regiment, the unit which captured Venezuela's Nicolás Maduro, might reach Isfahan, at least 500km inland, from ships in the Persian Gulf. But they would need refuelling to return. And they would need a quasi-army around them.

On March 7th Mr Trump said that any ground force would be dispatched only if Iran were "so decimated that they wouldn't be able to fight on the ground level". To achieve that, America would pound Iranian bases in the vicinity of the target. It would then need to send airborne forces to seize a nearby airfield—Badr airbase is 10km from Isfahan's nuclear sites—or, more practically, create a makeshift airstrip. Nuclear-handling equipment, diggers to move earth and rubble from tunnel entrances and other heavy machinery could then be parachuted in on pallets.

At a minimum, a large battlegroup (typically a battalion of troops with additional specialist units, numbering 1,000-plus men) would need to hold a perimeter around the nuclear complex, fighting past any defenders in place. They would need constant air cover above to spot and attack any approaching Iranian forces: real-time satellite coverage, orbiting drones, reconnaissance planes and strike aircraft. That would require a steady relay of dozens of refuelling tankers to allow enough air power to stay airborne for a long period—potentially days.

Israel's special-forces and combat-engineering corps currently have more relevant and recent experience than American forces in this sort of operation, having worked extensively in the vast networks of tunnels built by Hamas and Hizbullah. Using them would also allow Mr Trump to claim that he had not put American boots on the ground. However, this would stretch Israel's long-range airlift. If Israeli troops were used, they would need to borrow America's vast fleet of cargo planes.

America's Joint Special Operations Command (jsoc) also has relevant expertise, having spent years preparing to secure or seize Pakistani nuclear weapons in a crisis. Squadrons from America's Delta Force and Seal Team Six practised entering deep underground shelters at a site near Las Vegas, aided by the us Army's specialist Nuclear Disablement Teams. One of the biggest challenges, says a former jsoc operative, is moving, communicating and surviving underground. If Mr Trump is serious about invading Isfahan, let alone Natanz and other sites, teams will need to have been rehearsing for months.

The next challenge would be handling the heu. It is probably stored as uranium hexafluoride (uf6), a gaseous compound of uranium, in multiple containers to prevent an accidental chain reaction. Daniel Salisbury of the International Institute for Strategic Studies, a think-tank, estimates the full stockpile would require around 19 scuba-type tanks. The containers must be kept apart and stored carefully.

One option would be to blow it up in situ. The uf6 would "go all over the place, get deposited on walls, rocks, rubble, etc, and be quite difficult to recover," says Matthew Bunn of Harvard University. It would also release toxic hydrogen fluoride. A second would be to "downblend" the material, he suggests, but the equipment for doing that would need to be trucked in and it would still leave nuclear material. The third would be to extract the heu and whisk it away. But if moisture enters the cylinders during transport, warns François Diaz-Maurin, an editor at the Bulletin of Atomic Scientists, it could interact with the uranium gas to produce toxic uranyl fluoride and hydrofluoric acid gas, potentially causing an explosion.

A Hollywood-style operation would appeal to Mr Trump, who has spoken of the humiliation Americans of his age still feel from the seizure of American hostages in Tehran in 1979. It would give him a set-piece denouement to the war, letting him claim victory even if the Iranian regime remained in place. But Mr Trump will also recall how a botched effort to rescue the hostages from America's embassy, Operation Eagle Claw, doomed Jimmy Carter's presidency. Performing each of these steps at Natanz and Fordow, too, would amount to one of the largest raids in military history.

"There's no doubt that the US can do it," says a former Western military chief. "They're probably the only military in the world that could. But you either do it incredibly small and insert in a very covert way, or you go in at scale—you essentially turn that part of Iran into the United States of America for a while." ■

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Middle East & Africa | How to end a conflict

America's war aims may be diverging from Israel's

For Binyamin Netanyahu they are, as ever, a question of politics

March 12th 2026

GENERALS RARELY put themselves directly in the line of enemy fire but on March 6th Major-General Tomer Bar, the commander of the Israeli Air Force, flew an F-15 fighter jet on a strike mission in Iran. Not all his colleagues were enthusiastic about such a senior commander flying deep over hostile territory. "It's a bit of a stunt," said one air-force officer. "But I can understand him. We've been preparing for so many years for this war."

These are heady days for Israeli pilots and generals. For over two decades they have been planning and training for long-range strikes on Iran's nuclear programme. But until very recently they had never imagined doing so in a joint air armada with the world's superpower. Nor had they imagined hitting targets, including civilian infrastructure, that go far beyond nuclear ones. Now officers from the two countries are constantly sitting together in planning sessions, dividing up targets within Iran. Dozens of American aerial tankers are topping up the fuel of Israeli fighters en route to their missions. Between them, the two air forces have destroyed most of Iran's air-defence network, achieving dominance over its skies.

Binyamin Netanyahu also seems to be flying high. Having spent many years thundering about the Iranian threat, the Israeli prime minister has found in Donald Trump an American president willing to go all the way with him. That, at least, was the first impression. But with the war into its second week, Israeli planners are increasingly aware of where the two countries' strategies may start to diverge.

Following the opening strikes of the war on February 28th in which Ayatollah Ali Khamenei, Iran's supreme leader, was killed, the Americans and Israelis embarked on a 100-hour plan of attack, working their way down a list of targets. Those running the operation were aware that Mr Trump has a propensity for swift declarations of victory and wanted to maximise the damage they could do to the Iranian regime during the first four days.

Some are surprised at how long the war has gone on. The president's resolve is unclear; his statements are frequently contradictory. On March 9th he said in an interview "I think the war is very complete, pretty much." Hours later, he changed his tune by saying "we've already won in many ways, but we haven't won enough." His statements seemed designed to reassure financial markets rattled by soaring oil and gas prices. If so, his words had the desired effect: energy and financial markets had calmed by March 10th.

Since Mr Trump has never made clear what he hoped to achieve through this war, it is not surprising that he is vague about when it might end. At the start of the war, Messrs Trump and Netanyahu were united in their stated aim of destroying Iran's nuclear and ballistic missile programmes. Now, though, Israel and America's end goals may be diverging.

Mr Netanyahu is blunt about wishing for regime change. He claims that Israel wants to "create the conditions for the brave Iranian people to take their destiny into their own hands". Mr Trump, by contrast, has always seemed more enthusiastic about a Venezuela-style victory in which he effects change within the Iranian regime by seeing a more co-operative insider take over. He has demanded Iran's "unconditional surrender" and said in an interview he must be "involved in the appointment" of Iran's new supreme leader, "like with Delcy [Rodriguez] in Venezuela."

Israeli officials increasingly believe that Mr Trump is much less eager than they are, or than they thought he was, to see full regime change. Instead, they reckon he is focused primarily on controlling the flow of oil from Iran. China buys the bulk of the Islamic Republic's output, at a hefty discount, because it is willing to ignore America's sanctions on Iranian exports. Mr Trump is due to meet Xi Jinping at the end of March. He would have considerable leverage over China's leader if he had established control of Iran's energy supply. Israeli officials became more convinced that this is Mr Trump's main motive after his officials expressed anger over the scale of a massive Israeli strike on fuel tanks in Tehran on March 7th. It was the first sign of discord between the two countries.

Regime change is extremely unlikely to happen while the war is raging. Iranians have shown extraordinary bravery in recent months in mass protests despite bloody repression by Iran's security forces. However, they are unwilling to take to the streets while bombs are falling. Iran-watchers in Israel believe that it may be months or more before any new demonstrations against the regime. Israel and America have been bombing the headquarters of the Basij, a paramilitary force, across the country but its power structures, and those of the Islamic Revolutionary Guard Corps, remain largely intact. Prolonging the war, the Israeli experts argue, will only delay any uprising against the regime, while continuing to expose Israel to Iranian missile attacks and the danger of a worsening second front with Iran's proxy, Hizbullah, in Lebanon.

As always the Israeli prime minister has his eyes on politics and his own position. Stopping the fighting at this point would be a liability for Mr Netanyahu. Regime change, if it ever happens, may not come soon enough for him. He is facing a difficult fight for re-election later this year and is loth to end the war on an inconclusive note. On June 24th last year, at the end of Israel's previous war with Iran, Mr Netanyahu claimed to have "removed two existential threats" from Israel, that of Iran's nuclear and missile programmes. Eight months later, Iranian missiles are falling on Israel again. Messrs Trump and Netanyahu will claim victory however the war ends, but their voters may take some convincing.■

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Middle East & Africa | On their guard and on edge

Should the Gulf states join attacks on Iran?

A lack of trust in America and Israel, internal divisions and the risk of domestic strife all hamper a unified response

March 12th 2026

The six members of the Gulf Co-operation Council (gcc) often struggle with the co-operation bit. Plans for a common currency and a railway across the Arabian peninsula are decades behind schedule. Foreign-policy disputes have led to years-long ruptures between monarchs.

Over the past ten days, war has brought a traumatic consensus. Since America and Israel attacked Iran on February 28th, more than 2,000 Iranian missiles and drones have rained down on Gulf states. The pain has not been equally distributed—more than half of Iran's attacks thus far have been aimed at the United Arab Emirates (uae), compared with only a handful at Oman—but it has been felt everywhere. One of the most recent drone attacks, on March 9th, hit Bahrain's sole oil refinery, injuring 32 people and leading the state-run oil company to declare force majeure.

Yet there is no unity on how to respond. That is not only because of long-standing disagreements between states, but also within them: some officials urge restraint, while others seek retaliation. Gulf states are paralysed because they do not trust any of the parties to this war—including themselves.

Start with America. In the months before Donald Trump (and Israel) struck Iran, all six gcc members urged him not to do it. When war began to look inevitable, some added a caveat: if you do it, do it right. They feared that America would drag them through a conflict only to leave the Islamic Republic wounded but intact.

Mr Trump's vague suggestion on March 9th that the war could be nearing an end might have spooked them. Gulf rulers know that he can be unreliable. Less than a year ago, after all, he stood in Riyadh and denounced the "interventionists" who had "wrecked" the Middle East. And they can read the polls in America, which show a majority opposed to the war and the president's approval rating stuck at 38%.

For the restrainers, then, joining the war seems an unacceptable risk: Gulf states might paint a target on themselves only to watch America pack up and leave soon after. A few officials muse about setting up a coalition like the one that fought Islamic State a decade ago, as a way to bind Mr Trump and draw in other allies. But that seems a hard sell with a president who is not fond of multilateralism.

At the same time, trust in Iran—never high—has evaporated. Saudi Arabia and the uae laboured for years before the war to improve their once-hostile relations with the Islamic Republic, while Qatar has long maintained friendly ties with it. All were attacked anyway. To more hawkish voices in the Gulf, restraint looks naive. It has not shielded them so far. As the war continues, Iran will probably keep escalating its attacks. Conciliatory messages from Masoud Pezeshkian, the Iranian president, and other officials have proved worthless.

They also worry about what happens when the war ends. Even assuming the country remains intact, Iran will presumably remain under onerous American sanctions and the regime may have billions of dollars in damage to contend with. It could seek to extort the gcc by keeping up a trickle of drone attacks or continuing to harass ships in the Persian Gulf. Those who argue for taking action now reckon it is better to try to create some deterrence by showing Iran that Gulf states can hit back, at a moment when America is still focused on their defence.

Israel's role is another complication. On March 8th several Israeli journalists reported in unison that the uae had joined the war by attacking a water-desalination plant in Iran. Their unsubstantiated stories were attributed to an unnamed "Israeli source". The uae rushed to deny them. "This is fake news," said Ali al-Nuaimi, a defence official.

In private, the Emiratis were furious. Since they established diplomatic ties with Israel in 2020 they have worked to build a close partnership, one that even endured the Gaza war, when other Arab states kept their distance. Now the Israelis were leaking something that was either a closely guarded secret or an outright falsehood (and probably a war crime to boot).

Nor was it the first time Israeli journalists made such a claim about a Gulf state. Five days earlier they reported that Qatar had carried out strikes in Iran. That too was denied. "It's a dirty game," says an official from a third Gulf country, who thinks Israel is trying to create a fait accompli by leaking reports of supposed gcc military action. This is becoming a widely-held view in the region. It is making even some interventionists uneasy.

The final issue is domestic. Though the Gulf states are monarchies, they cannot ignore public opinion. Bahrain is a particular worry. The island's Shia majority has long complained of discrimination at the hands of its Sunni rulers. Mass protests in 2011 were brutally repressed by Bahraini police and armies from other Gulf states. Those grievances have not gone away. In some videos of Iranian strikes on the kingdom, the people filming can be heard cheering the attacks. Were Bahrain or other Gulf states to join the war, it might stir up fresh unrest.

The business community is starting to grumble, too. Khalaf al-Habtoor, a billionaire property mogul in Dubai, has posted several criticisms of the war on social media, accusing America of dragging the Gulf into danger, only to delete them later. His missives touch on a long-standing difference between Abu Dhabi, the uae's capital, and Dubai, its commercial hub. The former is more comfortable with an assertive foreign policy and views Iran as a menace, while the latter would prefer to stay neutral and is often rapped by America's Treasury for turning a blind eye to Iranian money-laundering.

For now, the restrainers seem to be winning the argument. A spectacular Iranian attack could tip the balance the other way, while a swift truce could end the debate. The longer the war drags on, the more contentious it will become. ■

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Middle East & Africa | Dire strait

Can America clear the Strait of Hormuz of Iran's drones and mines?

Escorting convoys of oil tanker with warships may give Iran juicy American targets

March 12th 2026

The strait of Hormuz is tricky for mariners at the best of times—narrow, congested and often hazy. In times of conflict, it can be a death trap, overlooked by mountains. Tankers carrying oil, refined fuels and liquefied natural gas have all but stopped sailing through the passage since the start of Operation Epic Fury, causing a shuddering energy shock. Can America clear the waterway by military force?

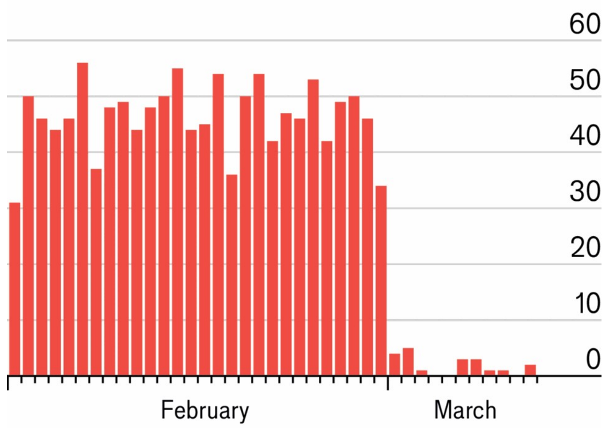
At least 16 vessels have been struck in the Gulf region, including a Thai-flagged bulk carrier in the strait and two fuel tankers in Iraqi waters on March 12th. The Pentagon did not confirm reports that Iran had started to mine the strait. Mr Trump warned that his response to any mine-laying “will be at a level never seen before”. American forces have sunk much of Iran’s navy, including 16 mine-laying vessels, some of them small speedboats.

The president has offered military escorts for tankers if necessary. This is an echo of Operation Earnest Will in the 1980s, at the height of the Iran-Iraq war, when America reflagged Kuwaiti tankers and protected them in transit. European countries and Pakistan are also talking of sending escorts.

More than a quarter of global seaborne oil exports pass through the waterway. Some 46 fuel tankers sailed the passage every day in the weeks before the war, according to data from Vortexa, a market-intelligence firm. Since then only a handful have braved it; they appear to include Iranian tankers. China is reported to be trying to negotiate safe passage for its ships, so far to little avail. Meanwhile, laden tankers are bunching up on the western side of the strait, empty ones on the east.

Oil-drums of war

Tankers passing through the Strait of Hormuz*, 2026



*Crude oil, refined fuels and liquefied natural gas

Source: Vortexa

The threat to shipping comes in many forms. In the air, Iran can make use of ballistic and cruise missiles, as well as drones. On the surface it has fast attack boats armed with missiles or explosives. Beneath the waves it can deploy thousands of sea mines and unmanned vehicles, not to mention divers who can place limpet mines on ships at anchor. How much of this capacity has been destroyed is unclear.

Mr Trump has urged shipowners to “show some guts”. But American warships also seem wary. Shipping sources say the navy has declined repeated requests for protection. Chris Murphy, a Democratic senator, said after a classified briefing that military brass “don’t know how to get it safely back open”. For Mark Montgomery, a retired American rear admiral now at the Foundation for Defence of Democracies, a think-tank in Washington, American forces have not yet reduced Iran’s capabilities to the point at which escorts can deal with remaining threats, he says; in any case American destroyers used for air defence are busy protecting aircraft-carriers in the region. If convoys materialise, he adds, they will require surveillance aircraft, warplanes and helicopters overhead, as well as warships. It will not be easy, or cheap.

During the Gaza war the Houthis, a militia in Yemen allied to Iran, stopped much of the sea traffic in the Red Sea and Suez canal by attacking ships in the Bab al-Mandab Strait with cheap drones and missiles. America struggled to destroy their forces and reopen the strait; one aircraft fell off a carrier as it dodged Houthi attacks. Traffic has yet to return to pre-crisis levels—and the Houthis have vowed to resume attacks in solidarity with Iran.

In the past American commanders have insisted that they could reopen the Strait of Hormuz within days or weeks of Iran attempting to close it. But experts point to the cautionary tale of Britain’s failed campaign against the Ottomans in the first world war to force open the Dardenelles, part of the passage between the Black Sea and the Mediterranean. The allies lost several ships trying to fight their way in from the sea. The Gallipoli landings to seize the passage by land turned out to be an even bloodier debacle.

Iran, too, has layered defences and commanding terrain in the Strait of Hormuz, notes Jonathan Schroden of the Centre for Naval Analyses, another American think-tank. “You have to peel the layers of the onion,” he says. “You would first have to tackle the missiles and the drones and the fast boats before you would go after the mines.” Minesweepers are poorly protected and would struggle to operate under fire. America is replacing wooden-hulled minesweepers with littoral-combat ships carrying mine-warfare "packages", including unmanned drones, though some worry these are unproven.

In the Dardanelles as in the Strait of Hormuz, notes Caitlin Talmadge, a professor at the Massachusetts Institute of Technology, geography allows the defender to draw enemy vessels close to shore, where they can be more easily attacked. "Some of the weapons have changed—I am more worried about projectiles than mines—but the concept has not changed," she says.

America's technological advantages are blunted in confined waters. Drones and missiles reach their targets more quickly, for instance. Moreover, warships are in some ways more vulnerable to damage than larger tankers, which often have double hulls; and their superstructure carries expensive equipment, such as radar. In the 1980s escorts typically sailed behind tankers, not ahead of them, to avoid mines.

A big difference with Operation Earnest Will, Professor Talmadge explains, is that in the 1980s the Iranian regime was seeking to avoid all-out war with America at sea, despite various clashes, as it struggled to hold back Iraqi forces on land. "The idea that Iran will be restrained because of fear of escalation seems fanciful," she says. "It's already engaged in an existential war for regime survival."

Alarmed about the economic impact of the oil crisis, Mr Trump has suggested that the conflict will end "very soon". Yet if the strait remains blocked, he may find it hard to declare victory quickly. ■

Clarification (March 11th 2026): Earlier versions of both the article and the chart did not compare like-for-like vessels passing through the Strait of Hormuz before and after the outbreak of war. They have been updated.

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Middle East & Africa | Conflict data

What data reveal about the war’s progress

We analyse 1,615 distinct attacks, and more besides

March 12th 2026

The fog of war can be hard to dispel. But modern conflicts produce a lot of data. So, to build a picture of events, we have analysed details from 1,615 distinct attacks, 2,875 missile and drone launches, and abnormal “high-temperature events”, such as fires, at 208 strategic sites.

Our results suggest that each side shifted tactics in the early stages of the war. Iran’s counterpunches became less effective, both fewer in number and more reliant on drones, instead of missiles. America and Israel changed their focus from conventional military targets to defence-industry facilities, ports and the regime’s infrastructure of oppression.

Whereas Iran sent over one drone for every missile at the start of the conflict, that ratio has now risen to three to one. The change in approach has not led to success. The United Arab Emirates reports that, as of March 10th, it had been attacked by 262 ballistic missiles (260 of which were intercepted or fell into the sea); 1,475 drones (1,385 intercepted); and eight cruise missiles (all intercepted). Bahrain has seen more than 350 incoming munitions, intercepting most of them. In recent days, Iranian attacks have become rarer still.

According to conflict monitors, America and Israel are hitting two-fifths as many military targets as at the start of the war. Early strikes included ones on the presidential residence in Tehran and the SA-65 Iranian air-defence system in Kermanshah, western Iran. More recent targets include police stations and airports, as well as sites linked to the Islamic Revolutionary Guard Corps, the regime’s praetorian guard. Data from FIRMS—a system set up by NASA to track forest fires, which we have used to observe strategic Iranian sites—suggest that a period of intense bombardment of missile and drone factories may now have come to an end, replaced with strikes on nuclear facilities, oil refineries and ports, as well as remaining military targets.

One constant has been disruption to travel and trade. Although planes have begun taking off from some airports, others, such as those in Doha and Kuwait City, remain largely out of bounds. The Strait of Hormuz is the biggest choke point. Before the war 50 or so large oil and gas tankers would traverse it each day. Since the conflict began, no more than five have, as on March 2nd. On three days none at all appears to have made it. ■

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Middle East & Africa | Done with sweet deals?

Kenya's ailing sugar sector is a test case for reform

Low productivity and political corruption bedevil the whole economy

March 12th 2026

Evans Otieno grows sugar cane. As did his father, and his father before him. For a while, Mr Otieno recalls, life was good. The arrival of the state-owned South Nyanza Sugar Company in 1979 changed their corner of western Kenya. High sugar prices set by the state buoyed the incomes of the tens of thousands of small farmers like his grandfather. Money from the cane paid for him and his father to go to school.

Sugar is still central to Kenya's economy. Of the country's 55m people, 9m depend on it for their livelihood. But the golden years were brief. Politically connected traders known as "sugar barons" have spent decades extracting vast rents from a regime of strict import licences and state-controlled prices. Today yields are lower and consumer prices higher than in neighbouring countries. “The story of Kenyan sugar is the story of Kenyan politics—of how elites make money,” says John Githongo, a veteran anti-graft campaigner. That means that attempts at reforming the sector by the government of President William Ruto are a crucial test case for the economy as a whole.

On the face of it, Kenya’s economy is solid. GDP growth is robust, with the IMF predicting a growth rate of nearly 5% in 2026. Inflation is stable at 4.3%. So are foreign-exchange reserves, which are above $10bn, enough to cover around five months of imports. But beneath the stability are chronic weaknesses, notably low productivity and an enmeshing of politics and business that facilitates corruption.

Both problems bedevil the sugar industry. The small farms and ageing state mills in Kenya’s sugar belt badly need modernising. The sector is dominated by a small number of firms suspected of being cosy with the government, several of them family-owned. A single company controls nearly half the industry through its mills. Regulation is dense and wide-ranging, increasing opportunities for graft. A recent study by the World Bank found that Kenya has more explicit restrictions on competition than nearly every other country it surveyed for both producing and trading sugar. A sweeping law passed in 2024 centralised price controls and weakened farmers’ bargaining power by forcing them to sell their cane to specific mills.

For decades government influence over the sugar price, via tariffs and other tools, has benefited powerful politicians, especially around election time. “If you control the price, you control the voters,” says Xn Iraki of the University of Nairobi. The wide gap between local and import prices, particularly during periods of shortage when the government allows duty-free imports of emergency supplies, creates opportunities for arbitrage. Insiders exploit them to pay for election campaigns.

The government says it wants to shake up the industry. David Kemei, the head of Kenya’s competition regulator, says at least seven private sugar mills have entered the market in the past five years. In 2025 the Ruto administration leased four inefficient state-owned mills to private investors. In January Kenya fulfilled a 24-year-old promise to lift restrictions on sugar imports from the Common Market for Eastern and Southern Africa, a regional trade bloc.

Liberalising the sector would benefit consumers, who would pay lower prices. It might also help farmers and some mill workers, as higher productivity should translate into higher wages for those who keep their jobs. For decades state-owned mills were purposefully under-mechanised in order to maximise local employment, and badly run because the government used them as tools for political patronage. Mills often failed to pay farmers for their cane for months or years. Now, farmers in western Kenya say the new private owners are paying on time.

If reforms in the industry succeed, sugar might become a model for other sectors. The World Bank reckons trimming subsidies and removing regulations that benefit political insiders in electricity, transport and agri-business, among others, could add nearly 1.4 percentage points to annual GDP growth rates. More than 400,000 new jobs might be created per year.

Mr Kemei says the government is speeding up such reforms. “The administration’s priority is to ensure that our markets are competitive,” he says. “There is a gradual reduction of state participation in market activities.” This year the state plans to sell a $1.6bn stake in Safaricom, the country’s largest mobile-network operator, in part to raise capital for a national infrastructure fund. An initial public offering for the state-run pipeline firm was launched in February.

Critics doubt such steps will significantly boost competition. They say the Privatisation Act, passed last year, grants too much power to Kenya’s president and treasury secretary, raising concerns about corruption. The opaque tendering process for state sugar mills may be a case in point. All licences granted last year went to incumbents, and none to foreign firms. “They were awarded to friends of the state,” says an industry insider.

The government may not stay the course even on limited reform. Recent price controls for sugar cane and wheat suggest it remains wary of ceding its grip on agriculture. It also seems loth to withdraw from the fertiliser market, perhaps because of the power it gives politicians over farmers. An election in 2027 increases the incentive to backtrack on reforms that reduce the potential for patronage. Kenya's economy, like its sugar industry, is not yet free of politicians' clutches. ■

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Europe

- As war rages, Turkey‘s strongman puts the opposition on trial
- In Paris’s mayoral race, it’s drivers against cyclists
- A popular German Green wins a surprise victory
- Ukraine’s housing market is increasingly peculiar
- Viktor Orban’s illiberal intellectual patronage system

Europe | Trial of strength

As war rages, Turkey‘s strongman puts the opposition on trial

Chaos in the Middle East makes President Erdogan indispensable to the West

March 12th 2026

EKREM IMAMOGLU, the man Turkey’s main opposition group wants to become the country’s next president, entered the hall, waved to supporters and tried to address them, his voice drowned out by cheers. But Mr Imamoglu was not on the stump. He was in the dock, inside a vast prison courtroom packed with lawyers, other suspects and observers. Relatives of the more than 400 defendants, some of whom have spent 11 months behind bars, stood on their seats waving, hoping to lock eyes with loved ones. “He saw me,” a woman cried out, having spotted her husband, before collapsing into her chair, sobbing.

It was March 9th and Turkey's most important trial in years was under way at last. Mr Imamoglu was arrested a year ago, days before being nominated by his Republican People's Party (CHP) as its presidential candidate. He was then deposed as mayor of Istanbul and accused of a cascade of corruption charges. His indictment runs to more than 3,700 pages, and he faces up to 2,532 years in prison. The trial could take years. There is little chance Mr Imamoglu can run in the coming presidential election, due in 2028. "The aim of this case is to make sure he doesn't get out before then," says Sezgin Tanrikulu, a lawyer and CHP parliamentarian.

Earlier this year Turkey's president, Recep Tayyip Erdogan, who swears by the independence of the country's judiciary, appointed the prosecutor who oversaw the investigation as his justice minister. As the trial began, Mr Erdogan accused the CHP of tarnishing his government's name when bigger things are at stake. "Turkey is surrounded by a ring of fire," he said. To attack the government at such a fraught time, he added, was irresponsible.

Turkey's leader is turning to foreign policy to obscure problems at home. His government, backed by docile media, wants voters to pay less attention to inflation and democratic rot, and more to Turkey's growing footprint abroad. "That's where they can still sell the public a success story," says Senem Aydin-Duzgit, director of the Istanbul Policy Centre, a think-tank. To ensure European allies overlook his abuses, Mr Erdogan is leveraging Turkey's geopolitical role in the Black Sea, in Syria and as an occasional mediator between Russia and Ukraine.

America's war with Iran has given him more scope. Turkey has opposed the war from the start. It threatens to disrupt trade and set off yet another humanitarian crisis at its doorstep. Surging energy prices make it harder for the country's central bank to bring down inflation, now at 31.5%.

Yet the war also underscores Turkey's importance. The European Union sees it as a buffer against the Middle East. On March 1st Ursula von der Leyen, president of the European Commission, hailed Mr Erdogan's readiness "to deal with a potential impact of this crisis on migration". The EU has paid Turkey more than $10bn since 2016 to hold back Syrian refugees. In case of a mass exodus from Iran, which borders Turkey, the bloc will almost certainly reach for the same playbook.

Turkey has contingency plans of its own. Syria's civil war forced it to take in millions of refugees. To avoid a repeat, it is considering setting up refugee camps on the Iranian side of the border. Turkey has no love for Iran's regime, but fears the security vacuum that its collapse would produce. With NATO's second-biggest army, Turkey can handle itself if dragged into the conflict, but Mr Erdogan has pledged to avoid that. Still, an Iranian miscalculation might force his hand. NATO defences have shot down two Iranian missiles headed for Turkish airspace. Iranian drones have also struck Azerbaijan, with which Turkey has a mutual defence pact.

Turkey would have an important role in any return to negotiations. Mr Erdogan is among the few leaders on amicable terms with both Donald Trump and Iran's ayatollahs. And the country has deeper intelligence links to Iran than most Arab countries, let alone other NATO members.

In Syria, where an insurgency Mr Erdogan had long backed toppled the government in 2024, Turkey has become the country's most important security partner and a major investor. The new government, headed by President Ahmed al-Sharaa, has helped Mr Erdogan put the squeeze on the Kurdistan Workers' Party (PKK), an armed group Turkey has fought for more than four decades. Earlier this year Syrian government forces expelled the PKK's Syrian franchise from much of the country's north-east, crushing the prospect of Kurdish autonomy in the region.

Mr Erdogan's rapport with Mr Trump has paid dividends. On March 9th America's government reached a settlement with Halkbank, a Turkish bank that American prosecutors had accused of helping Iran dodge sanctions in the 2010s. The bank could have faced fines of billions of dollars, but got away with a slap on the wrist. Days earlier, reportedly at Turkey's urging, Mr Trump shelved a half-baked plan to foment an armed Kurdish uprising inside Iran.

The war in Iran means Western leaders are more eager than ever to keep Turkey onside, says Karabekir Akkoyunlu of the School of Oriental and African Studies in London. "What's happening inside Turkey is considered much less relevant," he says. "And that gives Erdogan more room to move ahead with his agenda." That bodes ill for Turkey's democracy, and for Mr Imamoglu. The more indispensable Mr Erdogan becomes, the longer his biggest rival can expect to spend behind bars. ■

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Europe | Two wheels v four

In Paris's mayoral race, it's drivers against cyclists

A decade of greening leaves the capital less congested but more divided

March 12th 2026

A decade ago the Rue de Rivoli, which bisects the centre of historic Paris, was clogged with cars and parked vans. Today two-thirds of its width is given over to protected cycle lanes. On a weekday morning, commuters, delivery bikes and tourists pedal quietly along what was once a grimy transit axis. With over 1,500km of cycle lanes, Paris now boasts a bigger network than Amsterdam, Europe's cycling mecca. The capital's air is cleaner; noise levels are down. Yet as Parisians prepare to go to the polls on March 15th and 22nd to elect a new mayor, many are not happy.

Motoring has become the new front line for city politics. If Paris is on its way to becoming a post-car city, this owes much to the tenacity of Anne Hidalgo, the outgoing Socialist mayor, and the Greens with whom she has governed since she was first elected in 2014. The cycling network Ms Hidalgo inherited was already 700km long. She more than doubled it, blocking streets, curbing on-street parking and reclaiming roads—including a former riverside expressway—for pedestrians and cyclists. More daily trips in Paris are now made by bike than by car.

Yet motorists have never stopped grumbling. Only a third of Parisians own cars. But the share reaches half in the posh western quartiers. Their discontent helps explain why a majority of Parisians are unhappy with Ms Hidalgo. One of them is Sarah Knafo, a populist-right candidate (though not for Marine Le Pen's National Rally, which is fielding another contender). She has surged into third place in the first-round polls, overtaking Pierre-Yves Bournazel, the candidate backed by President Emmanuel Macron's centrist party. Ms Knafo's slogan is "A happy city"; her signature colour is daffodil yellow. A happy Paris, she implies, means allowing cars back on roads where they are now banned.

For Rachida Dati, the centre-right candidate and mayor of a swanky rive gauche neighbourhood, the crusade against the car is emblematic of misguided priorities. She has broadly embraced the cycling culture, although she deplores the "chaos" brought about by so many cyclists. But the impeccably turned-out Ms Dati, who until recently was Mr Macron's culture minister, wants to focus on other things, including clearing rubbish and getting rid of rats. A clip of her emptying rubbish bins with the refuse-collection services went viral. If elected Ms Dati would end 25 years of Socialist rule. One of 11 children of north African immigrant parents, she would also be the first ethnic-minority mayor of Paris.

Her chief rival is Emmanuel Grégoire, the Socialist candidate and first-round poll front-runner. Speaking in the sunshine by the Seine on a recent afternoon, he cheerfully answers voters' questions, which roam from the use of plant-based protein in public-school meals to the loss of local bookshops. Home delivery is undermining the "15-minute city", the idea that you can easily reach shops, restaurants, schools and the like on foot or bike. As Ms Hidalgo's former deputy, Mr Grégoire knows his stuff and is behind many of the projects to curb car use. He promises to finish the job and create a "100% cyclable" city, and to adopt a less top-down management style.

Other issues divide the candidates, too. One is the housing shortage. Mr Grégoire wants fewer tourist rentals and more public housing; Ms Dati would leave all that to the private sector and cut the city's debt. Another is crime. Everyone wants more local police; Ms Dati wants them armed.

Such genuine concerns deserve proper responses. But the discontent over policies that have made the city so visibly less congested and noisy—at least in the centre—is more surprising. One reason for it, notes Jean-Louis Missika, former head of planning under Ms Hidalgo, is the disruption caused by building properly protected cycle lanes. Chaos and congestion seem to worsen before commuters feel secure enough to switch to bikes. Another, say critics, is that Ms Hidalgo has not matched her focus on grand urban redesign with a daily effort to keep the city clean and safe, and potholes filled. Paris may be admired abroad for championing cyclists. Parisians, divided, will now get their say. ■

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Europe | Comeback kid

A popular German Green wins a surprise victory

Cem Özdemir becomes the first Turkish-German to run a state

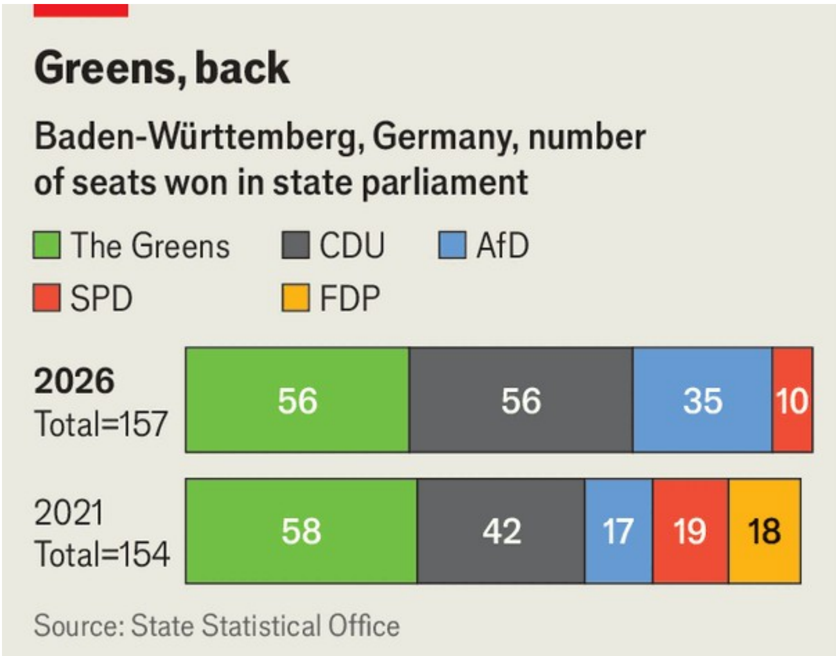
March 12th 2026

WHEN CEM ÖZDEMIR became one of the first two Germans with Turkish roots to enter the Bundestag in 1994, he later wrote, “some people apparently expected me to arrive on my flying carpet, with a curved dagger, baggy trousers and a fez on my head.” For years Mr Özdemir, the son of Turkish “guest workers” who emigrated to Swabia, in Germany’s south-west, in the early 1960s, battled attempts to confine him to jobs relating to immigration and integration. Why should a member of the country’s largest minority not have a place at the political table like anyone else?

He succeeded. Mr Özdemir rose to lead his party, the Greens. In 2021 he became the first Turkish-German to serve in Germany’s cabinet. Now the 60-year-old “Anatolian Swabian”, as he dubs himself, has led the Greens to a surprise victory over the conservative Christian Democrats (cdu) in his home state of Baden-Württemberg on March 8th. In a country where nativism is rising but 30% of the population are immigrants or have an immigrant parent, his win is symbolically powerful. Other than a German with Scottish roots who once ran Lower Saxony, Mr Özdemir will become the first German with a migrant background to lead one of Germany's 16 states.

Sardonic and quick-witted, Mr Özdemir has not shied away from political scraps. Notably, he has railed against the democratic and human-rights abuses of Recep Tayyip Erdogan in his parents' homeland, and those of his fellow Turkish-Germans who choose to vote for Turkey's president. At home he is a firm moderate among his Green colleagues, and some of his rougher battles have been with leftist Fundis in his own party. Many have not forgiven him for once complaining about migrant men harassing his daughter.

But he has reciprocated their disdain. Mr Özdemir ran a highly personalised campaign in Baden-Württemberg, as if he were embarrassed by his own party affiliation. (He even found time to get married in the middle of it.) In the end it was executed perfectly; having trailed in opinion polls for three years, the Greens won by 27,000 votes. "What a brilliant comeback!" Mr Özdemir beamed on election night.



Fifteen years ago Baden-Württemberg, home to Mercedes, Porsche and Bosch, became the first—and so far only—state run by the Greens. Winfried Kretschmann, the outgoing premier, hugged the car sector close and sang hymns to the state's industry. Mr Özdemir will do the same (and will probably lead the same Green-cdu coalition, see chart). "Climate protection on one hand, pro-business on the other: that's the only way to be a successful Green in this state," says Danyal Bayaz, the state finance minister and an ally of Mr Özdemir.

Mr Özdemir is alert to the anxiety gripping Baden-Württemberg over its industrial future, especially its automakers and suppliers. But the important decisions will mostly be made in Berlin and Brussels, rather than Stuttgart, the state capital. Still, Mr Özdemir's victory has boosted his party's sagging spirits, shown that centrism can win even in polarised times—and proved that in Germany one's background need not limit one's ambition.■

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Europe | Location, location, location

Ukraine’s housing market is increasingly peculiar

With blood in the streets, many are buying property

March 12th 2026

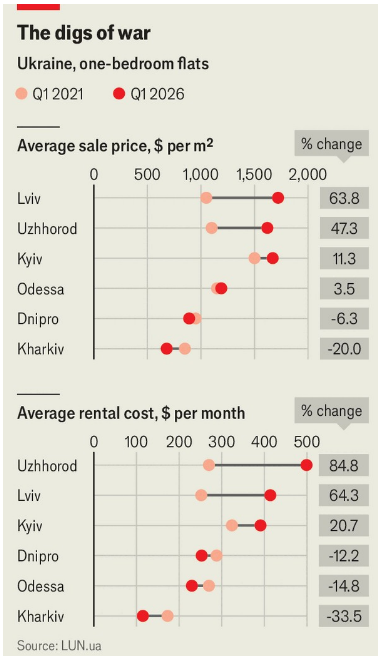
YURIY VOITOVICH, an estate agent, admits this isn’t his easiest sale. Before the war the Lviv Quarter housing development was an attractive investment, with penthouse flats offering panoramic views of Kyiv’s historic Podil district. Now it is the involuntary first line of defence for the missile factory next door. Russian drones and missiles have smashed into it 11 times.

Yet war or no war, the market keeps moving. Mr Voitovich’s listing, a 72-square-metre flat, is priced at $150,000, a modest reduction from the $190,000 it might have fetched pre-war. The agent is confident of finding a buyer, though he concedes it may require a steeper discount. “Everyone uses the missile risk to haggle,” he says.

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

The war has not caused Ukraine's property market to collapse. But it has been distorted. In the country's west, rents and sale prices have surged in response to internal migration. In Lviv average prices have climbed to $1,720 per square metre, 64% higher than at the start of the war, and exceed those in the capital.

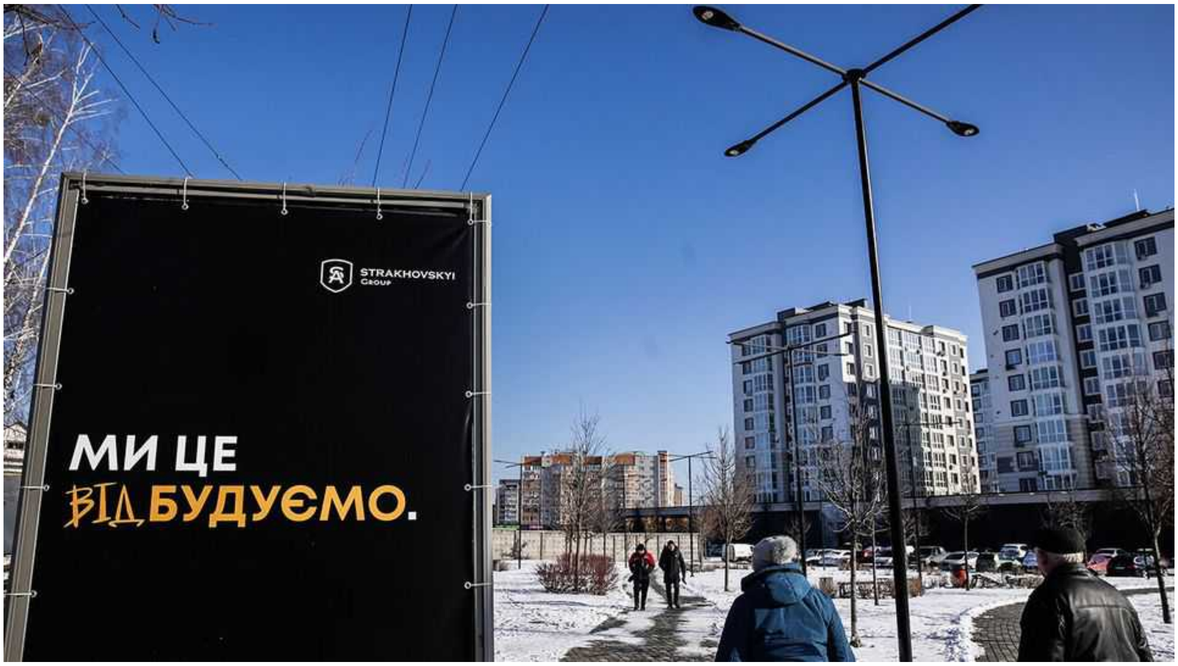
Closer to the front lines sale prices generally drop. Coming within Russian artillery range usually triggers a free fall. But rental property often goes the opposite way: limited supply and high military wages allow landlords to push up the rent. "Until the place is flattened or turns into the front line, nobody stops taking money," complains Roman Datsenko, a national-guard officer based near Sloviansk.



The cities of Kramatorsk and Sloviansk, Russia's top targets in Donbas, are a case in point. In Sloviansk, just 13km from the front line, Russian drones attack anything that moves: cars, buses, postal vehicles. Yet finding a rental can take weeks. In Kramatorsk the monthly rent for a bungalow is 60,000 hryvnia ($1,370), higher than the purchase price of the cheapest flats.

Hence many soldiers buy. Mr Datsenko recalls returning from a rotation to find the house he thought he was renting occupied by other troops. They had bought it from his elderly landlady for 100,000 hryvnia. "The early bird gets the slippers, I suppose," he says. A joke making the rounds is that as new homeowners, soldiers have a double incentive to repel the Russians.

Rents are also soaring in central Kyiv. Here the cause is an influx of foreign dignitaries and cash. Bomb shelters are enticing selling points, says Denys Sudilkovsky, business director at Lun, Ukraine's leading property website. "The best options disappear in hours."



Elsewhere distressed assets are encouraging speculation. Semi-legal firms are buying homes that face the biggest threat from missiles, betting on post-war recovery and the prospect of receiving government compensation, should a missile hit their property. They offer cash in exchange for big discounts.

The early wartime pattern was predictable: distressed east, buoyant west. But since 2023 Ukrainians have been returning east. Kharkiv, 30km from the front lines, has become an affordable investment hotspot. Much of the city's industry is in ruins. But with one-bedroom flats selling for three and a half times average yearly wages, down from five a couple of years ago, many Ukrainians are taking the plunge.

Mr Sudilkovsky, one of millions who fled west in the first year of war but later returned east, says the pull of the great cities endures. Ukrainian stubbornness is an underrated economic force, he says: "Is it dangerous to live in Kyiv, Kharkiv or Dnipro? Yes, of course it is. But that is where the best restaurants are. It's where life is. And it's home."■

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Europe | Charlemagne

Viktor Orban’s illiberal intellectual patronage system

The Budapest Megaphone blares populism to the world

March 12th 2026

The trick to solving the Rubik’s cube, a dastardly Hungarian toy, is to manipulate the structure by applying spin in the appropriate spots until everything settles into place. It turns out kids in Budapest are not the only deft manipulators and spinners in Hungary. Since reclaiming the prime minister’s job in 2010, Viktor Orban has methodically twisted the country’s media and intellectual life into perfect alignment with his Fidesz party. (The trick has worked so well that it would be unwise to bet against Mr Orban’s lot prevailing in elections on April 12th, though they are behind in the polls.) But reshaping the ideological order in a country of 10m people is small fry for someone of Mr Orban’s self-appointed global stature, like solving a single face of the Rubik’s contraption. In recent years his “proudly illiberal” regime has exported its brand of conservative agitprop beyond its borders. Europeans be warned: the Budapest Megaphone is blaring at you.

This new illiberal industrial complex is as multifaceted as that wretched cube. In recent years a slew of websites, magazines, institutes, think-tanks, conferences and educational outfits have sprung up to influence the discourse not just in Hungary, but across the European Union. Brussels used to be a place of technocratic haggling. Now it is a battlefield for conservative culture warriors keen to spread the Orbanite word (think: more patriotism and stay-at-home mums, fewer migrants and green rules). Besides a penchant for nativist rhetoric, members of this reactionary international have two things in common: funding from Hungary, and an unerring knack for saying nice things about Hungary's current leadership. This may be coincidence. One suspects it isn't. It is certainly convenient for America's MAGA right to have a European emissary at hand to help out with the Brussels-bashing.

It is possible these days to live in an intellectual bubble crafted by the finest minds Budapest apparatchiks can afford. One might start the day by reading Brussels Signal, a website with Hungarian ties that celebrates whenever European populists gain ground (quite often, recently). A related media venture, Remix News, features stories about crimes committed by migrants in Europe; another, the European Conservative, has weightier fare on policy matters. The afternoon can be spent reading the latest report from MCC Brussels, a think-tank, on how woke globalists are leading Europe to ruin. To discuss all this in person one can head to "Hungary House" in Brussels, a palatial venue that opened in 2024 and soon hosted a book launch for Jordan Bardella, a French ally of Fidesz. Conferences including conservative thinkers—often featuring Mr Orban, who else?—dot the calendar.

An unwitting consumer of this sort of fare may not realise the Hungarian regime is the driving force behind its own applause. Brussels Signal, which neither carries advertising nor sells subscriptions, is the creation of a former Fidesz political adviser. Many of the conferences and reviews promoting the Hungarian conservative credo are discreetly funded by quasi-state entities disbursing tens of millions of dollars a year. MCC Brussels, despite being only four years old, is among the best-funded think-tanks in Brussels, thanks to a generous stipend from the Mathias Corvinus Collegium, a research centre in Budapest. In practice it is an arm of the Orbanista establishment: it was endowed with over $1bn in assets in 2020, including lucrative stakes in Hungary's national oil company, and is chaired by a close aide of Mr Orban.

The various bits of the Budapest Megaphone claim to work independently of each other. Some propound a sort of Thatcherite line (disgruntled Brexiteers feature prominently); others are more squarely church-and-family types. Nonetheless the effect is of a conservative echo chamber, with one Hungarian-funded thinker extolling the virtues of another Hungarian-funded thinker (who will soon return the favour). Ties to America run deep. On March 21st the Trump-adoring "CPAC conference" will come to Budapest for the fifth time—indirectly paid for by Hungarian taxpayers.

What is the point of all this? Frank Furedi, the Hungarian-born boss of MCC Brussels, speaks of the need for an "alternative intelligentsia" to counter the prevailing liberal groupthink. Having lived under communist oppression, Hungarians are uniquely suited to see when ideological conformity becomes overbearing. In the hammer-and-sickle days before 1989 the ideological purity test involved proclaiming the dictatorship of the proletariat. Now, the Orbanists say, Brussels types impose their belief in LGBT rights, funding Ukraine and so on with just as much oppressive aplomb.

Diversity of opinion is a welcome aim; even state-funded thinkers can make valid points. But part of the aim of the Budapest Megaphone is not to preach but to drown out. Core to its ranting is that Mr Orban is persecuted by the godless Eurocracy (which in recent years has withheld billions of euros of EU funds earmarked for Hungarians) because of his conservative, pro-family ways. That claim ignores the actual reason: EU types object to the systemic manner in which Fidesz has muzzled civil society, enriched family and friends, and hobbled the rule of law. Mr Orban's allies frame the conflict as "globalists v sovereigntists". "The EU v wreckers of democracy" is closer to the truth.

This unofficial propaganda ministry may be on its last legs—or just getting started. The opposition Tisza party, ahead in the polls, says it will throttle the Orbanite ideological network should it win. But in a twist that would delight Rubik's aficionados, a new backer may be forthcoming. America's MAGAfied State Department is keen to "cultivate resistance" in Europe. It is said to want to shower money on the kinds of mouthpieces that receive Hungarian largesse. Populists who bemoan the state meddling in people's lives will no doubt reconcile themselves to the irony.■

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Britain

Britain | A narrower Channel

Ten years after the EU referendum, Britain has become more European

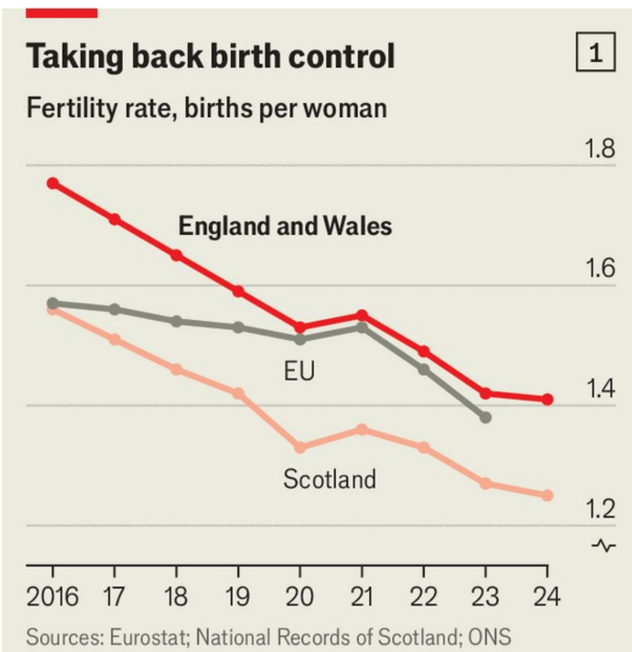
A nation of caffeinated populists

March 12th 2026

Almost A decade ago Britons started buying more coffee than tea. And not just any coffee. The long-running Family Food Survey shows that shoppers used to favour instant coffee: in the mid-1970s they bought about five times as much of that revolting stuff, by weight, as coffee beans. The scales tipped to beans in 2019. “The uk has become a coffee-drinking nation,” says Dock No, a statistician at the International Coffee Organisation.

Britain has become more like a continental European country in that respect, and in many others. The birth rate has slumped and young people are living at home for longer. Its economy tracks that of the euro zone. Britain is about to acquire continental-style employment regulations and renters’ rights. Its politics look decidedly European, with a fissile electorate and strong populist parties. Despite talk of a special relationship, Britain treats America's military adventurers in the Middle East with froideur. Even the Telegraph, a strongly pro-Brexit media brand, is being acquired by Axel Springer of Germany.

None of this seemed probable ten years ago, as campaigning began for the forthcoming referendum on membership of the European Union. Those who wanted to stay in the eu feared that Britain might throw out continental imports like parental leave and working-time restrictions, while some hot-headed Brexiteers argued that the country should align itself with the Commonwealth or what they called "the Anglosphere". But the eventual vote for Brexit in June 2016 is a big reason why Britain has become more European.

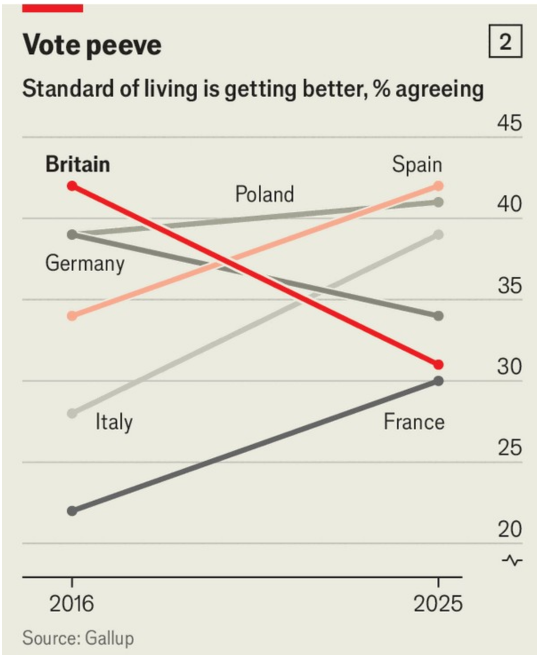


Start with reproduction. The fertility rate in England and Wales had been falling for a few years before the referendum. It stood at 1.8 in 2016. By 2024, the last year for which figures are available, it had dropped to 1.4 (see chart 1). The fall brings England and Wales close to the eu average. They have joined a central European medium-fertility clique that includes Austria, Germany and Hungary. Scotland has come to resemble the low-fertility countries of southern Europe.

A pervasive feeling of uncertainty may be contributing to the baby bust. Ann Berrington, a demographer at the University of Southampton, has shown that childless Britons who think they are faring worse than their parents at the same age are significantly less likely to expect to have a baby. Low earners are also more likely to remain living at home. In 2024 fully 49% of 24-year-olds were living in the family home, up from 36% a decade earlier. Britain has come to resemble a central European country in that way, too.

Economically, Britain was something of an outlier ten years ago. Although its gdp growth was hardly spectacular, the country had sidestepped the euro crisis, which hobbled southern Europe. Many British politicians believed that a chasm had opened between their country and the rest of the continent. Douglas Carswell, a Eurosceptic, argued that Britain was "shackled to a corpse". Even Sir Nicholas Soames, a Europhile Tory, described Europe as mired in "insecurity, lack of confidence and lack of optimism".

The gap was never as wide as politicians claimed, and it has closed, partly because Brexit has crimped trade and investment in Britain. The imf projects gdp growth of 1.3% this year in both Britain and the euro zone. In 2016 the Gallup World Poll found that 42% of Britons thought that their standards of living were getting better—higher than the proportion who said the same in France, Germany, Italy, Poland or Spain (see chart 2). By 2025 only 31% of Britons were similarly optimistic. They had become about as gloomy as the French, who make a national sport of pessimism.



In 2016 some Remainers worried that Britain might turn its back on the "social Europe" of workers' rights. The opposite has happened. Britain has strengthened paternity-leave rules and, from next month, is introducing tougher protections against redundancy. Labour politicians and trade unionists argue that the changes will make Britain more like the rest of Europe—as they will.

The same is true of the property market. Britain has long been a European outlier on residential lettings. Landlords were lightly regulated and tenants were more exposed to rent increases and the repossession of their homes. That is about to change. On May 1st a rule that allows many English landlords to reclaim their properties will be abolished, and tenants will be able to appeal against rent rises.

Emmanuelle Causse, secretary-general of the International Union of Property Owners, says that Britain is falling into line with other European countries. The Netherlands made indefinite tenancies the default in 2024. Ireland is severely restricting the ability of large landlords to recover their properties. With the partial exception of Scotland, Britain has avoided the extreme market meddling pursued in France and Germany, where rent increases have been capped. But some, including the mayor of London, want to do just that.

Politically, Britain has become more European too. On the eve of the referendum, two-thirds of voters favoured the Conservatives or Labour—the two parties that had dominated politics for almost a century. Only one other outfit, the United Kingdom Independence Party, scored more than 10% in the polls. Today five parties are polling above that threshold. Reform uk, a populist right-wing party, is in the lead; the other runners are Labour, the Conservatives, the Liberal Democrats and the Greens.

Britain has never seen such fragmentation, nor has a populist right-wing party led the polls before. The country has come to resemble continental countries such as France and Switzerland, where National Rally and the Swiss People's Party are in front. Again, Brexit is part of the reason. The 2016 plebiscite reorganised British politics along cultural lines: people increasingly vote not according to their class but their attitudes to issues such as immigration. Reform and the Greens, specialists in cultural politics, have benefited.

Britain is unlikely to rejoin the eu soon. But it finds itself aligned with continental Europe in many ways—including in its citizens' feelings about the eu. Before the 2016 referendum, the World Values Survey showed that Britons trusted the club much less than the citizens of other big EU countries did. They now trust it almost as much as Germans do and slightly more than Italians, simply because Britons have warmed. Rejoining the club would be difficult and fractious. It might, however, feel right.■

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Britain | A Green and unpleasant land

The Green Party's economic plans are Corbynism on steroids

They would be even more harmful

March 12th 2026

Molly Scott Cato, the Green Party's economy spokesperson, has long had a simple prescription for growth: stop pursuing it. In 2006 she published "Market Schmarket", an ecological critique of capitalism that bemoaned the sacrifices made "at the altar of the growth fetish". Amid tips to get an allotment and buy Fairtrade coffee, private-sector workers are encouraged to "cut [their] hours of work at least by half" to weaken the capitalist system.

This anti-growth mindset continues to suffuse Green thinking. The party's manifesto for the 2024 general election devoted only one paragraph to economic growth, arguing that its damage to the planet "is actively undermining our well-being". (The Labour manifesto mentioned growth nearly 50 times.) Our latest poll tracker shows that support for the party has more than doubled since 2024, to 15% of the vote. On February 26th the Greens secured their first by-election victory, in Gorton and Denton, a former Labour stronghold. It is time to take their ideas for power seriously.

The best place to start is that 2024 manifesto. Though a bit dated, it remains the party's official position and the fullest statement of Green policy on offer. Zack Polanski, elected leader in 2025, has not resiled from it but doubled down, reiterating flagship commitments such as a wealth tax. The manifesto's vision of a high-tax, high-debt economy is most similar to the 2019 Labour manifesto drawn up under Jeremy Corbyn, that party's previous left-wing leader. But in many ways it is more extreme, in its scale and its anti-growth regulatory agenda. As medicine for the British economy, it would be toxic.

At the heart of the manifesto is a spending spree. It promises free social care, no more tuition fees and a 40%-plus increase in the basic rate of working-age benefits. The party would nationalise both the water industry and the big five energy companies. The Greens estimated that these plans would cost £250bn ($336bn) a year in 2029-30, or 7% of GDP. That is bigger than the 5%-of-GDP increase promised by Mr Corbyn in 2019. The Labour government has implemented a small minority of the Greens' policies, such as ending the two-child benefit cap. But even after netting that out, we estimate that spending under the Greens would rise from 45% of GDP this year to over 50% in 2029-30, higher than in Denmark or Germany.

To pay for such largesse the manifesto proposes £170bn of annual tax rises by 2030. These would be narrowly targeted at the better-off. Those earning over £50,000 a year would see their marginal rate rise from 42% to 48%. There would be a new wealth tax, a raid on pensions and large increases in capital-gains tax. A carbon tax would bring in £90bn a year, roughly equal to the combined yield of all 80 carbon taxes and trading schemes worldwide in 2024.

These policies would not raise nearly as much as the Greens claim. A wealth tax is notoriously hard to collect. Such a large carbon tax would lead to swathes of British industry shutting up shop. Punishing taxes on high earners could finally trigger the big exodus they so often threaten.

Even if the Greens managed to raise this revenue, it would still leave an £80bn gap in 2029-30. That's over 2% of GDP to be funded through extra debt, similar in magnitude to Liz Truss's 2022 mini-budget. Mr Polanski rails against conventional fiscal rules, arguing instead that stopping inflation should be the only barrier to higher spending. This ignores the soaring borrowing costs that would result from the inevitable bond-market backlash. It skates over the long-term burden imposed on future generations. But more importantly, the manifesto would fail its own test: such a large stimulus would lead to prices rapidly rising, especially as Britain has become more inflation-prone in recent years.

If Britain escaped its low-growth trap, the resulting revenues would make it easier to fund the Greens' ambitions. Yet on top of its taxes, the party's regulatory policies would gum up the economy. The manifesto promises to end all road building and airport expansion. It would increase environmental regulation, making house building more difficult. Rent controls would be introduced, and firms would be forbidden from paying their highest earners more than ten times their lowest-paid employees. There are a few bright spots for the economy, such as rejoining the EU. But the net impact would be to crimp growth.

The Greens, full of good intentions, truly believe that destroying capitalism's dark satanic mills would make people happier. Britons would have more leisure time to walk upon England's mountains green. Their worries would be over, because the state would provide for their needs.

But Green policies would in reality produce something grimmer. Higher borrowing and supply-side restrictions would unleash stagflation. Spiralling interest rates and debt would wreck the public finances. If power beckons, the Greens may yet seek to calm such worries; the party told The Economist that it will revisit its plans before the next election. But on current policies, a green and unpleasant land awaits all Britons, rich and poor alike. ■

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Britain | Ever closer allies

Shared interests are binding Britain and Norway together

Defence and energy are the main pillars of a strengthening partnership

March 12th 2026

For British ministers, a trip to northern Norway is in fashion. In February Al Carns, the armed-forces minister and a former Royal Marine, was pictured scaling an ice wall near the Arctic village of Helligskogen. Days later John Healey, the defence secretary, travelled to Camp Viking, a nearby British military facility, to announce plans to double the number of troops deployed in Norway over the next three years, to 2,000. He added that 1,500 marines would join Cold Response, a NATO exercise in Norway and Finland between March 9th and 19th.

The message is clear. As the threat from Russia looms, and the Trump administration makes angry claims that Europe has neglected Arctic security, Britain wants to project power in the High North. It is forging closer ties across the Nordic region. Yet the relationship with Norway stands out. Since Britain's Labour government took power in 2024, the countries have penned a strategic partnership, as well as deals on shipbuilding, submarine tracking and green industries.

Norway has long looked to Britain as a security guarantor. When Nazi Germany invaded Norway in 1940 the royal family and government fled to Britain. British intelligence services trained Norwegian resistance fighters, and helped them launch covert operations from Shetland. After the war America became Norway's most significant ally; the Nordic country was, like Britain, a founding member of NATO. But "in every Norwegian's mind" Britain ranks in second place, says Tore Hattrem, Norway's ambassador in London.

Defence and energy are the central pillars of this alliance. The defence partnership is intended to deter Russia, particularly at sea. In September Norway agreed to buy at least five British Type 26 frigates in a deal worth £10bn ($13.6bn), against rival bids from America, France and Germany. The Lunna House Agreement, an Anglo-Norwegian defence pact signed in December, confirmed that the frigates will form part of a joint fleet designed to track submarines and other vessels in the North Atlantic. The pact also increased collaboration in such naval technology as torpedoes, and allowed the Royal Marines to train year-round in Norway for the first time.

For Britain, that cold-weather training is critical, says Ed Arnold of RUSI, a think-tank in London. In a conflict with Russia British troops would probably have to fight in places that demand winter-warfare expertise. Having British commandos on the ground is helpful for Norway, too. Norway's defence chief warns that Russia could try to seize a chunk of Norwegian territory to create a buffer around Russia's nuclear arsenal across the border on the Kola Peninsula. In such a scenario, the Royal Marines' efforts in reconnaissance, surveillance and intelligence could be valuable in identifying high-value Russian targets, Mr Arnold thinks.

Britain also casts the energy partnership in terms of security. Successive governments have stressed the need to seek supplies from reliable allies—not least Norway. Provisional figures suggest it provided nearly 70% of Britain's gas imports in 2025. In May the countries agreed to increase clean-energy co-operation in the North Sea, where Norwegian firms value British expertise in offshore wind. According to Wood Mackenzie, a consultancy, there were 16.9 gigawatts (GW) of wind power in British waters by the end of last year, second globally to China's offshore-wind installation (Norway had 0.1GW).

Underlying all this is a similar status outside the European Union. Brexit revitalised British interest in Norway, even if talk of emulating its full membership of the EU single market has died down in Westminster. Norway hopes the EU will do as much as it can to involve Britain in European defence co-operation, Mr Hattrem notes.

The differences between the two countries also matter. Norway is far richer: its annual GDP per person of $97,000 compares with Britain's $60,000. But since its population of less than 6m is dwarfed by Britain's 70m, it needs a bigger partner to show regional leadership as America pushes Europe to provide more of its own security. "We see Britain having a leading role in defending Europe," says Mr Hattrem. The question is whether Britain will devote sufficient resources to fulfil its promises on defence—and live up to the high expectations of its Nordic ally. ■

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Britain | Animal spirits

Lions or hedgehogs? The vital choice for England’s banknotes

The Bank of England plans to feature wildlife on its banknotes. But which animals to choose?

March 12th 2026

Britain is a country obsessed with wildlife. Over 70% of Britons describe themselves as animal-lovers; more donate to animal-welfare charities each year than to any other cause. (Sick children are an afterthought in a world where donkeys need sanctuaries.) The British spent £6bn ($7bn) on services for pets in 2023, equivalent to over 10% of the defence budget.

It is no surprise, then, that the Bank of England has announced that it will put animals on its next wodge of banknotes. The current ones feature humans but they tend to be divisive. Animals are less controversial. Badgers cannot be castigated for believing in racial hierarchies, unlike Winston

Churchill, the face of the £5 note. No squirrel can be connected to slavery. The same cannot be said of Jane Austen, the heroine of the tenner. For a bank afraid of controversy, wildlife seems the safe choice.

But which animals to choose? The bank will canvass the public on this vital matter in the summer. In Britain's imperial past the majestic lion was the obvious answer, but those days are long gone. For those depressed about Britain's economy, the sloth now seems more apt. High earners might argue that the magpie better captures the government's approach to taxation. Despairing YIMBYs would point to the great crested newt, a species with a talent for stopping things getting built. And for those who fret about Britain's dilapidated public realm, nothing quite says it like a fox eating out of a dustbin or a seagull snatching some chips. All such choices, alas, fall fowl of the bank's desire for images that unite rather than divide.

The bank could instead turn to animals that represent enduring British values. Britain has long been a tolerant and open country that excels at integrating immigrants. The bank could celebrate this by decorating its notes with ring-necked parakeets or little egrets, foreign species that have successfully made Britain their home. But a central bank with one eye on a future government led by Nigel Farage, a renowned nativist, might think twice before putting immigrants—however fabulously feathered—on the national currency.

A more unifying approach would be to choose an animal that reflects how the British actually are, rather than the values to which they aspire. The humble pigeon, pervasive in London, has navigational instincts that would make a seafaring nation proud. The unicorn, long a symbol in Scotland, would demonstrate Britain's independent spirit (and its desire to have valuable tech startups). Yet somehow neither quite fits the bill.

The best option is the hedgehog, regularly voted Britons' favourite mammal. Armoured with spines yet soft underneath, it is the nation in miniature: prickly at first acquaintance, tender once you earn its trust. It is also that most British of creatures, the underdog, with a population that in rural areas fell by over half between 2000 and 2022. People have already rallied to their cause; there are now over 100,000 hedgehog highways, which allow the creatures to move from garden to garden in search of food. Put the hedgehog on a banknote, and the donations might flood in to build thousands more. ■

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Britain | Springer into action

What Germany’s Springer plans for one of Britain’s oldest dailies

Its purchase of the Telegraph is part of an ambition to be the leading digital media company of the free world

March 12th 2026

Ever since its parent company fell into receivership in 2023, the fate of the 170-year-old Telegraph, a newspaper favoured by Britain’s conservatives, has been in limbo. It was the subject of a failed bid involving the United Arab Emirates (which led to resistance by editorial staff and a change of legislation) and one from America. Its latest suitor was the Daily Mail and General Trust (DMGT), owned by Lord Rothermere, which bid £500m ($670m) for the main rival of its Daily Mail, Britain’s largest paid-circulation daily. The DMGT was set to close the deal when its offer was bested by an all-cash bid of £575m from Axel Springer, a German media group.

There is an irony that a paper known for its aversion to the European Union and Schadenfreude whenever Germany is doing poorly will be owned by Germans (pending regulatory approval). But owning the Telegraph is a long-held ambition of Mathias Döpfner, Springer's boss, who paid a "trophy-asset multiple" for the paper he had already tried to buy in 2004, according to Enders Analysis, a research firm. The Telegraph was the "North Star" of Axel Cäsar Springer, who founded the group in 1946, exuded Mr Döpfner.

What are Mr Döpfner's plans for the Telegraph Media Group (TMG), owner of the Daily and Sunday Telegraph? He sees "massive growth potential for TMG"; a "transformation with the best artificial-intelligence tools" is critical. Editorial independence is sacrosanct, he says. He wants to turbocharge TMG's expansion into the American market via Politico and Business Insider, two of his American media outlets.

Brexiteers worry that Mr Döpfner will make the rabidly pro-Brexit Telegraph more European. Bild, his flagship tabloid, campaigned for Britain to remain in the EU. Staff of Bild and Die Welt, his other big German daily, have to sign up to "essentials", the company's credo, which includes support for Israel's right to exist and the "fundamental" alliance between America and Europe. Peter Huth, a spokesman for Springer, says that TMG staff will not need to sign and insists that Chris Evans, the Telegraph's editor-in-chief, will have free rein. Time will tell. In 2021 (the year of a German federal election) Mr Döpfner told the then editor-in-chief of Bild, in a (subsequently leaked) text message, that he should strengthen the pro-business Free Democratic Party.

Both the TMG and the Springer papers in Germany have a conservative bent. The unresolved issue for both is whether they still embrace mainstream conservatism or now incline towards the parties of the populist right such as the Alternative for Germany and Reform UK, says John Kampfner, author of "Why the Germans Do It Better". Nigel Farage, the leader of Reform, frequently writes columns in the Telegraph.

Mr Döpfner's goal is to double the value of Axel Springer over five years. He paid top dollar for the Telegraph because he believes it can help him reach his aim: with its 1.1m subscribers he will double the number of paid subscribers of his media brands. With the help of ai in particular he thinks he can make Springer the leading digital media company of the free world.■

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Britain | Cleaning up

Britain’s chimney sweeps are as lucky as lucky can be

Thanks to a fashion for wood fires, not “Mary Poppins”

March 12th 2026

A TRADE often associated with “Mary Poppins” and Edwardian London is proving remarkably resilient. A pandemic and costly energy have helped rekindle Britons’ love of domestic fires. And a new cohort of chimney sweeps is cleaning up.

In the six years since covid-19 struck, Britons have bought around 1m wood-burning stoves, according to data from the Stove Industry Association (SIA). One in 14 households now owns one. Demand has been driven by a spike in gas prices following Russia’s full-scale invasion of Ukraine and by a growing appreciation of the fragility of power grids in times of crisis, says Martin Glynn, president of the National Association of Chimney Sweeps. Its membership has tripled over the past 15 years to 760, including 42 female sweeps.

Paul Solicari joined the trade in 2013 in his late 20s after a stint in hospitality. He reckons his firm, SweepSmart, with six employees, is among the biggest in Britain. Most sweeps are one-person local operations, he explains, taking a break from checking the flues at a home in north London —a process that nowadays uses cameras rather than children. Chimney sweeping requires no accreditation. Demand is seasonal. “You can’t hire enough people to deal with the demand in winter but also keep them busy in the summer. That’s why it’s so hard to grow,” says Mr Solicari. The business has proved immune to the sort of private-equity roll-up that has consolidated Britain’s small veterinary practices, legal firms and accountants.

Yet as well as helping the sweeps, the wood-burning boom is hurting air quality. Such fires account for around 20% of Britain’s emissions of harmful PM2.5 particulates, similar to road transport, according to the government. This pollution can have surprising impacts. In 2022 Brian Jones, a videographer, moved from London to Folkestone, a seaside town in Kent, to escape the big city. Less than three years later he and his partner decided to return after finding the smoke from neighbours and a local pub unbearable. They have now resettled in Hackney, one of several London boroughs that campaigned against burning wood this winter.

In response to the pollution, the government plans reforms—but they are far from sweeping. In a consultation that began in January and will close on March 19th, it proposes stricter emission limits for new stoves, health-warning labels and tougher penalties for suppliers of nonconforming fuels. Mums for Lungs, an air-quality campaign group, is underwhelmed by the proposals. The government is “basically refusing to take action because they don’t feel they have public support”, says Jemima Hartshorn, the group’s founder. She wants the government to run campaigns highlighting the health effects of smoke and to ban all non-essential wood burning, with exemptions for those with no other form of heating.

As awareness of the health risks grows, demand for wood burners may be cooling. Sales in 2025 were roughly half their 2022 peak, the SIA says. But that still leaves a huge installed base to be tended by sweeps such as Mr

Solicari. And, just in case, he is already training to clean air conditioning. “Large, commercial air-conditioning units are basically a chimney, but horizontal—and no soot,” he says. ■

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Britain | Not before time

They’re not Swiss, but British watch brands are gaining ground

After decades of winding down, things are ticking up

March 12th 2026

At the front of a 150-metre queue of mostly middle-aged men outside Lindley Hall in Westminster on March 7th stood Matthew Rogers. Visiting from Tampa, Florida, he had been waiting since 4.15am to snap up a limited-edition timepiece. Mr Rogers was one of 1,800 ticket-holders for the third annual British Watchmakers’ Day. British horology is back.

Britain once led the world in precision timekeeping; its inventions included the marine chronometer. But it never dominated the mass production of wristwatches, and by the 1970s the last large factory had closed. Yet the British watch industry, though small, is growing fast—and 83% of its watches have mechanical movements.

The Alliance of British Watch and Clock Makers, founded in 2020, counts over 100 member brands. All must be "founded, managed and owned" in Britain. Four-fifths started after 2010. The alliance's 2025 survey put combined annual sales at roughly £200m, up from £125m in 2021, though still less than 0.5% of global watch sales.

Most of these firms design at home but make abroad. (An exception is the alliance's co-founder, Roger Smith, whose made-to-order timepieces are handcrafted on the Isle of Man.) Christopher Ward, Britain's largest watch brand by revenue, is Anglo-Swiss: its headquarters are in Britain but it produces in Switzerland at its own atelier. It sold nearly 40,000 watches last year, enough to break into Morgan Stanley's list of the 50 biggest Swiss-watch brands.

Studio Underd0g is a scrappy upstart. Founded five years ago, it built a following through playful design—its best-known watch dial resembles a watermelon. It labels its watches "Assembled in Great Britain". Last year it assembled 14,600 watches, from mainly foreign-sourced components. According to Richard Benc, its founder, that makes it Britain's largest assembler of mechanical watches. Ten skilled technicians work "on the bench", out of a total staff of 26.

In all, around 150 brands are trying their luck. Britain is hardly Switzerland, but its watches are ticking again. ■

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Britain | Bagehot

How Britain became a Compo Nation

Welcome to a country where no one can ever lose out

March 12th 2026

From John Bull’s ruddy cheeks to King Charles’s visage, symbols of Britain abound. But for a true glimpse of Britain’s soul, head to the “Compo Face” page on Reddit. On it, a stream of grumpy Britons pose for local media with the object of their ire. It may be a mother complaining that a cheese roll has too many ingredients. Perhaps it is a woman who managed to rack up 120 driving fines, or a man next to a really large pothole. In one case it featured a couple angry “at not being able to buy pies before 9am in Morrisons”. Behind each grimace is a simple logic: something has gone wrong, and someone else should do something. Each face is stern but resolute in the expectation of compensation.

What started as a local journalism trope has become a governing philosophy, turning Britain into a land where no one can ever lose out. Britain has become a Compo Nation. When oil and gas prices shot up in the wake of the war against Iran, the government scrambled to reassure households that they would be “protected”. Rachel Reeves, the chancellor, declared that “nothing is off the table” when it comes to helping Britain’s bill-payers. Sir Keir Starmer, the prime minister of a nuclear power during a war, headed to Belfast, where he pledged to guard against the cost of heating oil. Opposition parties interject only to ask why the prime minister is not doing more. Sir Ed Davey, the Liberal Democrat leader, has been hounding the government since the first F35 took off.

This is not new. Boris Johnson, a former Conservative prime minister, is the founding father of Compo Nation. It was he who boasted of the state’s largesse when it spent almost £400bn ($536bn) to keep people at home during the covid-19 pandemic. “The government are putting their arms around the people of this country and helping them through it,” said Mr Johnson, the leader of what was once Britain’s small-state party.

Britons became used to the warmth of Leviathan’s embrace. It was this thinking that led Liz Truss’s supposedly free-market government to sign up to wildly generous energy subsidies, which cut bills of every household during the gas-price spike of 2022. After lockdown, it seemed almost trivial. A £51bn bail-out? Chicken feed. Its generosity is the forgotten sin of the Truss government, whose problems began well before Kwasi Kwarteng stood up in the Commons to deliver a fateful—and fatal—mini-budget. Now, worries of inflation play on traders’ minds. But so does the prospect of a whopping energy bail-out, given Britain’s fragile fiscal position. Politicians may fear the bond market; gilt-holders balk at Compo Face.

A fundamental irony lurks at the heart of Compo Nation. People have never been angrier with the government, yet they have never expected more from it. Lockdown proved that the government can do immense things, whatever the cost. That interventions on such a scale had drawbacks from which Britain has not recovered, such as huge backlogs in public services and a record 93% debt-to-gdp ratio, is ignored. If the state could pay millions of workers to stay at home, why can’t it pay my gas bill (again)?

Citizens of Compo Nation demand reward without risk. Tight-fisted middle-aged men can benefit from agile energy tariffs, which rise and fall with the wholesale market. If in response to the latest shock the government decides to intervene on energy prices, these Net-Zero Dads will be bailed out. Their children are at it too. Some unlucky students who studied at university between 2012 and 2023 face the prospect of paying a de facto 9% tax for the rest of their careers as their debt pile expands at an insurmountable pace if they do not earn enough. It is a bad deal for some, yet it is what they signed up for. Even so civil servants scurry to come up with a way of alleviating the debt. In a Compo Nation, gains accrue to the individual, while losses are dumped on the state.

The idea that anyone on the wrong end of a government decision must be compensated now has thick, deep roots. When a temporary business-rates holiday introduced during the pandemic timed out, pub owners demanded a payout. Worse, they got one. Likewise, the Women Against State Pension Inequality (WASPI) demanded a collective £10bn in compensation, arguing that the government failed to give proper notice that it was increasing the state pension age from 60 to 65 in two decades' time. Policy sometimes makes people poorer. This is not an unfortunate by-product. It is often the point. But in a Compo Nation, should policy change, someone will demand to be paid.

When voters think no one should ever lose, good government becomes impossible. Tough decisions in the national interest are crowded out by soft ones for a few individuals. Among all the Labour government's flaws, its inability to say no is its worst. The government cowers at the lightest opposition to its policies, even from people who will never vote for it. Yet picking losers is the most fundamental part of a government's job, even if, for natural reasons, politicians would rather not. Abdicating this duty will do Labour no favours. Zack Polanski, the Greens' populist leader, has pledged to wipe out student debt and reimburse the WASPI women. When Mr Polanski speaks, he speaks for the Compo Nation.

Short of a Middle Eastern miracle, Sir Keir's government will have to balance scowling Compo Faces with the howls of an already-peeved bond market. If Labour shields only the poorest to placate gilt-buyers, this will lead to protests from the prosperous parts of Compo Nation, who have become used to state largesse no matter how rich they may be. Why should they use their rainy-day fund just because it is raining? Deep down, Britons know that someone, sometimes has to lose out. Today's voter has made tomorrow's voter pay, via higher debt and higher taxes. And when that voter notices, their Compo Face will be a sight. ■

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International

International | War in Iran

How America and Israel built vast military targeting machines

Software is supercharging the process of finding things to bomb

March 12th 2026

The display of American and Israeli firepower in Iran has been more fast-paced and overwhelming than America showed off in either of the first two Persian Gulf wars. The two allies are thought to have conducted more offensive sorties on February 28th than America managed on the first day of serious fighting—with much larger deployed forces—in either 1991 or 2003 (around 1,300 in each). Five days later Pete Hegseth, America's secretary of war, boasted that "Operation Epic Fury has delivered twice the air power of shock and awe of Iraq in 2003."

America and Israel can muster high volumes of strike sorties and missile launches because they can identify targets more precisely and more quickly than ever before possible. And they are able to produce targets with such pace, scope and precision because of their greatly increased use of software—including, to a limited extent thus far, artificial intelligence. Both countries' armed forces now generate and hit targets at an industrial scale.

The selection of targets has been under intense scrutiny since the early hours of the war. On February 28th 175 people—most of them children—were killed after a girls' school in Minab, in southern Iran, was hit by what was probably an American Tomahawk cruise missile. On March 11th the New York Times reported the Pentagon had determined the strike was the result of a targeting mistake, as part of an attack on a nearby naval base. Mr Hegseth has risked a perception of callous disregard for civilian lives by emphasising repeatedly that he wants to prioritise "lethality" in the armed forces over "tepid legality"—and by gutting the budget for civilian-harm assessments inside the Pentagon. Almost 1,800 people have been killed in Iran so far, most of them civilians, according to HRANA, a human-rights monitor in Washington.

America's and Israel's modernised targeting systems are far better at locating targets, and at minimising civilian casualties per strike, than what came before them. In America the industrial process for Iran's strikes is run by humans in Tampa, Florida, headquarters of Central Command (CENTCOM), which is responsible for the Pentagon's operations in the Middle East. A commander there generates options for various scenarios, such as bombing Iranian nuclear sites or toppling the regime. His "J2", or intelligence directorate, produces a database of thousands of possible targets, cobbled together from satellite images, signals intelligence and other sources. The database includes "no strike" lists of schools, hospitals and the like.

A "weaponeer" decides which munitions are needed for which targets, such as bunker-busters for buried sites or GPS-guided joint direct attack munitions (known as JDAMs) for buildings. Lawyers review targets, though their role is limited. (A lawyer reviewing targets "doesn't say 'You can't do that'", says a former American commander. "He says: 'You can do that, but here are the consequences.' At the end of the day, the ultimate lawyer is the commander.")

The command's J5 (strategy and plans directorate) assembles all this into a coherent war plan and passes it to the J3 (operations), which ultimately breaks the plan down into "air tasking orders" that typically look two days ahead.

Software has long been used to help with this. It estimates the probability of destroying the target given its location and construction, and the likely harm to civilians, by simulating the footprint of blast, heat, and fragmentation. This can be overlaid on maps as a jagged-edged image, sometimes called a "splat". But in recent years the technology has taken a leap in scope and sophistication.

America's armed forces, including CENTCOM and those of NATO, now use the Maven Smart System, built largely by Palantir, an American firm, to soup up the whole process. Maven is known as a "decision-support" tool. It takes information from open sources, such as social-media feeds, and classified sources, such as satellites, fusing all of it together.

If an Iranian mentions on Telegram (the preferred app for such chatter in Iran) that they saw a missile-launcher driven past their house, Maven can correlate that snippet with data from radio-frequency satellites that detect the electronic emissions from Iranian military radios. Maven can then generate targets, work out which weapon is best placed to strike each one and assess the damage done afterwards. Maven also serves as a "digital twin" of the real world, writes Arnel David, the NATO officer in charge of the programme, allowing commanders to simulate how a particular decision might play out. The aim, he says, is to turn military command into a "machine-aided, predictive science".

All this means that data can be turned into targets at a far faster pace. Joe O'Callaghan, a retired colonel who led the development of Maven at the US Army's XVIII Airborne Corps, said on a recent podcast that one classified study had shown how Palantir's system allowed military staff to plan an operation on the scale of the Iraq war with one-tenth of the manpower. That will have since improved, he added. (Maven has been employed in aid of Ukraine from 2022.) What would previously have taken dozens of people tens of hours, says a former NATO general involved with Maven, "That could be boiled down to two minutes." A European general describes what he has witnessed as "alchemy". "We are moving from ten targets a day to 300," he says. "The aspiration is 3,000 a day."

Israel uses different software but has also "industrialised" the process, as one officer puts it. American planners were astonished when, in preparing for the war, their Israeli counterparts arrived with a "target bank" of thousands of Iranian targets (and munitions needed for each): the headquarters and homes of Iranian leaders, military and militia bases, missile-launchers and factories, civilian infrastructure and more. "Israel has given more autonomy to decision-support systems to generate targets than I would ever have been given," says the European general.

Israel's process has its roots in the Yom Kippur war of 1973, when the country's planes were mauled by Soviet-made air defences. That prompted the Israeli Air Force to collect and fuse data on enemy surface-to-air missiles (SAMs) systematically, which contributed to a decisive victory against Syria in 1982. Then in a war with Hizbullah in Lebanon in 2006, Israel encountered a new issue. As the war dragged on for 34 days, Israeli generals complained "The bank has run out of targets."

Amos Yadlin, then commander of military intelligence, adapted the methods used against SAMs and expanded them to all potential targets. The chief of staff of the Israel Defence Forces (IDF) eventually had a bound copy of Hamas targets at the ready; whenever a rocket was launched from Gaza, he could choose a target for retaliation within minutes.

All of this might seem like a black box. Commanders argue that the target banks created by Maven and other tools, which have been tested for almost a decade, are generally reliable. They apply a confidence level to each target, depending on the underlying data. They also tend to be better than a harried human analyst might be at identifying civilian objects, says an officer.

In both the American and Israeli armed forces, humans approve each target, outside extreme circumstances such as air-defence systems which are tasked with engaging a large number of incoming projectiles. But some insiders acknowledge that the increasing scale and tempo of strikes has created incentives to give computers greater latitude in actually firing on the targets that they have generated.

Fears about autonomous strikes are at the heart of a dispute between Anthropic, developer of Claude, an AI model, and the Pentagon, though that remains a hypothetical concern for now. (Claude is used to some extent inside Maven but not for geospatial tasks like identifying objects.) In NATO, some countries are "worried about the loss of human control", says one person involved with the technology. “We’re moving at a pace of change I wouldn’t even have understood four years ago.”

In many cases, the problem with computer-aided target banks is less to do with computers and more to do with the humans using them. “AI can make a good intelligence officer better and help make sure there’s less collateral damage,” says an Israeli source. “But if the intelligence officer is just trying to come up with more targets and cares less about who gets hurt, AI will help generate those targets.”

Israel’s strikes on Gaza revealed another problem with maintaining sprawling target banks. “When civilians were killed in strikes, we would go back and check our information,” says one analyst. “Often it was because Hamas had used that building in the past but moved on and families had moved in.” The IDF periodically “revalidated” its targets, but not often enough.

A failure to revalidate targets may have been the problem with the strike on the girls’ school in Minab, a site which an official told the New York Times used to be part of the nearby naval base. As humans get swamped by ever more computer-generated targets, enabling far more strikes per day, minimising the risks of such catastrophes will be an increasing challenge.

In America perhaps the biggest challenge comes from the top. Mr Hegseth has denigrated the laws of war, fired military lawyers and loosened rules of engagement. He has also slashed the number of Pentagon personnel who work on the protection of civilians by 90%, says one official.

The civilian-harm team that works within CENTCOM is at one-third of its pre-Hegseth staffing; personnel dealing with planning and those inside “strike cells” have suffered the greatest attrition. Such staffers can help understand how changes on the ground in Iran can render targets like the school in Minab out of date.

“The more we do on the planning side,” says the official, “the less we have to worry about Minabs.” On March 8th CENTCOM said Iranians should stay home to avoid getting killed, and accused Iran’s leaders of putting civilians in harm's way by deploying weapons in built-up areas. The regime, CENTCOM said, "blatantly disregards the safety of innocent people". ■

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International | The Telegram

India has much to lose from a world in chaos

Not long ago, India was cocky about handling an unpredictable America. No longer

March 12th 2026

BY RIGHTS, THIS should be a told-you-so moment for the high priests of Indian foreign policy. The strongest countries on Earth are bent on dominating the rest. Lesser nations are increasingly cowed. No law or international treaty seems able to constrain the exercise of raw power.

In their book-lined Delhi studies and tree-shaded official residences, the Brahmins of Indian statecraft saw this coming. India has been braced for a messier world for a long time, and sometimes seemed to welcome it. Since Donald Trump was first elected and again as he returned to office last year, Indian officials mocked Western allies for lamenting his transactional ways and America First rhetoric. As Indians put it, Mr Trump represented the true and eternal face of America—with the mask off.

For good measure, India declined to condemn its longtime ally, Russia, as a pariah for invading Ukraine in 2022. Great powers have always been ruthless, Indian grandees sighed to visitors, and the so-called liberal rules-based order was a sham. Western democracies may mourn the old world that they once dominated. But India had deals to cut.

India's foreign minister, Subrahmanyam Jaishankar, is still promoting this message. News of the war in Iran and the Gulf dominated the Raisina Dialogue, a government-backed conference held in Delhi from March 5th to 7th. But on the main stage Mr Jaishankar sounded calm about a move from global "order to disorder". After all, he argued, the post-1945 international system was an order "by the West, for the West, from the West". Those rules lasted 70 years, or a mere one per cent of Indian history. If it is ending, that is unsurprising and may create opportunities for India and the global south, he averred. "Life moves on."

Alas, Delhi's foreign-policy and security establishment does not buy Mr Jaishankar's sangfroid. Over many cups of (excellent) Darjeeling and chai, this columnist spoke to retired and serving Indian and foreign diplomats, army officers, business executives and scholars. The foreign minister is whistling to keep up our courage, but this is a time of humiliation, said one Indian bigwig. With the Iran conflict preventing ships from safely using the Strait of Hormuz, and liquefied natural gas exports suspended from such major suppliers as Qatar, India faces an energy crunch if the war does not end soon.

The Trump administration announced during the Raisina Dialogue that it was issuing a waiver authorising India to buy Russian oil affected by sanctions. Rather than inspiring gratitude, American talk of India being allowed to buy Russian oil for 30 days provoked grumbles about India being handed a "chit" by its master. The mood at the talking-shop was not helped when America's deputy secretary of state, Christopher Landau, told his audience that "we are not going to make the same mistakes with India that we made with China 20 years ago in terms of saying, 'we are going to let you develop all these markets,' and then, the next thing we know, you are beating us in a lot of commercial things."

Several people expressed angst about the sinking by an American submarine of an Iranian warship in international waters near Sri Lanka. The attack by torpedo, which Mr Trump later called more "fun" than capturing Iran's frigate, was seen as an insult to India, which had just hosted the Iranian ship at a naval exercise. That angst turned into anger that the government of Narendra Modi did not condemn the sinking, and has been generally rather silent about the war in Iran.

The explanation is fear of Mr Trump. Relations with America were awful last year, after what an insider calls the government's "arrogance and swagger" when Mr Trump returned to power. In 2025 Mr Trump picked a trade war with India and, after a brief India-Pakistan clash, seemed to side with Pakistan. His eagerness to improve ties with China undercut Indian hopes of being America's valued hedge against China. Yet among Delhi elites there is a consensus that India needs closer ties with America, an unrivalled source of investment, technology and high-quality defence kit.

Indian officials talk up their skill at maintaining close ties with disparate powers, from America and Russia to Israel and the Gulf Arab monarchies. Despite booming trade with the Gulf and ever-closer ties with Israeli intelligence and defence-technology firms, India has maintained reasonably cordial links with Iran, reflecting a shared antipathy to Pakistan and India's need for a land route to Afghanistan. But senior figures in Delhi questioned whether India's balancing act offers it autonomy, as Mr Jaishankar and other cheerleaders claim. Insiders suggest that the country is instead dangerously dependent on lots of different places at once.

An extended war in Iran imperils not just trade with the Gulf but also 9.5m Indians who live and work in the United Arab Emirates and other Arab states, sending huge amounts home in remittances. A long Middle Eastern energy blockade would prompt China to buy more Russian oil. If that deepens Russia's dependency on China, that is a threat to India, which simultaneously relies on Russia as an important (though diminishing) defence supplier and has tense relations with China, including fatal border clashes in recent years. A lengthy Iran war could give China more leverage over India in another way, too. If India needs greater energy independence, a big push on renewables will be needed. Only China offers the solar panels, windmills and batteries needed at scale and at low cost, dependency be damned.

In short, a world in turmoil is terrible for India. That is to the country's credit. It has plans to become a prosperous, advanced economy that chaos would derail. For reasons of pride and propaganda, though, Indian leaders cannot admit this aloud. ■

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Business

Business | Caps out, knives out

Altman, Amodei and Musk fight dirty for the biggest prize in business

Never before has so much money been sought from investors in a single year

March 12th 2026

IF There has been a common narrative around artificial intelligence this year, it is that advances in the technology are shaking up the vast—and hitherto cosy—world of software. In order to keep this blitzkrieg going, the labs at the forefront of AI need to raise enormous amounts of money. That has set the stage for three colossal initial public offerings (IPOs) in a single year: those of OpenAI, led by Sam Altman, Anthropic, under Dario Amodei, and SpaceX, run by Elon Musk, which has merged with xAI, his model-maker. Adding to the frisson, the trio hate each other.

All three are aiming for the stratosphere. OpenAI, which was recently valued at $840bn, is said to be looking for a price tag of $1trn, or 40 times its current annualised revenue. Anthropic, last valued at $380bn, a multiple of around 20 times its annualised sales, will probably be priced at upwards of $500bn. Most ambitious of all is SpaceX, which was valued at $1.25trn when it merged with xAI and is reportedly seeking to list at $1.5trn. That would put it squarely among the world's ten most-valuable listed firms—and could even make Mr Musk history's first trillionaire.

Just one IPO of such size would strain markets. Tomasz Tunguz, a venture capitalist, points out that if each firm were to offer 15% of its shares to the public, as is typical, the combined sum raised would be roughly equivalent to the total from all IPOs in America over the past decade.

That helps explain the eagerness of each boss to avoid being last to market. Ego, too, plays a role, particularly as the model-making race has tightened. To understand the clash between the trio, it helps to consider the personalities. These can be summed up as the mercenary (Mr Altman), the missionary (Mr Amodei) and the messianic (Mr Musk).

Start with Mr Altman. Some admire him for getting the AI race going with the launch of ChatGPT in 2022, and for outmanoeuvring Anthropic and xAI in raising money ever since. But he is also slyly opportunistic. That was evident during a recent bust-up between Anthropic and the Trump administration over guardrails on the Pentagon's use of its technology, which led to the lab being declared a supply-chain risk (a designation the model-maker sued to have removed on March 9th, and which could otherwise threaten its IPO).

In contrast to Mr Musk, who openly trash talks "Misanthropic", Mr Altman sought to portray himself as a bridge-builder between Mr Amodei's lab and the Trump administration. Yet OpenAI, like xAI, swooped in to win classified defence contracts at Anthropic's expense.

Mr Amodei, who left OpenAI to co-found Anthropic in 2021, has a safety-first ethos and contrasts Anthropic's principled approach with its rivals' race for growth. Yet he is no push-over. In an internal memo written in the heat of the Pentagon furore (for which he later told The Economist he apologised), Mr Amodei attacked Mr Altman as "mendacious" and a suck-up to Mr Trump. Anthropic's didactic stance is also useful marketing. Claude, its chatbot, has gained in popularity since the Pentagon spat. The lab's response to pressure has been hailed even by staff at OpenAI.

Mr Musk, who helped set up OpenAI in 2015, is more hostile still towards Mr Altman. In his telling, OpenAI, which has shed its non-profit status, has forsaken its mission to develop AI in a way that would benefit all humanity. As a result, Mr Musk wants his original $38m donation back, plus some. He is suing OpenAI and Microsoft, its biggest backer, for as much as $134bn. The case will go to trial next month. If he succeeds, he will bankrupt OpenAI and ruin Mr Altman.

Mr Musk, it seems, will not trust anyone but himself with control of the technology. The entrepreneur has a god-like ambition to "extend the light of consciousness to the stars". He plans to use SpaceX's rockets to send fleets of data centres into orbit, better to harness the power of the sun.

In the realm of mortals, however, there is still the pesky matter of money. Last year xAI generated perhaps $500m in revenue, putting it far behind the other two labs (X, the social-media platform it is attached to, brought in another $3bn or so). One of its main sources of revenue is work for the American government, with which Mr Musk has close ties; its Pentagon contract is worth up to $200m. Yet several departments are said to have complained that Grok, its chatbot, is unreliable. xAI's lack of scale is one reason Mr Musk has bolted it onto SpaceX, which was already flourishing. Last year it reportedly made an operating profit (before depreciation and amortisation) of $8bn from sales of $15bn-16bn.

OpenAI, which drew in a reported $13bn of revenue last year, is larger than both xAI and Anthropic. It also has the broadest business model. It is aiming for $30bn of sales this year, half of which it expects to come from consumer subscriptions and ads in ChatGPT (which has over 900m weekly users, 50m of whom pay through a variety of pricing tiers). The rest will come from business users and those who access OpenAI's models directly.

But Anthropic, which probably made $4bn-5bn in revenue last year, is quickly catching up. It has been more focused than OpenAI on business customers, and has had success in particular with its Claude Code tool for software engineers. By the end of February OpenAI had reached an annualised revenue of $25bn, up by a fifth from the end of last year; Anthropic's figure, at $19bn, more than doubled over the same period. That may explain why Mr Altman was so eager to muscle in on Anthropic's government contracts, as well as OpenAI's recent focus on expanding its offerings for businesses. Customers say that Codex, its alternative to Claude Code, is catching up in performance.

Fierce rivalry for customers will add pressure on prices at a time when the labs are investing huge sums in data centres to meet growing demand and train new models. None is close to breaking even. OpenAI, which concluded a $110bn private fundraising round last month, has forecast that it will invest $660bn in infrastructure by 2030 and will not start generating free cashflow until then. Even SpaceX, which makes money from launching rockets and selling satellite internet, needs far more cash than it can generate. Moffett Nathanson, a firm of analysts, points out that its plan to send 1m data-centre satellites into space will require "a staggering amount of external financing".

All three therefore have little choice but to turn to public markets if they are to stay in the AI race. Whether their IPOs are a success or not will depend on how many investors are willing to overlook the long and uncertain path to generating a profit from the technology. It will not help that there is another alternative on offer that is already publicly traded: Alphabet, owner of Google. Its Gemini model goes from strength to strength. The search giant is a cash machine, generating a net profit of $132bn last year, allowing it to fund its AI investments from its own pocket. And its $3.7trn market value is a more reasonable nine times revenue. Sundar Pichai, its boss, can afford to remain above the fray. ■

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Business | Festive freebies

China’s AI giants are handing out cash to lure in users

How long can their ferocious rivalry last?

March 12th 2026

It is customary in China to give gifts during the Lunar New Year. Throughout the most recent festivities, which ended on March 3rd, the country’s artificial-intelligence industry enthusiastically embraced the tradition. Over the preceding month companies handed out coupons worth a generous 8bn yuan ($1.2bn) to anyone willing to download and use their applications, the latest versions of which boast “agentic” capabilities that allow bots to perform tasks such as ordering a meal with just a few spoken instructions.

Locally this subsidy spectacle has been dubbed the “hongbao wars”, in reference to the red envelopes of cash typically handed out over the new year. Already most Chinese AI companies were making their models available at no charge. Now they are paying consumers to use their services. How long can the industry's ferocious rivalry last?

Chinese AI firms have been investing heavily to develop and promote their agentic services. In mid-February, ahead of the celebrations, Alibaba, an e-commerce giant, and ByteDance, which controls TikTok and its local sister-app, Douyin, both launched upgrades to their chatbots that allow them to perform various tasks on behalf of users. More than 100m drinks were sold via Qwen, Alibaba's chatbot, during the Lunar New Year period. Doubao, ByteDance's chatbot, fielded almost 2bn queries over a few hours on February 16th during a televised gala that was sponsored by the company.

For China's internet giants, agentic chatbots provide a way to direct users to other services from which they make money, such as e-commerce. Some dream of creating an AI-powered "super app" that can facilitate nearly all of a user's digital transactions. Alibaba, ByteDance and Tencent, another Chinese internet superstar which offers the Yuanbao chatbot, seem best positioned; Baidu, China's equivalent to Google and creator of the Ernie chatbot, is falling behind. Industry insiders reckon that smaller AI companies without vast consumer-internet businesses will probably not survive. Even DeepSeek, an AI lab that shocked the world early last year with a model that could compete with the best foreign ones, has seen its share of users decline (though it helps to power Yuanbao and could regain momentum with a powerful new model that is expected to be unveiled soon).

Consumers have undoubtedly benefited from China's furious AI rivalry. But not everybody is happy. Shareholders in China's internet giants are still waiting for evidence that the investment binge will yield a return. Since the start of the hongbao wars the share price of Alibaba, which probably offered the most lavish subsidies, has fallen by roughly 30%. At the same time, there are signs that efforts to better monetise the technology are causing grumbling among China's top AI brains. On March 4th Lin Junyang, the chief engineer behind Qwen, unexpectedly quit Alibaba. Some in the industry speculate that increased commercial pressure may have frustrated him.

Then there are China’s regulators. They have recently expressed displeasure with the subsidy war currently raging in the food-delivery business, and are probably just as unexcited about the battle for users in the AI industry. Chinese officials tend to look askance at consumer-internet services, and would much rather companies invest in supporting national efforts in areas such as chipmaking. Next Lunar New Year Chinese consumers should not count on more digital red envelopes. ■

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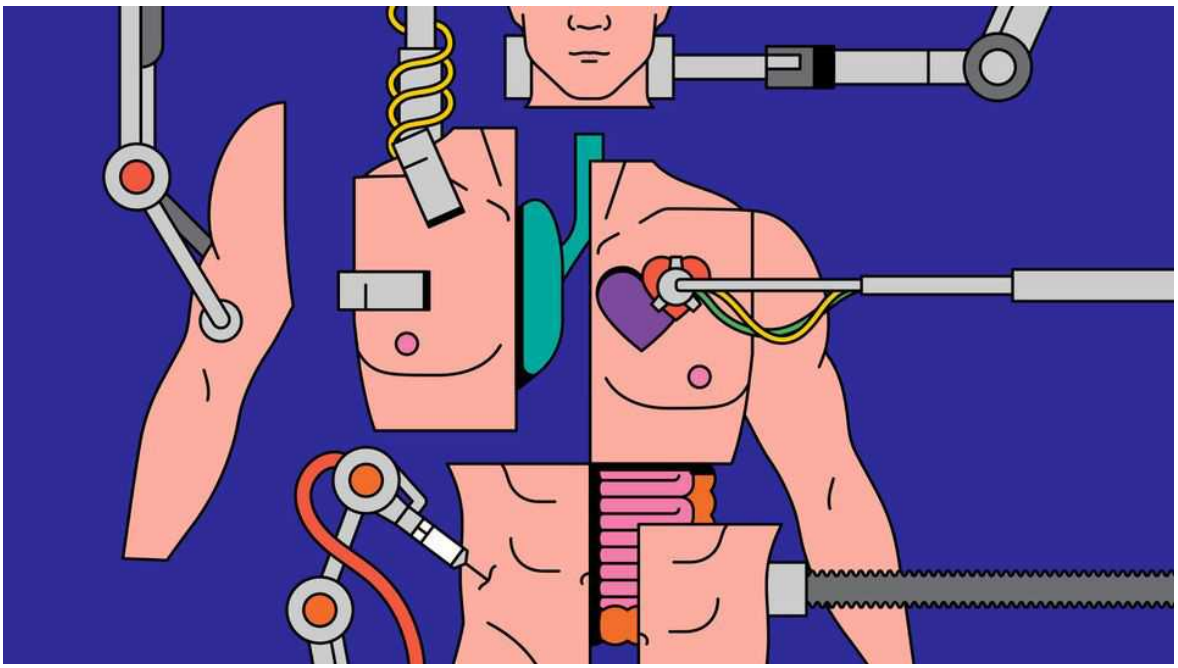
Business | Move fast and heal things

A new wave of disrupters takes on American health care

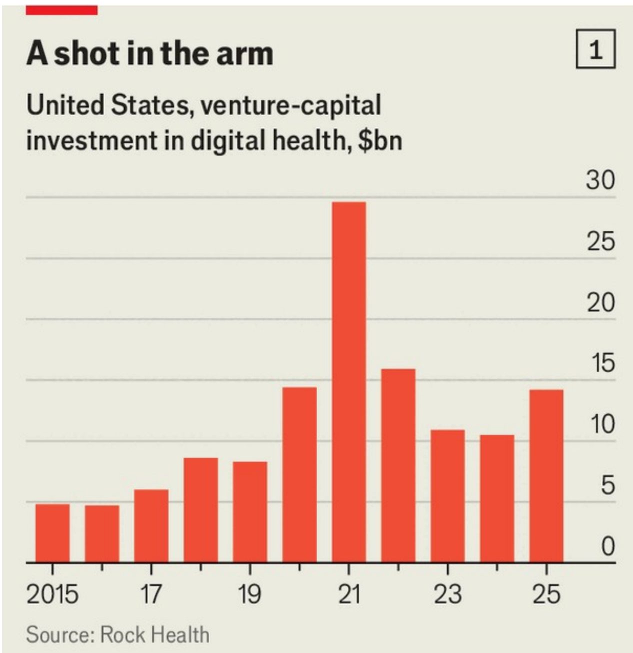
Patients are unhappy. Can AI help?

March 12th 2026



Silicon Valley has long salivated at the prospect of disrupting America's medical system. The country spends some $5trn a year on health care, about a fifth of its GDP and twice as much per person as its rich-world peers. Treatment is world-class but expensive; a third of adults say they have skipped or delayed care in the past year because of cost. Middlemen make the system complex and opaque.

Yet American health care has in the past proved resistant to treatment from disrupters. In 2008 Google, a search colossus, launched a platform to allow people to store and manage their health information in one place, but shut it down in 2011 after it failed to gain custom. IBM, a computing giant, spent billions of dollars over several years on Watson Health, an early artificial-intelligence system to help doctors make better diagnoses, before selling the business in 2022 for far less than what it had invested. Haven—a collaboration between Amazon, an e-commerce giant, JPMorgan Chase, a bank, and Berkshire Hathaway, Warren Buffett's investment firm—was established in 2018 with a view to digitising the process of accessing health care for their employees and using their combined clout to bypass intermediaries. It folded within three years.



Now, however, a renewed push is under way to shake up the health-care business. After a post-pandemic slump, digital-health startups in America attracted $14bn of venture-capital (VC) funding in 2025, up by 35% from 2024 (see chart 1). Amid soaring prices and dwindling trust in the health-care industry, patients are becoming more open to new ways of getting the care they need. Advances in AI are improving access to medical information. And regulators are becoming friendlier to newcomers. The transformation of American health care could soon gain momentum.

In recent years costs have become even more staggering. Most Americans under 65 rely on private insurance (those over 65 are largely covered by Medicare, the public health-insurer). Employer-sponsored coverage is the dominant model. According to KFF, a non-profit research group, annual premiums for family coverage have risen by 50% since 2015, from $17,700 to $27,000 last year, well above the rate of inflation. Workers typically contribute around a quarter. As the cost of health care has gone up, so have expectations.

At the same time, Americans' confidence in their medical system has fallen. Trust in doctors, which surged at the start of the pandemic, has since dropped to its lowest level in decades, according to Gallup, a pollster (see chart 2). Partly that reflects the spread of misinformation on public-health matters such as vaccines. But people are also increasingly "craving agency" over their health, says Vijay Pande of VZVC, a VC firm.

Startups are harnessing technology to give patients more control. Virtual clinics such as Hims & Hers and Ro, which initially sold treatments for hair loss and erectile dysfunction, now offer weight-loss drugs and other prescriptions. Established drugmakers are responding by selling some medicines through their own websites to consumers willing to pay directly.

Newcomers are also piling into the burgeoning market for preventative medicine. Venture-backed firms like Prenuvo and Function Health sell full-body MRI scans and extensive blood tests directly to patients for between $1,000 and $4,500. These services promise the early detection of, say, cancers or autoimmune disorders. For an annual subscription, users can get tested periodically to spot any changes in health measures.

Primary care is also facing disruption. Companies such as Sesame and One Medical, which was acquired in 2023 by Amazon, allow users to book virtual or in-person appointments with a physician, paying per visit or through a subscription.

Some hope to go further. In October General Catalyst, a VC firm, completed its purchase of Summa Health, which operates a chain of hospitals and health centres in Ohio and offers its own insurance plans. Daryl Tol, who oversees the business for General Catalyst, says that to change how care is delivered, technology must run seamlessly through an entire health system—from choosing insurance to receiving treatment and paying bills. General Catalyst is working to embed digital tools across the entirety of Summa Health.

Its aim is also cultural. Mr Tol argues that health care has long followed a paternalistic approach in which doctors develop their own language and control decision-making. That hierarchy looks outdated in a world in which patients can more easily access information.

The latest wave of generative AI is making medical knowledge more available than ever. OpenAI says health queries are among the most common on ChatGPT; more than a quarter of its 900m or so weekly users ask at least one such question. In January both it and Anthropic, a rival, launched health-focused versions of their chatbots that, among other things, explain test results in plain language and identify patterns in data from wearable devices such as smart watches.

Nate Gross, who leads OpenAI's health-care efforts, says that generative AI offers a big improvement on the old method of scrolling through pages of web-search results. Users can now converse with software that considers their symptoms, age and medical history and offers tailored answers. The goal, says Dr Gross, is not to replace human doctors but to identify worrying patterns that may signal serious illness. Such tools can help patients arrive better prepared for appointments. They can also offer advice when a visit is not possible. Most of ChatGPT's health queries occur outside clinic hours, notes Dr Gross, and are often from users who live far from a hospital.

All this carries risks. Some doctors worry that unprescribed scans and tests will flag benign conditions and further strain an already stretched system. Liability poses another challenge. Chatbot-makers insist that their tools offer guidance rather than diagnoses, but the boundary can blur when patients act on automated advice. And there is plenty of dubious medical information floating around the internet for models to ingest. Patient-safety organisations have recently warned about the potential dangers of chatbots.

Even so, regulators for now appear willing to let the experiment run. In January America's Food and Drug Administration relaxed its rules on some wearable devices; Marty Makary, the regulator's boss, said that his organisation needed to start moving "at the speed of Silicon Valley". America's health-care system may not be immune to change for much longer. ■

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Business | Retail revival

How Gap is trying to get its cool back

Its boss is using the Barbie formula to turn around the ailing fashion label

March 12th 2026

The archives at Gap Inc’s headquarters in San Francisco are a record of past glory. Campaign shots from the 1990s, taken by star photographers like Annie Leibovitz, show models such as Naomi Campbell and actresses like Demi Moore in the Gap uniform of worn jeans and plain shirts. Lately the retailer has been trying to get some of that cool back. A campaign last year starring Katseye, a Gen Z girl group, was more music video than ad; young teens soon began copying the moves on TikTok, a short-video app.

This marketing blitz is central to the turnaround engineered by Richard Dickson, who took over as chief executive three years ago. He inherited a mess. Gap—which also owns Old Navy (cut-price), Banana Republic (premium) and Athleta (athleisure)—is one of America’s largest clothing companies. But as fast-fashion labels such as H&M and Zara grew and e-commerce took off, it became known for fusty stores and uninspiring designs. Sales and profits cratered. Shoppers wondered: why go to Gap?

Mr Dickson seems to have given them an answer. This month Gap reported its eighth consecutive quarter of growth in same-store sales. Its share price is up by over 125% since he took the helm. Mr Dickson was previously the second-in-charge at Mattel, a toymaker, where he oversaw the hit "Barbie" film and helped revive the brand. He is applying the same formula at Gap. Brands are stories, declares the boss—who, with long curly hair and a string of beads peeking through his shirt, looks like the type of man who could start a cult. "Somewhere along the way", he says, "the company lost its storytelling and became a retailer that sold stuff."

Gap's story begins in 1960s San Francisco, when Don and Doris Fisher (whose family still own a big stake in the business) opened a store selling Levi's jeans and records. Under Mickey Drexler, who took over as chief executive in 1995, the retailer went global and added new brands. Its market capitalisation peaked at $67bn in 1999—almost eight times its value today.

From there, it spiralled into irrelevance. Ill-fitting khakis and uninspiring button-downs piled up on discount racks at outlet stores. When a Gap distribution centre burned down in 2016, one analyst called it a blessing in disguise: the stock needed to be cleared somehow. Between Mr Drexler's departure in 2002 and Mr Dickson's arrival, Gap cycled through six chief executives.

Mr Dickson's plan for Gap involves more than splashy marketing. He has been fixing up its property portfolio, continuing to close some shops but refurbishing others. Footfall at its remaining stores has risen in five of the past six months, according to Placer.ai, a data provider.

Online shoppers—who now account for 40% of sales, up from 30% before the pandemic—are better served, too. One of Mr Dickson's first acts was to strip the brands' homepages of discount banners and pop-ups. ("There's promotion that's gamification," he says, "and then there's promotion that's desperate.") AI is being used to manage inventory and speed up delivery.

Thanks to automation, some 80% of products now move through Gap warehouses without touching human hands.

Those products have also become more appealing. Gap's average selling price (the amount paid after discounts) has ticked up, suggesting shoppers are no longer simply hunting for bargains. The firm has sped up production, too, allowing it to quickly jump on fads (like super-baggy "balloon" jeans). Rather than ordering stock nine months in advance of a season, it now buys fabric early while delaying decisions on dyeing and cutting. At Gap's namesake label, collaborations with hip brands like Cult Gaia and Dôen have lured in well-heeled customers. It hasn't hurt that youngsters have become obsessed with throwback 1990s fashion and swung from wearing leggings to jeans.

The turnaround is far from complete. Gap remains nowhere near as cool as it was in its 1990s heyday. Old Navy faces stiff competition from discounters like Nordstrom Rack. Athleta is struggling most. It never reached the scale of Lululemon, a rival, which was founded in the same year but makes eight times its sales. Both are now losing business to athleisure upstarts such as Vuori and Alo.

Still, there are plenty of opportunities for growth. Mr Dickson has his eyes on higher margin accessories and beauty. UBS, a bank, sees a Gap-shaped opening in the market for $25-60 handbags—cheaper than Coach, pricier than H&M.

Then there is what Mr Dickson calls "fashiontainment". Old Navy, which is popular with families, has struck deals with Marvel and Formula One that allow the retailer to sell t-shirts and hoodies emblazoned with their logos. But Mr Dickson has bigger plans in mind. What, exactly, remains nebulous. In January he hired a chief entertainment officer from Paramount, a movie-maker, and announced the opening of an office on Sunset Boulevard in Los Angeles. For a retailer recovering from a decades-long slump, that could mean reinvention—or distraction. ■

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Business | Take cover

In Trump’s world, companies seek insurance against political risk

It could soon get more expensive

March 12th 2026

LIKE EVERYONE else, corporate bosses are asking: what in the world will happen next? In the past few weeks President Donald Trump has begun a war against Iran that has engulfed much of the Middle East, including boomtowns in the Gulf, and ordered a lightning raid to capture Venezuela’s dictator. It’s not just Mr Trump. Russia’s war in Ukraine and China’s sabre-rattling in the Taiwan Strait had already unnerved businesses.

No wonder more of them are seeking protection. Political-risk insurance (PRI) covers losses caused by acts such as expropriation, political violence, currency inconvertibility or the sudden cancellation of a contract. Such policies have long been a niche of the global $8trn insurance market, typically used to protect investments in poor countries (and often associated with development projects). But the business is expanding.

Managing risk is at the “forefront of everyone’s mind”, says Kate Muir-Jones, who oversees political risk at Marsh, an insurance broker. In a recent survey by Howden, another broker, just over half of respondents (496 Western firms with revenues of more than $1bn) suffered some form of “political loss” between 2020 and 2025.

PRI protection is bespoke: a commodity trader might want to protect a few cocoa warehouses in a coup-prone country; a technology firm might want cover for a data centre in a place where energy is cheap but politics are rocky. Policy terms are often confidential (a site known to be well-insured could become a target).

According to Howden, PRI reduces the cost of capital in emerging-market projects from 15% to about 11%, saving roughly $2m a year on the average investment. It can save far more when things go badly wrong: about 6% of the firms surveyed by the broker suffered losses of more than $100m.

Therein lies an opportunity for insurers. For years PRI was dominated by public insurers such as the Multilateral Investment Guarantee Agency, part of the World Bank, and national export-credit agencies, such as America’s International Development Finance Corporation (DFC) or China’s SINOSURE. In recent days Mr Trump has ordered the DFC to provide PRI to ships carrying oil and gas in the choked-off Strait of Hormuz, a critical waterway off the southern coast of Iran. But private insurers have spied gaps in coverage. They now write about 18% of new PRI policies, according to the Berne Union, an industry group, up from 10% five years ago. The maximum coverage they are willing to offer has risen to $4bn, higher than their public peers and on more flexible terms.

As demand and supply have increased, so has PRI’s scope. With their ability to back bigger projects, insurers are writing PRI policies for a wider range of industries: data centres and renewable energy have quickly become big areas of focus. More policies are being written for developed markets, too. Insurers increasingly offer “comprehensive” cover that bundles PRI with credit insurance, which protects against non-payment.

Falling insurance rates have helped growth. According to Marsh's Global Insurance Market Index, commercial insurance rates fell by 4% year-on-year in the final quarter of 2025, the sixth consecutive quarterly decline. Rates have been pushed down by increased competition and growth in the supply of reinsurance (insurance for insurers).

All that is comforting, but insurers will cover only so much. After Russia's full-scale invasion of Ukraine, they began looking more closely at their methodology, policy wording and "concentration risk"—exposure to groups of countries that are individually low-risk, but collectively vulnerable to a single event (such as the Gulf states). PRI may be more necessary than ever. But that is likely to make it pricier. ■

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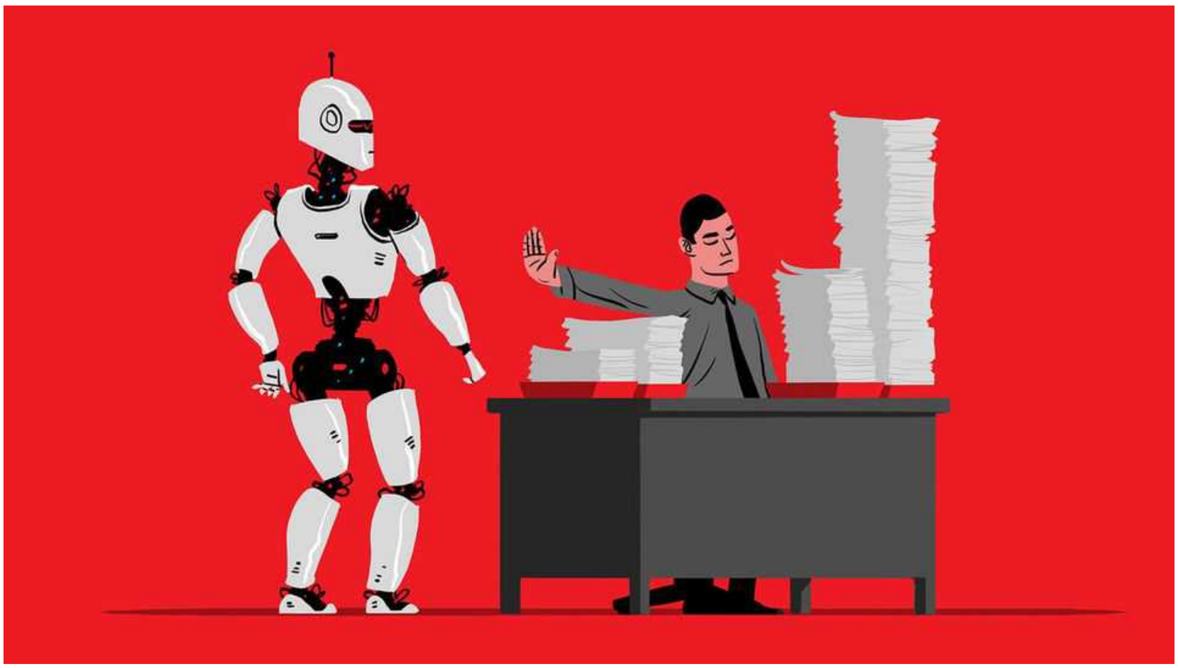
Business | Bartleby

In praise of grunt work

AI promises to eliminate drudgery. Careful what you wish for

March 12th 2026



The list of potential victims of artificial intelligence is long. It includes every business, all software engineers, privacy and humanity itself. But some of its expected effects are more popular than others. Most people can agree, for example, that AI will be doing workers a tremendous favour if it gets rid of grunt work, the sort of tediously repetitive tasks that take up too much of everyone's days. Filling out expense claims, copying and pasting things into spreadsheets, trying to resize one of those stupid boxes in PowerPoint—if people were able to outsource this drudgery to machines, they could devote more attention to higher-value tasks.

The case against grunt work is obvious. Health-care workers spend inordinate amounts of time manually inputting data, time that could be spent actually looking after patients. Automated redaction technology can spare police officers the hours they currently spend stripping personal information from documents and videos. In office after office the mundane and the routine get in the way of people doing more valuable tasks.

Greater productivity would not be the only prize from less drudgery. People do not like being bored out of their skulls, and will do whatever they can to liven things up. In one study, people who were shown a tedious film were more likely than watchers of an interesting one to put maggots through what they thought was a coffee grinder. “End ennui, maggots matter!” is surely a slogan everyone can get behind.

Yet there is always another side to the ledger. Reducing drudge work is indeed a noble aim. Getting rid of it entirely is much less sensible.

One argument for drudge work is its centrality to entry-level jobs. People who are new to the workforce know very little about the job they are meant to be doing. (The same is also true for lots of people at the end of their careers, but that’s a different column.) Grunt work has long been a way to fill junior employees’ time while allowing them to learn the basics of office life. Per photocopier ad astra. If AI takes on all the drudge work that has traditionally fallen to the newbies, employers may simply stop hiring them.

The obvious answer to that worry is to get younger employees to do higher-value tasks sooner. Law firms talk of putting juniors in front of clients earlier in their careers, for example. But the goal of filling working days with nothing but higher-order tasks is misconceived. Because even experienced workers need a chance to move up and down through the gears.

That’s partly because of cognitive capacity. It’s hard to imagine many jobs where optimal performance matters more than being an air-traffic controller. Under-stimulation is a definite risk: controllers have been known to combine sectors of airspace into bigger blocks if traffic volumes are too low. But there is also a limit to how long people can concentrate deeply without becoming fatigued, which is why controllers typically work no more than 90 minutes or two hours without taking a break. Too much boredom is a bad thing, in other words, but so is too little.

Tasks that don't require laser-like focus can also allow creative ideas to incubate. A study by Benjamin Baird of the University of Texas at Austin and his co-authors asked participants to take a standard creativity test, in which they had to think of as many novel uses as possible for an ordinary object. A subset of this group was then given an undemanding task to do before taking the test again; other subsets were given a demanding task, a period of rest or no break at all. People who were given a task where their minds could wander far outperformed the other groups on the subsequent test.

Counterintuitively, grunt work may even be useful for bestowing a sense of agency. People like completing tasks. In a study of emergency-room doctors in an American hospital, Diwas KC of Emory University and his co-authors found that physicians would deliberately prioritise easier-to-complete tasks as workloads increased. Much as nobody revels in doing their expenses, they can at least be done. You can press the submit button and feel minutely satisfied (until you are told the claim code is wrong).

A job comprising too much drudgery is mind-numbing. If AI can make work more stimulating and more productive, then the technology will deserve plaudits. But bosses and employees should not be too quick to wish away every last bit of toil. Puttering has its place. ■

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Business | Schumpeter

Why corporate lawyers always win

The world is a pedant's paradise

March 12th 2026

In place of an aristocracy, observed Alexis de Tocqueville in 1831, America has lawyers. The number of them in politics has been in decline ever since. Instead, it is on Wall Street that pedantry has become truly powerful. Lawyers have ascended, in rank and wealth, above the accountants, consultants and investment bankers who comprise the rest of the corporate consiglieri. Profits per lawyer at the 100 largest law firms have increased by 54% since 2019, according to an industry report by the Thomson Reuters Institute, a research group. Hourly rates rose at more than twice the pace of inflation over the same period.

The grandest among the legal aristocracy advise private-equity firms from cradle to grave. What is that industry but a great confluence of contracts?

First, funds are assembled by lawyers. In a deal they negotiate everything but the price. If things go well, more fundraising and spending follow, along with billionaires in need of Dickensian family trusts and Trumpian tax treatments. If disaster strikes, the prize can be greater still. Contentious debt restructurings, which tend to postpone rather than avoid bankruptcy, are among the fastest-growing businesses at the top law firms. (These are to the legal profession what nose-jobs are to the medical one: lucrative, technically impressive and bleakly superficial.)

The result is an industry which prints money whatever the weather, and whose power sits awkwardly with clients that now feel only slightly richer than their servants. Kirkland & Ellis, whose untiring work for private equity has made its partners the industry's highest paid, pocketed nearly $200m from Blackstone alone during the past two years. Last month one of the law firm's top partners left after his client sued some of Kirkland's private-equity regulars as part of a particularly fiery debt restructuring.

Considering their role as architects of the unceasing innovation in corporate governance in America, it is striking how little has changed in the way top law firms are run. Regulation discourages radical changes such as a public listing (or a sale to private equity). Change has, at most, been incremental. Many firms have abandoned paying their partners based on tenure alone. Some have created a new rank of salaried partners, who are endowed with a lofty title and billing rate but no real ownership. Defections between firms have become a bit more common, though starting a new one is still mostly unthinkable—even if the best lawyers are no more dependent on their firms than top bankers. Three of America's ten leading financial-advisory firms for mergers were started this century; none of the most profitable law firms were.

Tocqueville might put it down to the conservatism he ascribed to the profession. Yet lawyers have demonstrated an extraordinary moral flexibility of late. Donald Trump has tried to punish the firms which pursued him after his first term as president and which had gone to great (possibly illegal) lengths to increase the racial diversity of their workforces. The few which have not yielded to him have been lauded. The rest, which speedily promised to work pro bono for causes approved by Mr Trump, are misunderstood by their critics. Big law's former obsession with DEI was a fickle response to client demands and social pressure, rather than a reflection of any deeper beliefs. It is not difficult to abandon principles you didn't have in the first place.

The contrast between the legal profession's commercial success and its unpopularity in the public realm is clearest in Britain. In the City, the business of poring over corporate contracts is one of the country's rare economic triumphs; in Westminster, activist lawyers continually frustrate government policy in areas from immigration to planning. "He spent his life subverting Britain's interests," Robert Jenrick, an mp, said recently of the attorney-general, a former human-rights barrister. (Before becoming a politician, and long before defecting to the populist Reform UK party, Mr Jenrick worked for Skadden and Sullivan & Cromwell, two top American law firms.)

Populism demands that the political clout of lawyers will fall even lower. But those hoping artificial intelligence will end the profession's dominance in commerce as well should not hold their breath. True, the information that lawyers marshal is both vast and often formulaic. Many of their tasks are conducted over email and in Word documents. And they play less golf than bankers.

Yet many in the profession are happily using AI to speed up their work. And for a technology widely predicted to put them out of a job, it is so far creating a good deal of work for lawyers. The novel financing structures that are enabling model-makers' enormous investments require reams of paperwork. Then there are the lawsuits. Anthropic, whose boss has predicted that its AI tools will soon replace junior lawyers, is keeping plenty of them busy by suing America's government for declaring the firm a "supply-chain risk". OpenAI, Anthropic's arch-rival, is being sued by Elon Musk, for shedding its non-profit structure; the New York Times, over alleged copyright infringement; and families of users who committed suicide after using its chatbot. For good measure, it has also been accused in Illinois of practising law without a licence. (The firm denies wrongdoing in all instances, presumably having consulted with its lawyers.)

In the last of these cases, a former employee of Nippon Life recently lobbed dozens of complaints at the insurer that were allegedly generated by AI, costing it $300,000—which it hopes to recover from OpenAI. With a cursory knowledge of the law now available to anyone who can converse with a chatbot, businesses may soon find themselves inundated with lawsuits. To defend themselves, they will still need to hire the professionals. Courts will remain slow. Again, it seems, the lawyers will win. ■

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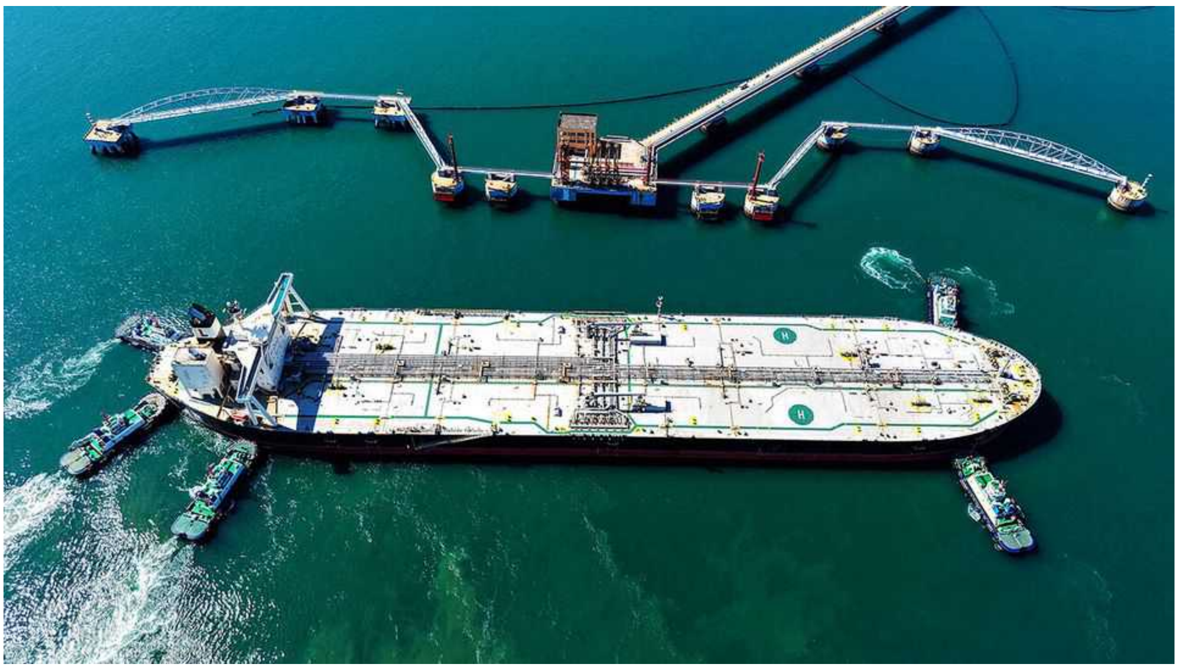
Finance & economics

Finance & economics | After shock

Donald Trump's options to cool oil prices are sorely limited

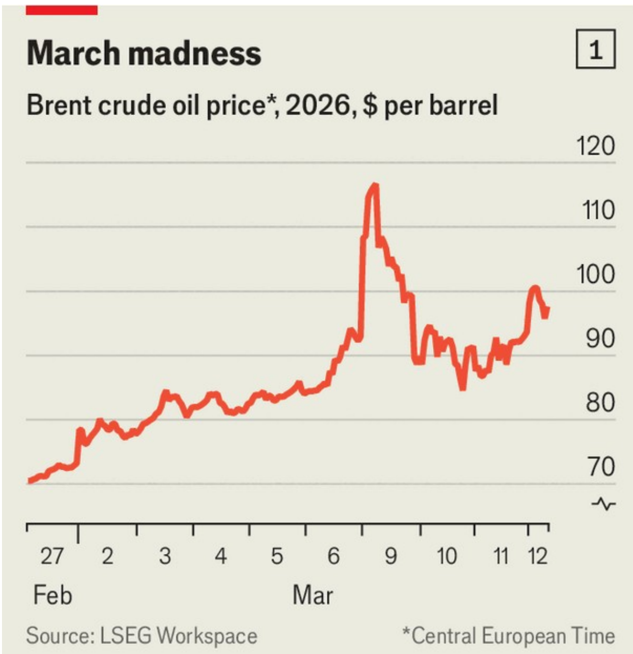
He says he has a plan. It would need to be very cunning

March 12th 2026



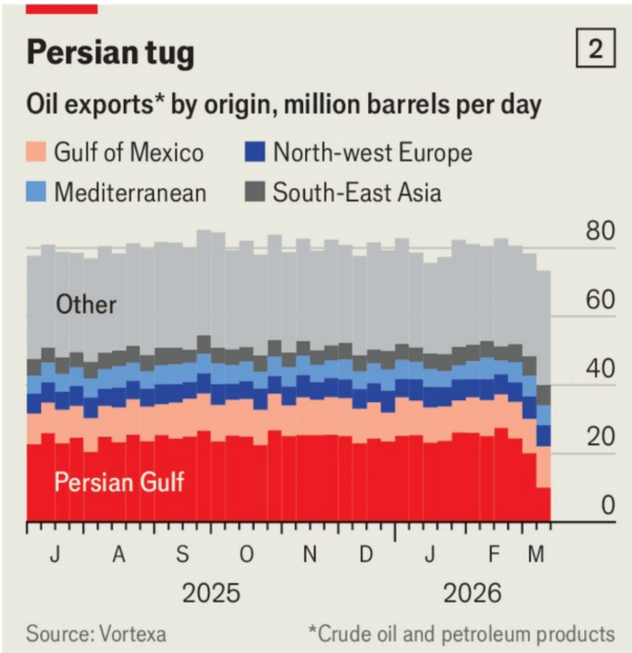
ON MARCH 11TH the 32 members of the International Energy Agency (IEA), a club of large oil-consuming countries, agreed to sell 400m barrels of crude from their emergency reserves. The release, equivalent to one-third of the group's combined strategic stash, is the biggest ever co-ordinated by the IEA, which was founded in 1974 after the first Arab oil embargo. Its historical significance failed to impress oil markets, which have been shaken by the Middle Eastern crisis provoked by America and Israel's war on Iran. Brent crude, the global benchmark, rose by nearly 10% in the day after the IEA's announcement, back to $100 or so a barrel (see chart 1).

Traders doubt that Donald Trump can end the war “any time” he wants, as he has claimed. Iran has attacked several tankers and is laying mines in the Strait of Hormuz. On March 11th Israel’s defence minister said the operation would continue “for as long as it takes”. The boss of Saudi Aramco, the world’s oil colossus, has warned of “catastrophic consequences” if the war drags on.



The closure of Hormuz is the biggest shock to global supply in the history of oil. Last year some 15m barrels per day (b/d) of crude, equivalent to 15% of world output, plus another 4m b/d of refined oil products sailed the waterway. A fraction can be redirected via pipelines in Saudi Arabia and the United Arab Emirates (UAE), but that still leaves around 15m b/d of oil and products trapped in the Persian Gulf (see chart 2). Mr Trump says he has “a plan” to keep energy prices contained. What options are available to him and other world leaders?

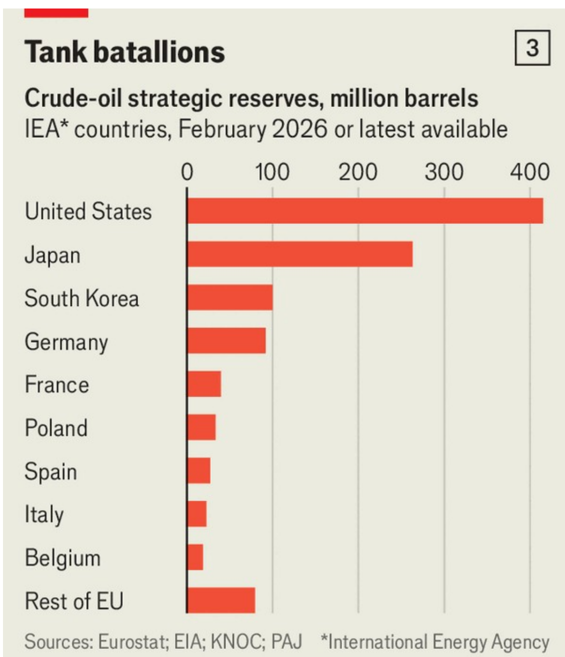
The immediate fix would be for more tankers to transit the strait. Early on the lack of war-risk coverage looked like a big problem. Many insurers rushed to renegotiate policies. On March 6th America’s International Development Finance Corporation (DFC) earmarked $20bn to reinsure losses suffered by ships in the Gulf, to be renewed when the facility is exhausted. It identified “preferred American insurance partners” to work with shipowners.



One problem with this idea is that American firms may lack expertise in such policies, most of which are underwritten by specialist syndicates in London. The facility also does not cover oil-pollution liability, needed for tankers to enter most ports. JPMorgan Chase, a bank, reckons it would take $352bn to cover all oil tankers trapped in the Gulf—more than the DFC’s maximum permitted liability. And insurance may anyway be less of a problem than Mr Trump makes out. Policies remain available. Although premiums have risen to 1-2% of the value of ships—a three- to six-fold increase on pre-war levels, says Simon Lockwood of WTW, a broker—shipowners can absorb the cost because freight rates from the Gulf to Asia have more than doubled. Ships are not transiting Hormuz for want of insurance but because they do not want to be blown out of the water.

In principle, a military escort could help. Between July 1987 and September 1988, during the Iran-Iraq war, America reflagged dozens of Kuwaiti tankers and escorted them through Hormuz with the help of some 30 warships. Convoys of two or three tankers and several naval vessels departed, on average, once a week. Today, though, a convoy a week would do little to return to pre-war traffic of nearly 50 oil tankers a day. At that rate, it would take two and a half years to get all 320 or so vessels stranded in the Gulf out of there. Even resuming three-quarters of Hormuz sailings would still mean nearly 4m b/d of oil are not getting to global markets. That is far more than analysts feared might be lost when Russia attacked Ukraine in 2022, a shock that sent Brent to $128 a barrel.

To make a real difference, the escort armada must be bigger. But American warships already in the Gulf are involved in the military campaign and reinforcements are weeks away. Jeff Currie of Carlyle, a private-equity firm, says the cost of a single escort would exceed the value of the cargo it is meant to protect. Any ship attempting to shield tankers would also become a target. No escort is watertight; Iranian drones have reached well-protected embassies on land. An oil spill from one hit could impede traffic for months, says John Thompson of Ambrey, a maritime-security firm.

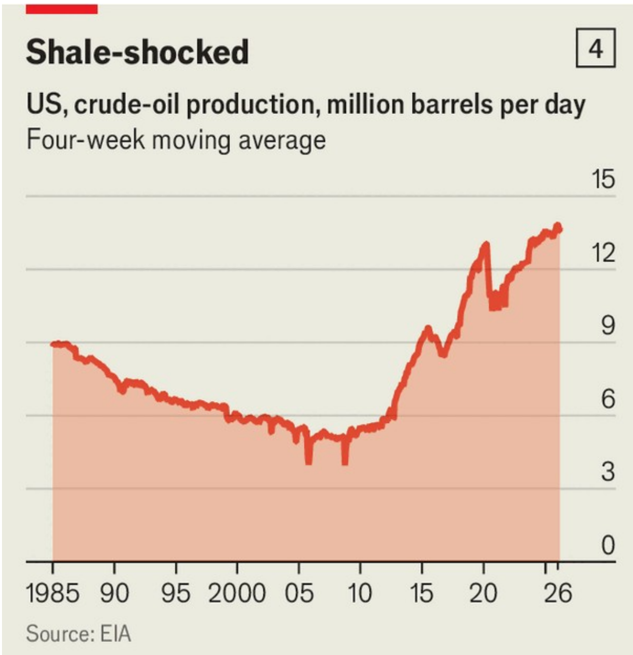


While Hormuz stays shut, governments are seeking alternative oil supplies. The first is those strategic stocks. IEA members' combined reserves amount to some 1.2bn barrels (see chart 3). Governments can requisition another 600m barrels of industry inventory. All this covers 140 days of their total net imports. The latest joint release is the sixth since the IEA's creation, including two in 2022 to counter the shock caused by the war in Ukraine. The IEA says the stocks "will be made available to the market over a time frame that is appropriate to the national circumstances of each member country", suggesting volumes could take some time to get to market. Japan—the IEA member most dependent on Gulf supplies—was the first to confirm it will start releasing barrels next week.

Other details of the IEA's plan remain scarce. And it is unclear if countries can afford to release much more if needed. Many reserves cannot be drained to the last drop; America's must keep at least 150m-160m barrels—35-40% of today's levels—to preserve the stability of the caverns that serve as depots. Releases are also not immediate. In America, it takes two weeks for contracts to be awarded and deliveries to begin once a presidential order is given. Drawdowns are gradual, because of pipeline and other constraints; the IEA's have never exceeded 1.3m b/d. If all IEA countries liquidated their strategic stocks at their maximum achievable rate, they could add at most 3m b/d to global supply, calculates Martijn Rats of Morgan Stanley, a bank. Going all out also signals an expectation of a prolonged war, prompting traders to bid prices up. On March 11th they rose by 5% after America said it planned to sell off 172m barrels over 120 days.

What of other sources of supply? The fastest way to bring more oil to market is to relax secondary sanctions on Russia, the world's third-largest producer. On March 5th America granted India a 30-day waiver to buy some of the 140m barrels of Russian crude now at sea, a fifth of it in Indian waters. This helps Indian refiners, which source half their crude from the Gulf. Sumit Ritolia of Kpler, a data firm, reckons India could lift its Russian purchases to 2m b/d, up from about 1m b/d in recent months. Mr Trump has hinted the waiver will remain in place as long as Hormuz is closed. It may be broadened to cover fresh Russian output and other buyers, too.

The Russian solution also has limits, however (beyond the moral ones of propping up President Vladimir Putin's murderous regime). Unable to procure spare parts and expertise because of sanctions, Russia's ailing energy industry cannot easily raise output. Prospective buyers would thus be competing for a limited number of barrels. Before long, discounted Urals crude may no longer be much of a bargain.



A less problematic supplier would be America. Its shale producers can crank up output at short notice. The problem is that these days shale firms focus on returning cash to shareholders rather than drill for drilling's sake. With American production near record highs (see chart 4), they will not invest in new wells until they are confident high prices are here to stay. Even then they could add only up to 300,000 b/d over 6-12 months, estimates Jorge León of Rystad Energy, a consultancy.

Short of ending the war, then, the best-case scenario of realistic releases, with more Russian crude and a bit more American shale, gives just over 4m b/d. That is less than a third of the Hormuz shortfall and would take weeks to materialise. In the meantime, more Gulf producers will run out of room to store their stranded oil. Iraq and Kuwait are already shutting wells, and the UAE and Saudi Arabia are trimming production. Within a few weeks combined cuts could reach 10m b/d—a tenth of global output. Even after Hormuz reopens, restoring idled oilfields to full capacity may take up to six weeks, says a former engineer on a Kuwaiti project.

Wood Mackenzie, a consultancy, warns of Brent at $150 if disruptions persist. Some analysts think it could hit $200. That is because, as economies have become less energy-intensive, and energy production less oil-intensive, the demand that remains—mainly from motorists and airlines—is less responsive to prices. This may make the shock more shocking.

With that in mind, governments are pulling their last lever: protectionism. China has ordered refiners to suspend exports of diesel and petrol, propelling prices for both up. India may follow, and America. It would leave many importing countries in dire straits. The world is anxiously watching the strait that matters most. ■

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Finance & economics | Denatured

Liquefied natural gas: the overlooked economic chokepoint

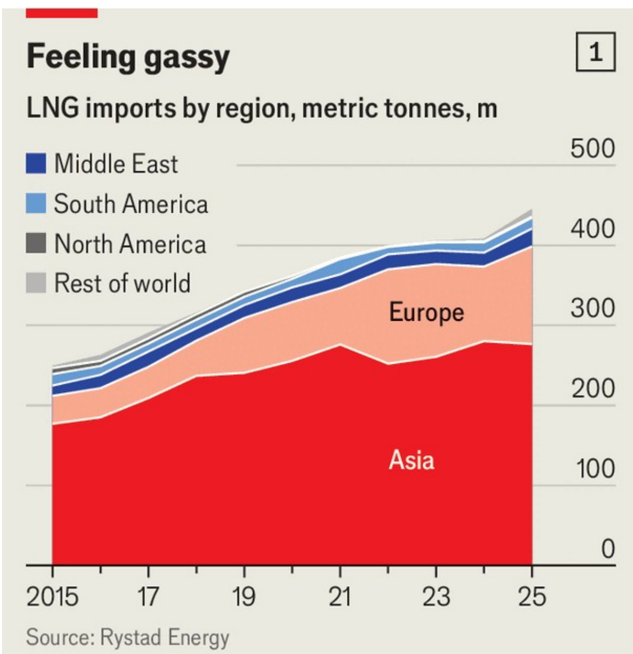
Alternatives to Gulf supplies are scarce

March 12th 2026

"THIS WILL bring down the economies of the world," warned Saad al-Kaabi, Qatar's energy minister, on March 6th. It was not hyperbole. Days earlier QatarEnergy, which makes a fifth of the world's liquefied natural gas (LNG), shut down its production and export facilities after some were hit by Iranian strikes. Unable to extract, process and, because the Strait of Hormuz is blocked by the fighting, ship its LNG, the firm has declared force majeure on its contracts. The price of LNG has ballooned on world markets. Customers around the globe, who use it to generate electricity, heat homes and make things like fertiliser, are scrambling to respond.

Exactly how far down the Qatari pause will bring economies hinges on the answers to four tough questions. How long will it last? How quickly can shipments resume in full once it ends? Can countries live off existing reserves until then? And how much of the gap can be plugged by LNG from elsewhere?

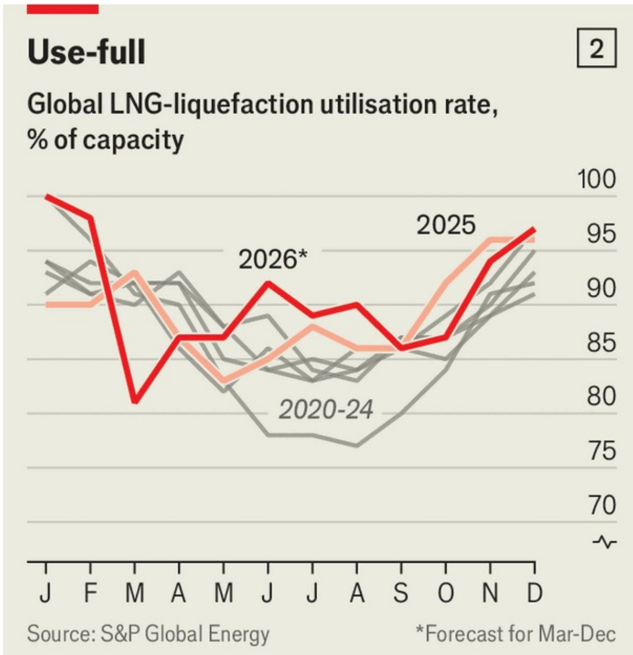
The first question is the hardest to answer, for it depends on the will of three unpredictable actors: Donald Trump, America's mercurial president; Binyamin Netanyahu, Israel's determined prime minister; and Mojtaba Khamenei, Iran's new supreme leader. On March 9th Mr Trump sent mixed signals, saying that the Iran war would be over "very soon", then insisting America was "going to go further". Mr Netanyahu wants to erase Iran's ability to threaten Israel for good. And Mr Khamenei, whose father and predecessor was killed in an Israeli strike at the start of the war on February 28th, also gets a say. After Mr Trump's statements Iran declared it would "determine the end of the war".



The hostilities, and the halt to Qatari LNG shipments, could thus last anywhere from a week or two to many months. That means entertaining various scenarios, none pleasant. Rystad, a consultancy, reckons that if Qatari infrastructure suffered little damage and exports resumed after 15 days, annual global LNG output would fall by 4.3% this year. If this stretches to a month, the loss would be over 14%. Last year the Oxford Institute for Energy Studies, a think-tank, modelled a 12-month blockade and found that even accounting for extra production spurred in other places by high prices, annual output would fall by 15%. This at a time when LNG demand was forecast to rise by nearly 8% in 2026.

The question about speed of recovery is a bit more tractable. Natural gas at the wellhead can be flicked back on like oil. LNG cannot. Because the stuff needs to be cooled to 160°C below freezing to turn into a liquid, QatarEnergy can economically stockpile no more than five days of production. Tankers and liquefaction gear are designed for constant and high utilisation. After being switched off, they too must be cooled back down, then restarted one after another rather than at the same time. And although QatarEnergy has dozens of tankers, it has only a few jetties from which to load them. As a result, it would typically take a fortnight to liquefy and load the first cargoes. Reaching full capacity may take between four and six weeks.

In the meantime, countries will be eyeing their gas stores—if they have any. In contrast to oil, notes Gavin Thompson of Wood Mackenzie, a research firm, there are no strategic reserves. Some places, like the European Union, mandate minimum storage levels. But even Europe is not safe, despite getting just 13% of its LNG imports from Qatar. Its stores are lower than normal after winter and Rystad warns that if the Qatari disruption extends to April, the bloc's target for next winter's gas storage will be difficult to meet without destroying demand, switching from gas to coal or rethinking the EU's full ban on gas imports from Russia, due to take effect next year.



Asian countries are more dependent on gas from the Gulf (see chart 1). They also have fewer options. South Korea is least stretched, with 52 days' worth of gas inventory. Japan has roughly 20 days' worth and Taiwan's stores would last just 11 days. Morgan Stanley, a bank, estimates that India has just 5-6 days of inventory. Big Indian users are already beginning to ration; fossil-fuel firms like GAIL and Indian Oil reportedly seek to cut 10-30% of gas use. At least one big city has stopped using gas for cremation.

The search is therefore on for alternative supplies. When the EU's imports of gas from Russia plunged following the invasion of Ukraine, the shortfall was similar to the current disruption. Back then cargoes of "freedom molecules" from America sailed to the old continent's rescue. But because the crisis took longer to unfold, Europe had time to add regasification capacity, cut demand and find other suppliers (especially from Asia). This time, says JPMorgan Chase, "the shock is abrupt and alternative supplies are scarce." Plugging a Qatar-sized gap "is simply not realistic", the bank concludes.

That is because the world's LNG export capacity is virtually tapped out (see chart 2). Australia, where producers are running at 90%, counts as having slack (and the 10m tonnes it could add at 100% is a fraction of the current shortfall of 85m tonnes). America's LNG facilities are operating at 95% capacity. New ones under construction may not come online in time to help with the current LNG shock. Technical difficulties are causing delays at the biggest of these, Golden Pass in Texas, which was due to start shipping gas this month.

The only producer that could conceivably step in is Russia. The country may, in theory, plug much of the global gap at short notice, using its existing piped-gas and LNG infrastructure. America has already granted India a waiver to import embargoed Russian oil. Doing something similar with gas is harder, however. The bulk of Russia's spare capacity is in piped gas to Europe. Tapping it would require the EU in particular to roll back sanctions on Russia, restart pipelines from there and once again tie its fate to a revanchist power on its doorstep. Ukraine, through which some of these pipelines run, would need to allow its invader to start pumping gas again. It would also need to stop going after LNG vessels in Russia's blacklisted "shadow fleet". For both the EU and Ukraine, this looks like a non-starter.

Not everyone is panicking. Lots of the world's natural gas is piped rather than liquefied and shipped, says Mel Ydreos of the International Gas Union, an industry body. But he cautions that "the longer the outage goes, the bigger the complications". Martin Senior of Argus Media, a price-reporting agency, is blunter. So long as Qatari LNG stays offline, "it is demand that will have to take a hit." How much of a hit depends on how soon Messrs Trump, Netanyahu and Khamenei see eye to eye. ■

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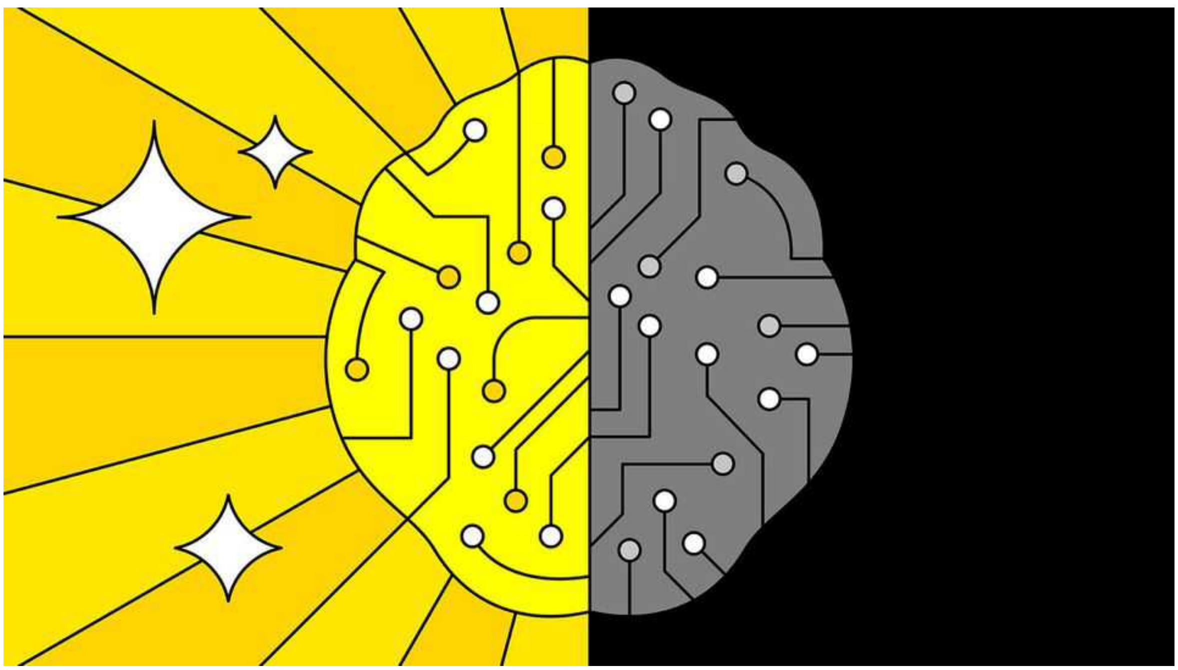
Finance & economics | Technomyopia

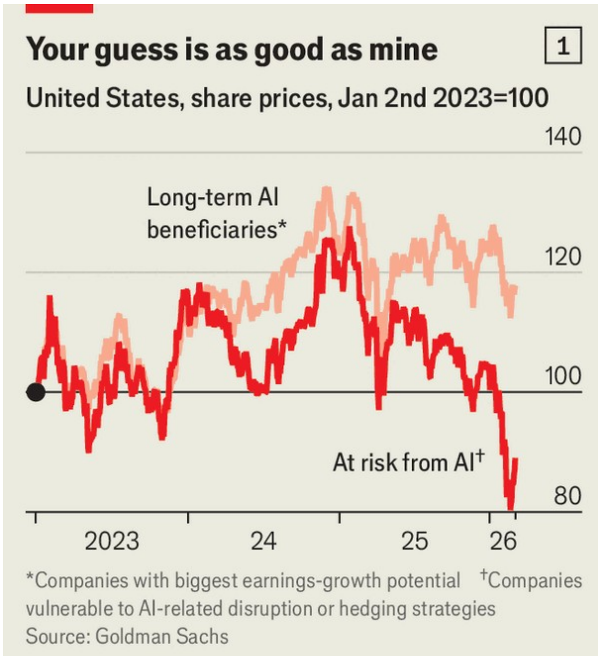
Why investors won't know what to make of AI for a while

Markets always struggle to price technological revolutions

March 12th 2026



STOCKMARKETS ARE, in a literal sense, fortune-tellers: their job is to foresee which businesses will make money in the future and which won't. When things are not changing much, this is a matter of simple extrapolation. When change happens, it gets harder. This is obviously true in times of acute change, such as the fog of war currently enveloping the world. Yet it is also true of slower-moving but more profound disruption, like that being wrought by artificial intelligence.



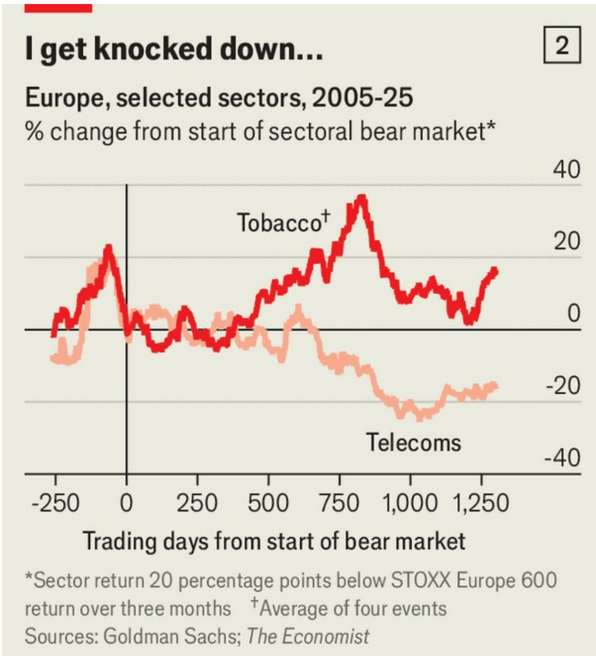
Confusion over AI is everywhere. Goldman Sachs has created a share-price index of firms at most risk of disruption (see chart 1). Over the past year this has fallen by more than 20%. The bank's mirror index of "long-term AI beneficiaries", whose earnings stand to get the biggest boost from higher AI-fuelled productivity, is down by about 5%, even though many stockmarkets are near record highs. Often investors cannot even decide whether a firm is an AI winner or loser. From May 2024 to May 2025 the share price of Duolingo, a language-educator, doubled. Since then it has fallen by 80%. Not long ago Google was apparently toast because of AI. In the past year the share price of its parent company, Alphabet, has risen by 85%.

Bond traders, for their part, think it is all much ado about nothing. In a world of higher AI-fuelled economic growth real interest rates should rise. But at 4.9%, yields on 30-year Treasury bonds are little different to where they were at the start of the year. When Isaiah Andrews and Maryam Farboodi of the Massachusetts Institute of Technology analysed bond-market moves around big AI model releases, they found that long-term yields fell.

Depending on where you look, then, AI is both everything and nothing: an existential risk for firms and a rounding error for the economy. This exasperates market-watchers. It is also, when you look to history, par for the course. For if stockmarkets are bad at pricing conflict, they may be worse at pricing technological revolutions.

For every Blockbuster, which the stockmarket started marking down two years before the video-rental darling's revenues peaked in 2004, there is a BlackBerry or a Kodak, where investors failed to detect trouble until the business was on its last legs. Like economists and recessions, markets often anticipate a technological disruption that never happens. When Thomas Edison's electric-lighting revolution began in the 1870s, it was the ChatGPT of its day. Smart money of the era piled into the new technology, backed by John Pierpont Morgan among other financiers, and out of gas companies, until then the providers of most artificial illumination. But gas did not become irrelevant. Investors realised that electric light would remain dearer than gas for years. Even as electric light fell in price in the following decades, gas firms found larger markets to pursue. In London, the Gas Light and Coke Company noted that in 1892 only 2% of its customers had gas cookers. By 1911 more than two-thirds did.

To complement anecdote, The Economist examined American and European equities from 2005 to 2026 and found around 80 instances where an entire industry, from luxury goods to telecoms and media, entered a sectoral bear market, with share-price drops of at least 20 percentage points over three months relative to the broader index. (We excluded the energy industry, which rises and fall with the price of fossil fuels.) When this happens, we assume that the market worries that some structural change will hurt that industry. This could be a new technology or institutional arrangement (such as globalisation).



Following such a sectoral bear market, the share price stays down half the time. In those cases, investors had correctly priced a long-term change in an industry's circumstances. When competition from Chinese rivals permanently destroyed much of the European solar industry in the 2010s, investors priced this early. They also foresaw that telecoms firms would suffer as the internet took off (see chart 2).

In the other half of bear markets, the share price rises back above the overall market within a few years, suggesting that the early bets soured. Tobacco firms in America and Europe are a good example. Several times their share prices nosedived relative to the market, as investors worried about the effect of innovations in e-cigarettes and vaping. Time and again, tobacco stocks rose from the ashtray.

Our results suggest the stockmarket struggles to capture structural economic changes. This chimes with the work of Song Ma of Yale University. Even when companies' technological base is becoming obsolete (measured by how cutting-edge their patents are), analysts tend to overestimate future profitability, Mr Ma finds. This props up the share prices of obsolete firms.

It would not be a surprise if today's investors, following Mr Ma's results, were overestimating the ai threat to some firms but underestimating the danger to others. There is, after all, even more uncertainty about the AI transition than there was about previous technological shifts. Two reasons stand out. The first concerns the technology itself. AI capabilities have improved rapidly in certain domains, notably coding. But progress is uneven across tasks. Performance on open-ended writing and idea generation is not noticeably better than it was a few months ago.

The second source of uncertainty concerns the economics of a superintelligent AI. No one knows to whom the profits of such "artificial general intelligence" would accrue. If AI reduces barriers to entry, companies' profit margins may decline. Leading AI labs report rapid revenue growth but also enormous costs of computing power. Lots of academic research suggests that new technologies cause market bubbles as investors get excited about the future. But some, such as by Jeremy Greenwood of the University of Pennsylvania and Boyan Jovanovic of New York University, suggests that the stockmarket can actually fall because investors expect new, as yet unlisted, firms to gobble up the profits. That is certainly what many backers of OpenAI and Anthropic, two warring AI labs, are hoping.

In a world where fundamental views of AI switch quickly, today's losers could end up as tomorrow's winners. Much will depend on how well firms deploy AI to improve their offering to clients. Innovating your way out of supposed technological threats is a common theme in business history. Western Union, the leading telegraphy firm of its day, foolishly snubbed Alexander Graham Bell's offer to sell it the patent for the telephone. But as phone networks grew, Western Union carved out a niche in money transfers which faced no immediate technological competition. American Express, now synonymous with credit cards, started out as a freight-forwarder. Samsung, a global technology giant, sold dried fish. Some of the software businesses being hammered today may likewise reinvent themselves.

Fans of efficient markets may be maddened by this inability to peer accurately into the future. But markets reflect only the collective wisdom of today's investors. For as long as conversations between two Silicon Valley technologists produce three answers about AI's impact on the world, no one will be the wiser. ■

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Finance & economics | Buttonwood

Time to buy the most rubbish stocks you can find

The dash for trash

March 12th 2026

FINANCE IS PEPPERED with jargon that doesn’t make much sense: “investment-grade bonds” (unlike those other, uninvestible ones), “forward guidance” (as opposed to the backward kind), “convexity adjustments” (translation: your trader wants more money) and so on. Still, it can be exasperating to hear an investment adviser sagely recommend “quality” stocks, as if without their wisdom you would seek out dross.

In fact, now is the moment to do just that. An eccentric conclusion to draw, you might think, as the world’s rules-based order breaks down, its dominant superpower attacks enemies with impunity and vital shipping lanes are blocked by war. Surely such times call for the haven of high-quality stocks?

To see why not, start with that jargon. Unlike other, better-defined "factors"—size, value, momentum—quality has only a loose meaning. Investors and academics use it variously to refer to profitability growth, earnings stability, investment patterns, as well as wafflier concepts like corporate governance. This is unfortunate, for it obscures a useful idea.

In 2015 Eugene Fama, a Nobel-prizewinning economist at the University of Chicago, and Kenneth French of Dartmouth College published a paper outlining a narrowly defined "profitability factor". Getting exposure to this entails buying shares of profitable firms and short-selling unprofitable ones. Perhaps because it seems glib to say that profits are good and losses bad, people started calling the factor "quality" instead.

Though today investors differ on exactly which parameters determine a stock's quality, most agree that they include profits which are high, stable and, preferably, growing. Low debt (relative to profits) also helps. Such virtues seem especially valuable during periods of high uncertainty—and on March 9th Wall Street's "fear gauge", the VIX index, hit its highest level since the tariff-induced panic last April. The turmoil was down to the American-Israeli war against Iran, which began with air strikes on February 28th, and in particular the threat of it restricting the world's oil supply. Yet since markets closed on February 27th, the subindex of quality stocks in the S&P 500 benchmark has fallen by more than the main index. The same is true of the broader MSCI World Quality index, a subset of the MSCI World.

One reason is that, as Adam Parker of Trivariate Research points out, the market value of high-growth firms has become significantly skewed towards high-quality ones over time. America's tech giants epitomise this trend: excluding Tesla, all have increased their earnings both reliably and at a clip ranging from impressive to gobsmacking. They have also seen their market values balloon, both in dollar terms and as a share of the overall market.

The downside of the broader overlap between growth and quality stocks arises because much of a growth stock's value comes from the far higher profits investors expect of it in the distant future. These are inherently uncertain, however reliably the firm's earnings have grown in the past. And so quality stocks now take a bigger hit when the world becomes more fractious and unpredictable, since this calls into question the future cashflows that investors are disproportionately banking on. Quality does not, in this world, denote safety.

A corollary is that the junk stocks left behind by their fast-growing counterparts derive a greater proportion of their value from near-term profits. These might be ho-hum, but they are also almost within reach, so less vulnerable to disruption. A glance at the sectors represented in the S&P 500's lowest quintile, quality-wise, shows the difference. Firms offering discretionary goods, financial services and health care all loom large. Energy firms make up 9% of the lowest quintile's value, compared with less than 1% for the quality subindex (and have benefited from the jump in oil prices caused by the war in Iran).

Should the oil shock persist despite President Donald Trump's desire to end hostilities, it might well be time for the rubbish to shine. Mr Parker has analysed low-quality shares' historical performance after oil spikes, which he defines as price rises of more than 35% within three months. (A barrel of Brent crude, the global benchmark, is now up by around half since mid-December.) He found that the trashiest stocks rose by 8% on average in the six months after the spike, compared with 4% for the highest-quality ones. "Buy quality" might appear to be eye-rollingly obvious advice. Just now, it might also be wrong. ■

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Finance & economics | Free Exchange

Would America be in recession without the super-rich?

American anxieties are K-shaped. The economy is more like a backslash

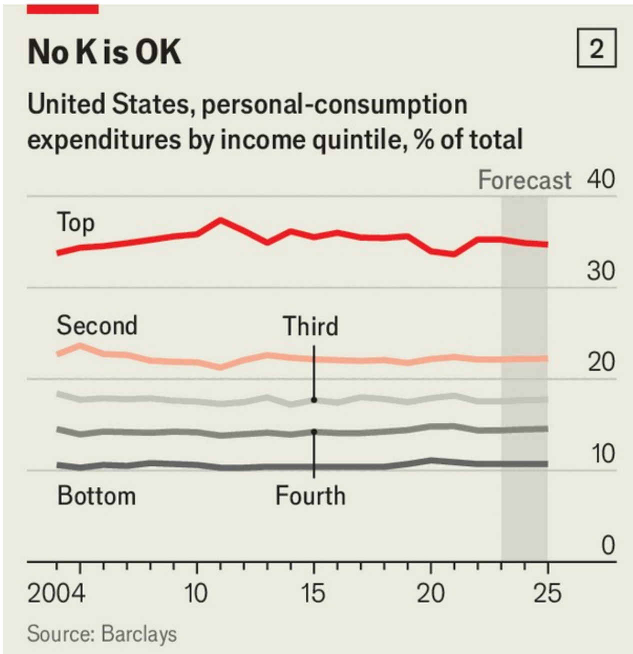
March 12th 2026

ECONOMISTS LOVE their alphabet. They describe business cycles as L-shaped (down, then flat), U-shaped (gradually down, then up), V-shaped (the same but sharply) or W-shaped (a V with a hiccup). Since covid-19 some have latched on to another letter. The post-pandemic recovery, economic pessimists feared, would resemble a K: up for some (the wealthy), down for others (the poor). Since then, especially in America, concerns about the "K-shaped economy", where spending by the super-rich is all that is stopping today's boom from turning to bust, have lingered.

In recent months these have proliferated, cropping up in everything from Google searches to corporate filings and earnings calls (see chart 1). Every time the economic data show signs of weakness—as on March 6th, when the Bureau of Labour Statistics (BLS) reported a net loss of 92,000 jobs in February—the worries mount further. If the shape of the American economy indeed hinges on the behaviour of a small elite, who could tighten their purse strings at any moment, that would be something to fret about. So does it?

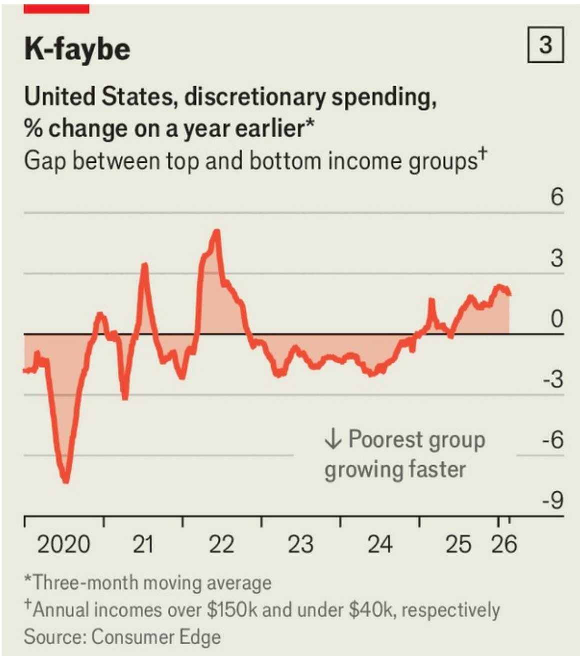
The often repeated statistic behind the K is that about half of America's spending now comes from the highest-earning 10%. The figure has been hawked most prominently by Moody's Analytics. The research firm also finds that the share of spending by the top 20% has gone up from 55% in 2019 to 59% in 2025. At face value, this points to a worrying imbalance. Happily, it is almost certainly wrong.

Moody's starts out by estimating income and saving by income bracket, and then deriving each bracket's spending as the difference between the two. Income is calculated by applying each bracket's share of income, as reported in the Federal Reserve's Survey of Consumer Finances (SCF) conducted every three years and adjusted for tax rates, to an aggregate income figure for all groups from the quarterly national accounts.



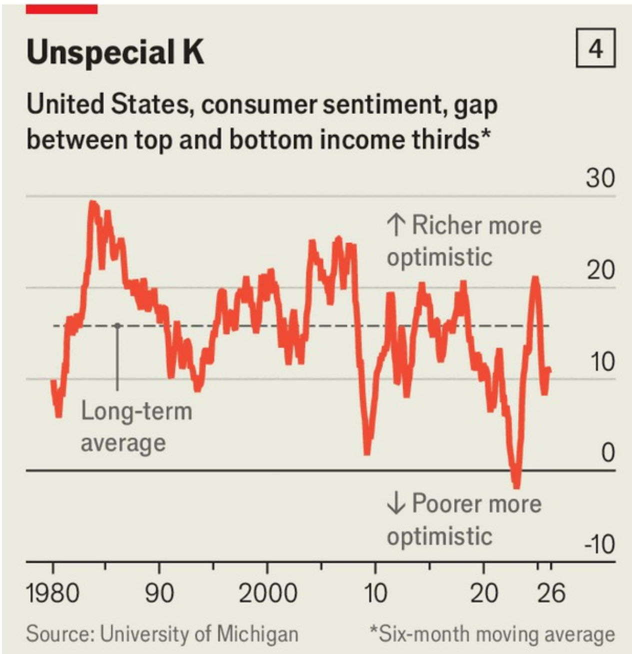
To arrive at its figures for saving, Moody's combines the SCF, which also reports asset holdings by income bracket, with the Fed's quarterly financial accounts, which aggregate all American households' purchases of various assets (cash, property, stocks and so on). Total saving for all households is easy enough to calculate by adding these up.

Apportioning total saving by income group is less straightforward and rests on a big presupposition. Moody's assumes that a bracket's share of purchases of a particular asset type exactly mirrors the bracket's historic share of that asset as reported in the last SCF. So if the top 10% of households by income held around 70% of all equities in 2022, they are thought to account for 70% of Americans' purchases of equities since then.



Using historical shares of income to impute subsequent shares is questionable. Using historical shares of the stock of wealth to impute subsequent flow of saving is, if anything, even more so. For example, new homebuyers do not look like existing homeowners. Besides, households' behaviour can change: with the rise of digital trading platforms like Robinhood, low-earners have become enthusiastic retail stock traders.

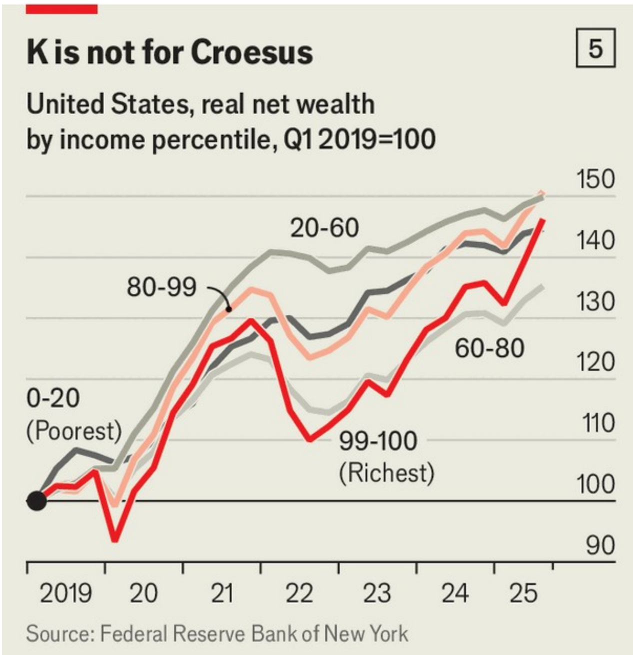
Any estimate of the gap between a questionable figure for income and a more questionable one for saving is therefore more than doubly dubious. Fortunately, there is a less convoluted way to determine how much Americans of various sorts are spending: to ask them. The BLS does this annually, though the figures come out with a delay. Economists at Barclays, a bank, have crunched these survey numbers and adjusted them for under-responding by the rich. They conclude that as of a few years ago, the highest-earning 20% of Americans accounted for just over a third of the spending (see chart 2).



This share also looks extraordinarily stable. Figures for the past few years have not been published yet, but before that they were more or less flat for decades, even in the tumult of the global financial crisis of 2007-09 and the covid-19 pandemic. If those two upheavals did not alter the proportions, it is hard to think of something that could. When Barclays looked at whether spending categories favoured by the rich (like restaurants) or poor (like petrol) rose fastest, the conclusion was that the share of spending by the most loaded crept down slightly in 2025.

Figures from other sources do not look particularly K-ish, either. Consumer Edge, a data provider, estimates people's spending based on their credit- and debit-card use. According to these numbers, the gap in spending growth between the rich and the rest has gone back and forth in the past few years, averaging about zero (see chart 3). Retail-spending figures from the Fed's New York branch similarly do not show that well-heeled shoppers have been abnormally spendthrift lately.

Most important, little else in the economy points to a shift towards the wealthy. The wages of low-earners are growing at a similar rate to those of richer ones—and increased at a much faster clip in the years after the pandemic. In surveys of consumer confidence, the gap between the mood of the poor and that of the rich is no wider than usual (see chart 4).



As for assets, the New York Fed shows that since the pandemic the net worth of rich households has not outpaced that of the less well-off. The fortunes of the wealthy have soared recently, but only after crashing when markets slumped in 2022 as the Fed raised interest rates. The wealth of poorer Americans has grown more slowly but also more steadily (see chart 5).

None of this is to deny that America's economy is unequal by rich-world standards, as well as being unusually fast growing. But the plutocrats alone are not powering today's expansion. You might worry about inequality in America; just don't fret for macroeconomic reasons. ■

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Science & technology

- Want to hack your body with peptides? If only the science agreed
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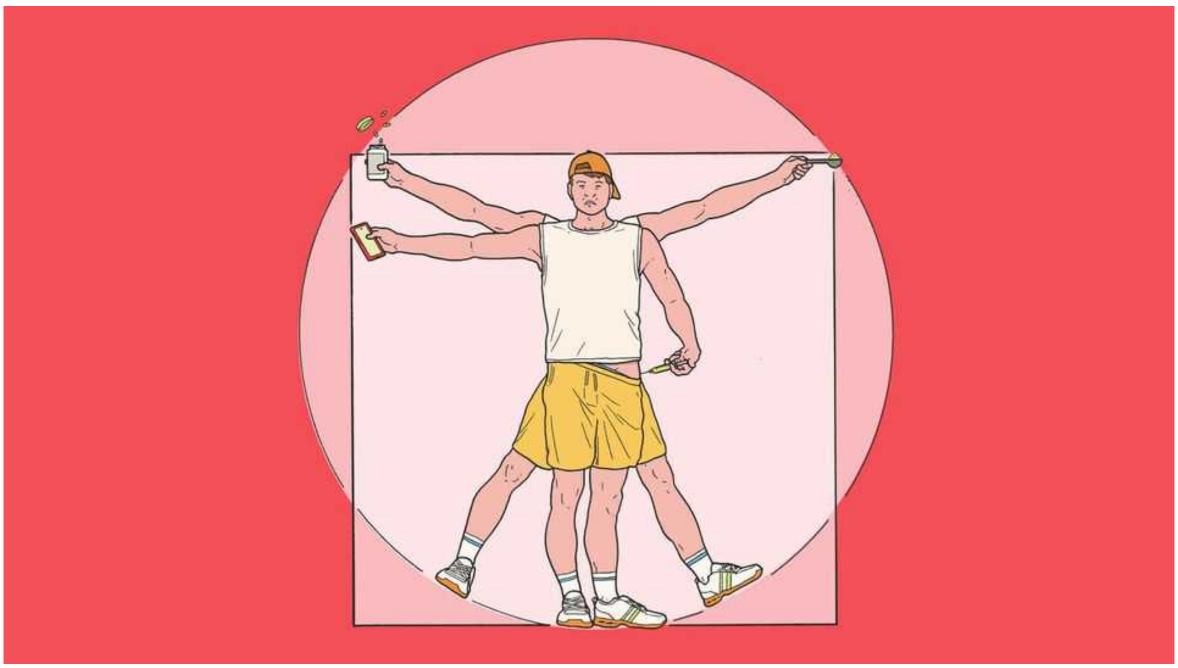
Science & technology | Pep tide

Want to hack your body with peptides? If only the science agreed

Boosters say they will do everything from aiding strength, recovery and longevity

March 12th 2026



FIFTEEN YEARS ago, buying performance-enhancing drugs usually meant hanging around a bodybuilding gym until you met someone who knew someone. The deal could then be consummated in a quiet corner of the car park, in cash.

Times change. When The Economist wanted to get hold of a "peptide" drug known as BPC-157, supplies were a mere mouse-click away. Numerous websites offer next-day delivery, or let customers buy in bulk to secure a discount. "Frequently asked questions" pages walk newbies through the process. One site claims to have been in business for 14 years and to have accumulated hundreds of largely positive appraisals on Trustpilot, a platform where customers can leave reviews. Payment is by credit card, bank transfer or—inevitably—by cryptocurrency.

Sure enough, a vial of powder ordered on a Tuesday evening arrived less than two days later. BPC-157 is promoted by users for its supposed rejuvenating powers (though actual data in humans are scant). Mix it with TB-500, another untested chemical, and you have the "Wolverine stack", a drug combination claimed to boost the speed with which the body recovers from wounds and hard exercise. It is named for the Marvel character with similar superpowers.

Dosing oneself with poorly researched drugs bought online is a risky pastime. But it is an increasingly popular one. People are turning to peptides to enhance their brains, their brawn or their beauty. Hard data on users are difficult to come by. But drugs are widely discussed, advertised and sold in the largely unregulated world of online fitness and wellness influencers.

The most committed users of peptides have built a "folk pharmacology" around them, an amateur medical ecosystem in which they try to hack their own biology on the basis of animal studies, informed speculation and hope. The easy availability of scientific papers fuels endless rounds of discussion and websites and social-media apps connect buyers, middlemen and factories. Forums let self-taught "researchers" discuss the latest studies and speculate on dosing schedules and drug combinations. The most enthusiastic users see this as a way to short-circuit a medical system they see as overly slow and cautious, and which is organised around curing diseases rather than "optimising" well-being or function.

More mainstream figures are also now endorsing them. Joe Rogan, the world's most popular podcaster, is a fan. On February 27th, on Mr Rogan's podcast, Robert F. Kennedy junior, America's top health official, announced his intention to allow 14 peptides to be prepared by licensed compounding pharmacies on prescription.

Technically speaking, a peptide is just a particular kind of biological molecule too small to count as a full-blown protein. Some are well-known: insulin, which regulates blood sugar, is a peptide. So are GLP-1 drugs used for diabetes and weight-loss, such as semaglutide and tirzepatide (the acronym stands for “glucagon-like peptide 1”). Colloquially, though, the term has become a catch-all for a constellation of unlicensed drugs (some of which are not peptides) that offer everything from bigger muscles and a sharper brain to boosted longevity and a restored libido.

The idea of pharmacological enhancement—using drugs to make the body function better, rather than to cure an illness—is not new. A century ago, athletes would use mixtures of strychnine, heroin, cocaine and caffeine. But from the 1950s the use of testosterone and its synthetic alternatives started to rise, first in weight-lifting and then in gyms. Anabolic-androgenic steroids (known as steroids or AAS) became widely used to improve muscle strength or performance. Knowledge of how to “stack” several different kinds of steroids also started to spread.

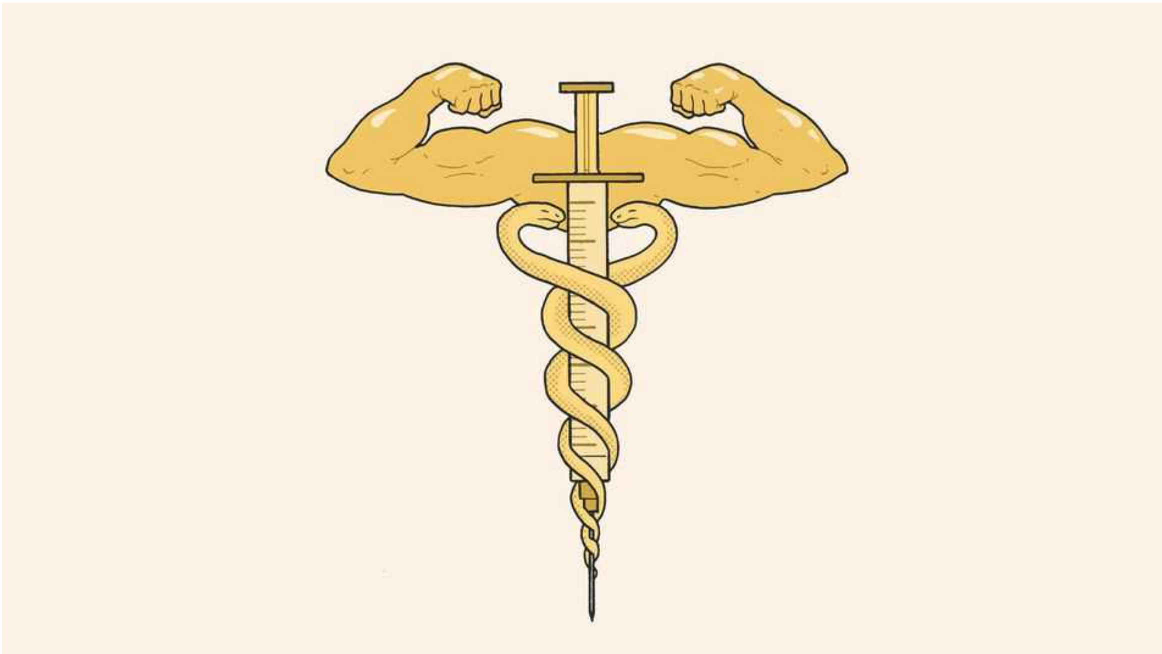
There is “a very clear lineage” between the modern peptide culture and the much older scene around anabolic steroids, says Luke Turnock, a criminologist at the University of Leicester who studies the culture of performance-enhancing drugs. “Hanging out in hard-core gyms was where I was first exposed to peptides. They were being used by bodybuilders and powerlifters in the 2010s.” These days peptides have spread far beyond powerlifting gyms. The “wellness” market was worth $2trn in 2025 according to McKinsey, a consultancy, and is driven by consumers wanting to take control of their health. Peptides are just the tip of an iceberg that represents the human drive to optimise well-being.

Peptides are generally legal to sell in many rich countries, as a loophole allows them to be put on sale as long as they are marked as not for human use. The websites that offer them go out of their way to refer to their wares as “research chemicals” and tell customers that they should not be taking the stuff themselves. As legal fig leaves go, that is almost comically skimpy: the same sites sell sterilised water as well as syringes. Some even provide helpful video instructions on how exactly to administer the compounds they send out. They are also cheap. Five milligrams of Mounjaro, a weight-loss drug made by Eli Lilly, costs £190 ($255) from a reputable British pharmacy. One online peptide seller says it will send 20mg for £79.99.

Whereas steroids help users put on muscle and improve their athletic performance, peptides are marketed as having wider effects. ACE-031, for instance, is said to boost muscle by inhibiting a hormone called myostatin, whose job is to stop muscles growing too large. Another compound that, anecdotally, is selling well is retatrutide, another weight-loss drug made by Eli Lilly. Still in clinical trials, retatrutide has not been approved for sale by any medical regulator. But firms and individuals offering to sell this product are easy to find. Imran Khan, a British sports scientist, runs Transform Now, a health clinic that offers medical and testing services and specialises in treating those who use performance-enhancing drugs. He sees a lot in his clinic: “Everyone is on reta,” he says.

Ipamorelin, meanwhile, is a so-called “secretagogue”, a peptide designed to boost the body’s production of another chemical (in ipamorelin’s case, human growth hormone, or HGH). There are peptides that claim to treat hair loss, improve memory, firm up the skin or soften the lips. PT-141, otherwise known as bremelanotide, has been through clinical trials, and is prescribed to pre-menopausal women to boost libido. One online clinic sells it as part of an “Adonis protocol” for aspiring sex gods of the male variety, something for which it is not approved by regulators.

Push factors exist alongside the pull. In 2025 Dr Turnock and Evelyn Hearne, a public health researcher at Liverpool John Moores University, published a study looking at the motives of peptide users. Many were not satisfied with the standard health care on offer from their doctors. Faced with general, diffuse symptoms like low mood, brain fog, fatigue or general aches and pains, many people concluded that conventional doctors had little to offer. Peptide pedlars, freed from the need to stick to what the evidence shows, are free to offer renewal and rejuvenation.



At the same time, the idea of human enhancement has been seeping into the culture at large. Millions of men in America are on testosterone-replacement therapy (TRT), a treatment that is sometimes medically necessary but which can also provide useful cover for those who want testosterone for its performance-enhancing attributes. Fitness influencers, plenty of whom use steroids, growth hormone and peptides to obtain their physiques, have millions of followers on social media.

Even the blockbuster success of GLP-1 drugs—a triumph of the conventional medical industry—may have helped normalise buying drugs from questionable sources, says Dr Turnock. One survey carried out in January by LloydsPharmacy, a British firm, found that 28% of respondents had bought GLP-1 drugs from unlicensed websites or sellers on social media.

In the absence of rigorous human trials, however, many users seem happy to self-experiment. Some corners of the world are more receptive than others. The do-it-yourself ethos and enthusiasm for disruption of Silicon Valley has led techy users to try to hack their own metabolisms. In December Peptide Partners, an online seller, held a “Chinese Peptide Rave” (named for the ultimate source of the drugs) at the Frontier Tower in San Francisco, a building its owners describe as a hub for AI, neuroscience and robotics.

All this unnerves doctors and medical regulators. One issue is that, with no official oversight, there is no guarantee that a peptide bought online is actually what it claims to be. A study looking at 27 grey-market peptide samples, carried out in Belgium and published in 2018, found purity levels ranging from 5% to 99.9%. Six vials contained more arsenic than the legal maximum (including one with levels far higher than permitted), as did one for lead.

Jordan Shlain, boss of Private Medical, a concierge doctor firm, is wary of the risks his clients take when they source injectable drugs online. One patient asked him to get a vial of L-carnitine—a small molecule derived from two amino acids—because all the "bros and longevity people" were telling him he had to do it. Dr Shlain sent the bottle for testing and found it contained multiple unidentified compounds, including two synthetic stimulants with ecstasy-like properties, an agricultural weedkiller and an industrial chemical.

For peptides that have been approved for human use, such as GLP-1 drugs, reassurance that a drug is what it claims to be might be helpful. But most grey-market peptides lack such approval as well as the sort of rigorous evidence base about efficacy that would let users draw useful conclusions. Only three small human studies of BPC-157 exist, for instance, the largest of which is a telephone survey of 16 people who received an injection of the drug for knee pain, and which was published in a third-tier journal, Alternative Therapies.

Getting a licence for a drug is a long and laborious process. Initial studies are done in Petri dishes and then animals. If a drug appears effective, small-scale human trials will be done to check that it is not immediately toxic, then bigger ones to see if it works. The process can take over a decade, and leave little change from $3bn. About nine in ten drugs fail such checks, either because they do not work as well as their manufacturers hope, or because they are deemed too dangerous—or both.

Nothing like this has been done for most of the peptides available online. But if users can speculate about the possible benefits, it is possible to speculate about side-effects too. Take ipamorelin, a peptide which boosts the body's secretion of HGH. Side effects of HGH range from heart disease and an elevated risk of developing some cancers to a condition called acromegaly, in which bones in the face, feet and hands grow unpleasantly large. Caroline Messer, a doctor at Fifth Avenue Endocrinology, a clinic in New York, diagnosed one patient who had obtained ipamorelin and a similar peptide with carpal tunnel syndrome—another known side-effect of excessive HGH.

BPC-157 enthusiasts claim there are biologically plausible reasons to think it can boost the body's repair mechanisms. But there are biologically plausible reasons to wonder if it might encourage the growth of cancerous tumours, too. The drug seems to encourage angiogenesis, or the creation of new blood vessels. That is an important process in healing damaged tissue. But it could also encourage the growth of existing tumours, which rely on a generous blood supply. (Drugs that suppress angiogenesis are a mainstay of some cancer treatments.) Until human trials are done, it will not be possible to know either way.

In the absence of any hard information, cautious users turn to a growing number of direct-to-consumer blood-testing firms. These offer regular blood tests, which may pick up worrying changes. SiPhox Health, a startup in Massachusetts, has developed a device that it says can draw blood painlessly from the upper arm. It markets its services explicitly to "high performers, biohackers, and athletes". Function Health, a firm in Austin, does not specifically target peptide users, but its tests track dozens of biomarkers for upwards of $365 per year. Its celebrity backers include Matt Damon, a Hollywood actor, and it was valued at $2.5bn in a fundraising round in November.

Such precautions, unsurprisingly, are far from foolproof. Besides the excited speculation and reports of wondrous transformations, it is possible to find regretful users who explicitly blame peptides for their health problems. One prominent example was Bostin Loyd, an American bodybuilder, steroid user and peptide fan, who died in 2022 from a ruptured aorta. Before his death, he revealed he was suffering from severe kidney failure. Loyd blamed adipotide, a peptide he took to try to shed fat and which, in monkeys at least, does seem to cause kidney problems.

Loyd's case is a stark reminder of the dearth of medical knowledge and that those using peptides are taking part in a dangerous bargain—small and uncertain gains in appearance or performance might come at the cost of large and unknowable short- and long-term health risks.

Regulatory interest is growing in some parts of the world. In August 2025 Health Canada announced the seizure of a cornucopia of drugs sold by the firm Canada Peptide. In September the European Medicines Agency issued a public warning about grey-market GLP-1 drugs, warning of impurities, side-effects, and the possibility of dangerous interactions with other medicines. It ordered product withdrawals and spoke of "cross-border collaboration with enforcement officers" and the blocking of websites. And Britain's regulator has been cracking down on online sales and production facilities, recently shutting down two manufacturing sites suspected to be involved in making illegal weight-loss drugs.

In America, Mr Kennedy's plan is to allow regulated domestic supplies of peptides. He trailed his intentions in 2024 when, shortly after his appointment, he announced that the American drug regulator's "war on public health is about to end", promising to halt the organisation's "aggressive suppression" of all sorts of fringe medicines, peptides explicitly included. This policy might reduce harm if the government also warned people of the potential dangers of injecting untested drugs into their bodies. So far, it has not done this. In America at least, the peptide rave looks likely to continue unimpeded. ■

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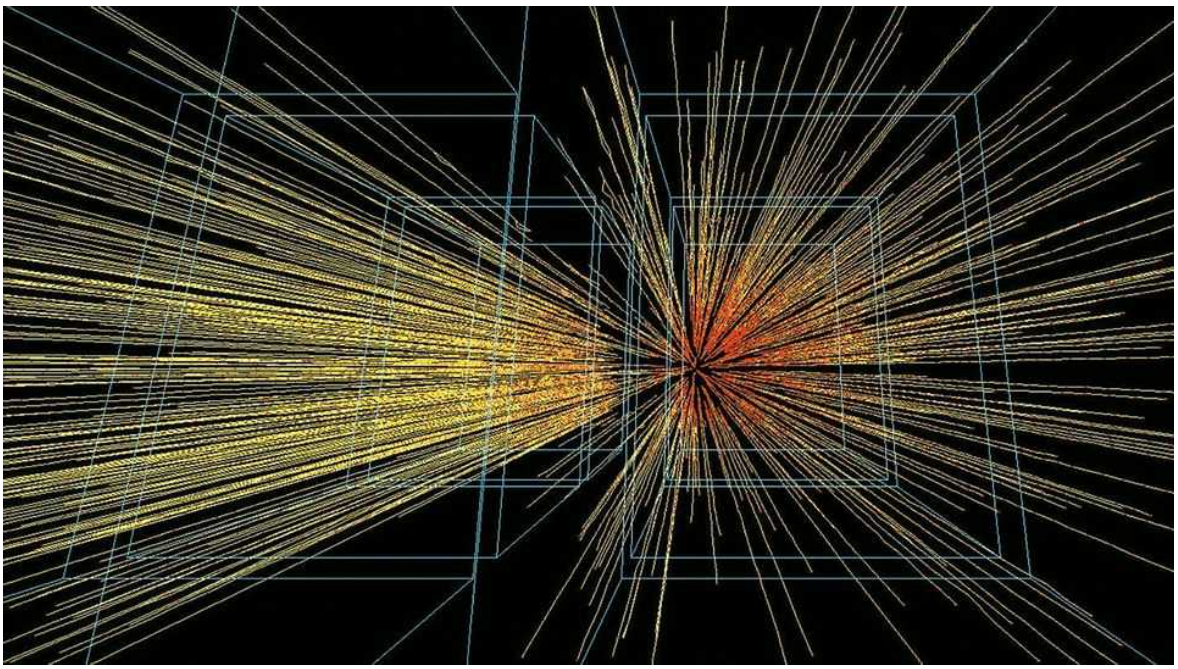
Science & technology | Collision course

AI is helping expand the frontier of theoretical physics

It is blurring the line between tool and collaborator

March 12th 2026



IN 2025 A GROUP of theoretical physicists studying the behaviour of fundamental particles called gluons hit a brick wall in their calculations. In search of a fresh perspective, the physicists teamed up with OpenAI, an artificial-intelligence lab, to see whether an AI assistant might be able to help. Two preprints, published in early 2026, report the results of this collaboration. The AI's role was central, say the researchers, enabling them to complete in weeks what would have typically required months. The long-touted idea that AI could help with work at the frontiers of theoretical physics is now a reality.

What makes the interactions of subatomic particles so difficult to model is the fact that they obey the probabilistic laws of quantum physics. That means that when two particles enter a collision, it is impossible to definitively predict how many particles will leave. All physicists can ever do is determine the probability of various outcomes, which is done with the help of mathematical quantities called scattering amplitudes.

These quantities are challenging to compute, often involving many hundreds of intricate mathematical terms. In certain cases, however, mathematical patterns emerge that collapse these mammoth equations into simple, elegant forms. This simplicity is particularly striking for gluons—fundamental particles that transmit the strong nuclear force. A subset of their scattering amplitudes, known as single-minus tree-level, appear to vanish completely, implying that the associated processes could never occur. The authors of the new studies, however, suspected this conclusion was too strong.

The researchers had noticed that if the momenta of the particles entering and leaving a collision are made to take certain values, the amplitudes become non-zero. Calculating the simplest examples, involving only a few gluons, was straightforward. But as the number of particles increased, so did the complexity of the maths.

When Alexandru Lupsasca, a physicist at Vanderbilt University and OpenAI, invited the researchers to test the physics capabilities of OpenAI's latest models, the single-minus gluon scattering amplitudes seemed like the perfect problem. Given the physicists' formulae, GPT-5.2 Pro both spotted simplifications they had missed and conjectured a generalisation—an expression valid for any number of gluons. The researchers then asked a more capable OpenAI model—one not publicly available—to confirm it. After 12 hours of thinking, the AI handed them a proof. The physicists checked through the mathematics; the AI's working was correct.

The researchers posted their findings, which have not yet been peer reviewed, on arXiv on February 12th. But that was not the end of the story. They immediately wondered if the results could be extended to gravitons—hypothetical particles thought to carry the gravitational force. Gravitons have not been observed, but calculating their theoretical scattering amplitudes allows physicists to investigate how gravity might behave at the smallest scales.

Graviton calculations are even more complex than those for gluons. Yet on March 4th the researchers released a second paper. Using only the gluon results and some gentle prompting from the physicists, GPT-5.2 Pro was able to construct the analogous single-minus scattering amplitudes for gravitons. All that was left for the physicists to do was check its working. “The physics problem now is not the hard part. The hard part is verifying the results and writing it up,” said Dr Lupsasca. “This feels surreal to me.”

The physicists are now working with the models to investigate what these results mean for their theories. But the true significance of these two preprints may lie in their means, rather than the ends. For the researchers, the AI model has begun to blur the line between tool and collaborator. “It came back to me and said ‘Well, the obvious generalisation is…’ and wrote down the whole formula,” said Andrew Strominger, a physicist at Harvard University and co-author of the studies. “Which is just the kind of thing some of my more obnoxious colleagues would say.” ■

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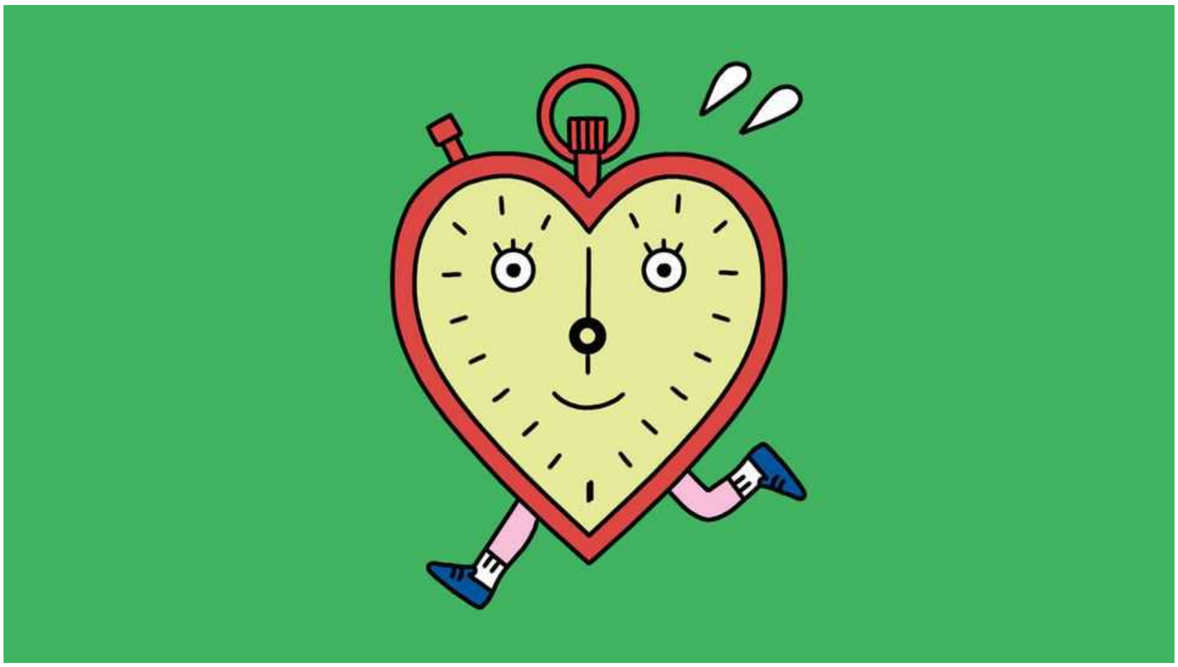
Science & technology | Well Informed

What is your maximum heart rate?

We tell you how to find out

March 12th 2026



PRINTED ON TREADMILLS and exercise bikes in gyms around the world is a simple method for estimating the maximum rate at which your heart should safely beat, in beats per minute: 220 minus your age. This neat formula is endorsed by august bodies like the American Heart Association and the British Heart Foundation. By this calculation a 50-year-old should expect their upper limit to be 170 beats per minute. But studies have shown that people of the same age can have wildly varying maximum heart rates. No simple formula will cut it.

Knowing your maximum heart rate can be useful when planning exercise. Workouts in lower “zones”, defined as up to 70% of maximum heart rate, improve aerobic capacity. More intense exercise emphasises anaerobic fitness.

Unlike resting heart rate, which can be lowered with training, there is little one can do to change the maximum. As exercise gets more intense, the heart rate rises to deliver more oxygenated blood to working muscles. But there is an upper limit. Once the interval between beats becomes so brief the heart's ventricles cannot fully refill before the next contraction, less blood is pumped with each pulse. Cells in the heart's natural pacemaker, the sinoatrial node, determine the ceiling. They can fire electrical impulses only so fast, limiting the number of beats per minute.

Most people do not know their true maximum. Assessments to determine it in athletes push them to their limit and are typically done only under medical supervision. Everyone else uses a formula based on their age. Studies have shown that ageing reduces the level of electrical activity in the heart's pacemaker, which lowers the maximum heart rate that can be achieved.

The "220 minus age" formula was the first attempt to put a figure on how age affects maximum heart rate and traces back to a paper from 1971. By modern standards, though, the evidence for the formula is flimsy, explains Robert Robergs, a professor of exercise physiology and biochemistry at Jan Evangelista Purkyne University in the Czech Republic. The original study combined data from several sources without stringent criteria about the subjects or exercise protocols, and the formula was fitted by eye, rather than a proper statistical model. That did not stop it becoming exercise-science orthodoxy.

Newer research studies in recent decades, based on more rigorous statistical analysis, tend to find that the age-related decrease in maximum heart rate is slower than the original formula implied. One commonly cited alternative, the Tanaka equation, first published in the Journal of the American College of Cardiology in 2001, estimates maximum heart rate as 208 minus 0.7 times age (173 for a 50-year-old).

These newer measures still fail to capture the huge amount of individual variability. One study, published in PLOS ONE in October 2025, compared seven different formulas with measured values in 230 people. It found that individual predictions were often off by as much as 20 beats per minute in either direction. That size of error could mean that what counts as moderate exercise for one 50-year-old may equate to vigorous exercise for another.

What should amateur athletes do? Consistency is key, says Professor Robergs. Pick one method and stick with it. That way you will know if your chosen training method is working, and can adjust if it is not.■

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Culture

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Culture | Screen tests

What nobody clutching their Oscar this weekend will tell you

AI, streaming and media fragmentation are changing the economics of acting

March 12th 2026

THE ACADEMY AWARDS ceremony usually follows a similar script. On March 15th actresses in gowns flashier than the paparazzis' bulbs will parade down the red carpet. There will be punchy jokes at the guests' expense from the host, Conan O'Brien (which will hopefully not provoke actual blows again). And then there will be the tear-laced acceptance speeches. Over the decades, hundreds of actors have stood onstage clutching the famous gold statuette and reflected on how they got there, despite the odds. Her dream "came true", Anne Hathaway said. Lupita Nyong'o mused, "No matter where you're from, your dreams are valid."

Young, ambitious actors will no doubt appreciate words of encouragement. But for all the talk of dreams, many actors are finding show business a nightmare. Technological change, the rise of streaming and a contraction in productions are taking the shine off the silver screen.

At any given time around 90% of film and television actors are unemployed, and just a tiny fraction can make a living from acting alone. But there is reason to think it is getting even harder. “This is the most difficult time ever to be an actor,” says Rodd Cyrus, who graduated from Juilliard, a top arts school, in 2023. He has an envy-inducing CV: theatre credits, a Netflix film and a role in “Ragtime”, this season’s most acclaimed revival in New York. Why does someone who has landed on his feet feel the acting economy is upside down?

America’s Bureau of Labour Statistics predicts the total number of acting jobs will be flat until 2034. That is a rosier forecast than many in the industry think is likely. In Los Angeles County the film business workforce fell by almost a third between 2022 and 2024, as shooting moved elsewhere. From 2002 to 2024 the number of film tickets sold annually in America and Canada declined by more than 50%. From 2022 to 2024, the number of television shows produced, including streaming, fell by almost a third, and the number of film and TV productions by more than 17%. Theatres hosting plays and musicals, which serve as launch-pads to screen careers, are also struggling. From 2019 to 2024, attendance in America fell by 37%.

Studios already use technology to turn dozens into thousands: 20 actors were used to create a stadium crowd of 26,000 people in “Ted Lasso”, a popular show. They can also reanimate actors who have died (it is said that Val Kilmer will feature in the forthcoming “Canyon of the Dead”). Background actors, otherwise known as “extras”—who fill out crowds in film scenes but have no lines, and can earn around $200 for an eight-hour workday—rightly worry that studios will replace them with AI. That would save money not just on actors, but also on the crew required to corral and manage them. Already cast sizes are smaller than they used to be. The Economist analysed nearly 40,000 films in The Movie Database released between 1980 and 2025. The median cast size of films was around 25 actors in the 1980s and

1990s. Starting in around 2000, that figure began to fall. In 2025 the median cast featured 18 actors, a 28% drop.

Defining how AI can be used in film-making has featured in negotiations between studios and SAG-AFTRA, a union representing 160,000 performers. Having gone on strike for almost four months in 2023, the union is now reportedly asking studios to pay the guild royalties for using "synthetic" actors. This has been dubbed a "Tilly tax" (after Tilly Norwood, known as the world's first AI-generated actress).

The rise of streaming has changed how lucrative acting can be. Traditionally actors are paid an upfront fee and residuals (if a TV show airs again). For traditional TV, residuals can be lucrative. The cast of "Friends", for instance, still make millions each year thanks to reruns, even though the show stopped filming 22 years ago. But streaming residuals are more complex and opaque—most services closely guard viewership numbers—and are likely to be another sticking-point in union contract negotiations. One actor whose career spans the network and streaming era grouses, "I've done good parts on Netflix shows. After that initial payment, the residuals just aren't that much."

One bright, if less lucrative, opportunity has arrived with a new format. "Verticals", soap operas for the smartphone generation, have taken off on Instagram and services such as ReelShort and DramaBox. These are low-budget dramas with episodes that last between one and three minutes. They started in China during the pandemic, when film and TV production shut down, and are now popular in the West, too. In 2024 they generated $819m in revenue in America (mostly from subscriptions and ads); by 2030, according to Media Partners Asia, a consulting firm, that number is expected to rise to $3.8bn.

Budgets are low, usually around $150,000 for a 60-90 episode series, and production is quick: shoots usually last seven to ten days, with two weeks each of pre- and post-production, according to Justin Saucedo of Lunar Ticks, a vertical-production studio. And the days are gruelling: Ashley Michelle Grant, who has been acting in verticals since 2023, shoots between 12 and 20 scenes per 12-hour day. Still, "It's been a wonderful way to act and still make a living," she says. Actors tend to fetch $300-2,000 per day.

To succeed performers must hustle in new, time-consuming ways. The shift away from in-person auditions to taped ones began during the pandemic but has not abated. This means actors no longer have to live in New York, London or Los Angeles, which is good news. But actorpreneurship takes time and a lot of mental energy. Andrew Dolan, an actor, estimates he spends 40-60% of his time "producing auditions". This involves setting up sound and lighting, recording only when his kids are at school, editing the audition and sending it off. Pre-pandemic he used to "get a script from my agent, focus on it, show up at 3.45pm and just do the work" of acting.

To be cast, actors are also expected to have a social-media following. Sarah Bay-Cheng, a professor at the University of Toronto, says casting directors often ask about actors' follower counts: "Have they brought their own audience? The risk is so great…that you want to know there's a dedicated audience before you sink money in." Posting behind-the-scenes videos to Instagram or TikTok can raise an actor's profile and lead to more work, so even when they land a gig, they have to document their experience performing.

This preference for known quantities works out well only for known quantities. Last year on [Broadway](#) George Clooney starred in "Good Night, and Good Luck", a play he co-wrote based on a film he directed. Ticket prices exceeded $800; the play set a weekly gross receipts record of $4.2m; and the programme noted that Mr Clooney had "never appeared on Broadway so…buckle up". Mr Clooney received an estimated $6m for his work on the play. To earn that much would take an average actor 257,180 hours (or 124 years of 40-hour working weeks without holidays).

In acting as elsewhere, the elites are accruing ever more riches, and the rest face uncertain prospects. No one will mention it in their Oscars speeches, but there is a new rule in acting: there are no small parts, only small actors and what feels like ever smaller odds of making a living. ■

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Culture | Mind over matter?

Solving the mystery of consciousness

A new book by Michael Pollan explores the puzzles of the mind

March 12th 2026

"A FASCINATING BUT elusive phenomenon: it is impossible to specify what it is, what it does, or why it evolved. Nothing worth reading has been written on it." That is how "The International Dictionary of Psychology" described consciousness in 1989. Michael Pollan's excellent new book serves as a paginated retort to that last claim. The author, an American journalist, is best known for his work on food and diet. (His pithy distillation of decades of research—"eat food, not too much, mostly plants"—is the crème de la crème of dietary advice.) More recently he has been writing about mind-altering drugs, from psychedelics such as magic mushrooms to opium and caffeine.

There has been a boom in books exploring consciousness, especially in animals. Perhaps it is because of the questions AI raises about what counts as life; or perhaps people are becoming more concerned about animal welfare. The latest, “A World Appears”, focuses on what David Chalmers, an Australian cognitive scientist, has dubbed the “hard problem” of consciousness: namely, how human beings and other organisms experience things subjectively. This question has been occupying philosophers and scientists for centuries. One recent survey counted more than two dozen competing theories. Rather than pitch his own favoured explanation, Mr Pollan’s book offers a well-reported tour of several theories. Academic philosophising is not always known for being page-turning. But Mr Pollan has a journalist’s eye for the surprising and intriguing.

Think it sounds boring to watch grass grow? Not in Mr Pollan’s account. A group of scientists is advancing the striking claim that even plants have consciousness—or at least might exhibit something rather like it. One researcher puts corn plants in a metal maze used to test the intelligence of mice and rats, then watches as their roots navigate towards fertiliser buried in one corner. Another, watching a video of a bean plant looking for a pole to grow up, speculates that, like bats and dolphins, plants use echolocation to explore their environments. Anaesthetic chemicals, which shut down consciousness in animals, seem to have an effect on plants: an anaesthetised Venus flytrap will not close its leaves over an insect. If an anaesthetic is a drug that removes consciousness, what exactly is it removing in plants?

“A World Appears” covers more familiar ground, too, such as a different batch of scientists hoping to create artificial consciousness in a machine (and even some who think they have already done so). Mr Pollan is willing to push back against those he interviews when he thinks they are making unjustified leaps. At one point he offers a lucid critique of the widely held assumption that biological brains are analogous to electronic computers.

Sometimes Mr Pollan even makes himself part of the experiment. For a while he wears a device that beeps at random intervals, prompting him to note down exactly what his subjective experience was at that particular moment: such as, “A beagle, off leash, is walking towards me on the sidewalk.” It sounds simple. But soon doubts creep in. Is wearing the device subtly affecting his thinking? What counts as subjective experience, and what counts as mere context for that experience? Catching himself in the act of experiencing turns out to be frustratingly difficult.

So does the challenge of answering the hard problem. For though the book is well-written, richly researched and a pleasure to read, it does not offer any firm conclusions. Consciousness researchers are like cosmologists, notes Mr Pollan: they are unable to step outside the precise thing they are studying. In fact, it is worse than that: cosmologists can at least agree on what their measurements show. But the hard problem is hard precisely because of its subjective nature. There is simply no way to step into someone else's head and check that their experience of the world matches yours.

"A World Appears" leaves you with a universe of questions and theories. Consciousness is about information processing, says one researcher. Or perhaps it is a way for organisms to choose between competing priorities, others assert. All of this is, by any standard, quite heavy stuff. It is a mark of Mr Pollan's skill as a writer that it never feels that way. ■

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Culture | That’s how they roll

Adults are on board with life-size board games

You can now immerse yourself in the fun, infuriating world of Monopoly

March 12th 2026

WHEN YOU agree to a game of Monopoly, you are surrendering to two inevitabilities. One is that you will be hunched over the board for hours, pondering properties and mortgages. The other is that moods as well as fortunes can change with the roll of the dice. Many a game has begun in friendly spirits but ended with the board, bills and tokens flying through the air.

Monopoly Lifesized, an attraction in London, has blown up the game in a different way. Players step onto the track. (As many as 24 players can compete at any one time.) To acquire a property, they must not only fork out cash, but complete a challenge: clamber through a room full of lasers, say, or match artworks to their auction price. Despite these innovations, the game lasts only 80 minutes.

Monopoly is one of a growing number of tabletop pastimes moving out of the home and into destinations devoted to immersive gaming. Puzzles and games are the fastest growing part of the toy market, according to Circana, a market-research firm: sales grew by 30% in 2025, compared with 7% for the sector as a whole. Board-game cafés and scavenger-hunt companies are proliferating, as are escape rooms (in which participants break free from a locked room by finding clues and answering riddles.) There were fewer than 30 escape rooms in America in 2014; now there are more than 2,000.

This marks a shift in how adults are spending their time. Compared with previous generations, adults today are less interested in scoring and getting high than in getting a high score. Some 70% of players at Monopoly Lifesized and 90% of escape-room bookings are by over-18s. In the past gamified attractions for grown-ups, such as arcades and casinos, involved gambling. The purpose of these new pursuits is not financial reward but "the experience, the quest, friendship", says Jasmin Karatas, a former video-game designer who helps firms make their products more interactive. Little Lion, which runs "indoor theme parks" in Britain inspired by TV shows and video games, says such experiences offer "a bridge to our past selves".

Those in the business are laughing all the way to the bank. An adult ticket to Monopoly Lifesized costs twice as much as the Monopoly board game. The immersive format has been on tour in America and Saudi Arabia and is going soon to Mexico and elsewhere in the Middle East. Its creators, it seems, are learning the lessons of the game. If you want to be a wealthy player, you have to build an empire.■

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Culture | From mean streets to Wall Street

Tell-all or tell-nothing? A polite account of high finance

Lloyd Blankfein, Goldman's former boss, offers an uncharacteristically tactful book about life on the Street

March 12th 2026

HE WAS BROUGHT up in the projects of East New York, where your mugger could be your neighbour (once, his was). A bright child, he sent a moonshot application to Harvard; somehow they said yes. Then it was law school, a stint as a tax lawyer, a move to a scrappy commodities firm and, when that was bought by Goldman Sachs, a job with Wall Street royalty.

Lloyd Blankfein felt like an outsider, he writes in "Streetwise", even as he shimmied up banking's greasy pole. The chip on his shoulder has not fallen away. He has never felt at ease with the patricians of finance. (He still has to concentrate to say "rather", not "rath-uh".)

Mr Blankfein's career coincided with a decades-long bull market, fuelled by globalisation and a tech revolution. He became the boss of Goldman just months before the global financial crisis erupted. He devotes much of his memoir to describing how he ran the firm in 2006-18. He took it back to the future, as a merchant bank à la John Pierpont Morgan's: simultaneously advising, financing and investing, and trying to manage the conflicts of interest that inevitably arose. That called for decisiveness, but Mr Blankfein also learned from underlings. "Tell me what you should do," he would say, "because then I'm going to tell you to do it." It wasn't always a joke.

How-I-ran-the-firm memoirs can be turgid, but Mr Blankfein has a light touch. He offers readers "Lloydisms", as colleagues dubbed his quips, and the cheeky, often self-deprecating humour that was his trademark as CEO. Occasionally he would make "Lloydian slips" that got the firm into trouble, such as when he told a journalist Goldman was doing "God's work".

Those hoping for riveting stories from the bloody trenches of 2007-09 will be disappointed that Mr Blankfein offers little that is new. He has more to say about why Goldman came through the crisis relatively unscathed. Despite a reputation for rapaciousness, the firm discouraged a short-termist "eat what you kill" philosophy among traders, he argues. A Goldman mantra is "long-term greedy".

Surely Goldman also benefited from its connections in Washington? It was known as "Government Sachs" because so many of its departing executives went into public service. Mr Blankfein roundly, and convincingly, rejects the notion that the bail-outs were designed to help Goldman. Instead he reflects on how admiration for the firm "curdled into hostility" as the crisis dragged on. Goldman became a favoured target of the Occupy Wall Street movement and the press—Rolling Stone memorably called it a "vampire squid". Politicians "sometimes seemed unable to decide whether the banks were stupid for getting caught by the mortgage-credit bubble or too clever by half for trying to profit by causing it", Mr Blankfein writes.

He is coy on other topics. Diversity initiatives, a big business trend, get just a few sentences. Global inequality, even fewer. Tariffs? Burdensome but sometimes unavoidable (steady now). Politics? CEOs are better off staying away. This lifelong Democrat's only anecdote about Donald Trump recalls how gracious the future president was when Mr Blankfein called to say sorry after a Goldman trader had badmouthed the Trump Organisation.

Mr Blankfein is most interesting when musing about how the financial crisis helped create the world as it is now, with its polarisation, the rise of the hard right, rejection of institutions and loss of faith in globalisation. He is worried about new technologies. The next global financial meltdown is likely to be caused by a tech blow-up—perhaps a hacker or a fat finger—rather than lax lending. AI has "catastrophic potential" that could make a vampire squid look almost cute by comparison.

Wall Street's critics have mostly turned to other targets. But today Goldman is much larger than it was pre-crisis, with its market capitalisation two and a half times higher. The firm, he argues, has "no parallel at any commercial organisation I know of". Was he serious all along about doing God's work? Cue that impish grin. ■

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Culture | Bookworm food

The best new novels to read this spring

Tales of lust, betrayal, greed and violence

March 12th 2026

WHEN WAS the last time you read a truly memorable book? You know the kind: a story that keeps you up long past bedtime and has you waxing lyrical to any friend who will listen. If you cannot remember when that sensation last struck, try one of the novels listed here.

After years of lying low, Tony returns to Dublin's underworld. He gets in over his head when he receives an offer to become an enforcer for the kingpin of a rival gang—and when he falls for his partner in crime. An electrifying debut about divided loyalties and unexpected desire.

The Sharafs, who fled Afghanistan for America, are hailed as a success story. But when Zorah, their teenage daughter, is found dead, their reputation is called into question. Did this Westernised woman bring shame on the family—or was she a victim of anti-immigrant prejudice? Told through eyewitness accounts, this tale is thrilling and thought-provoking.

A beautifully written novel about fate and sisterhood. Two girls grow up motherless in the segregated American South. Niecy acquires an education and marries into wealth. Annie runs away to Memphis to search for the mother who abandoned her and finds herself in dodgy places with dubious men.

Phoebe, a young screenwriter, has created a hit TV show about a passionate affair. Kate, a middle-aged widow, hears jokes and other intimacies from her marriage in the script. She sees her late husband in a new light—and plots revenge. A dark comedy about success, betrayal and generational conflict.

The Flynns are a dysfunctional American family. Bud is suicidal. His wife is enjoying an extramarital “arrangement” with a neighbour. Their three teenage daughters are running wild. A chance to mend bonds comes from the unlikeliest source. A rollicking read with vibrant wordplay, quirky characters and madcap scenarios.

In an English village in the 1960s a forbidden romance blossoms between David, a Catholic priest, and Margaret, a theology teacher. In 2018 Adrian learns about his grandparents’ relationship while caring for Margaret, now in the grip of dementia. As her memory fades, he pieces together fragments of her remarkable past. A tender account of enduring love and a captivating portrait of two characters from an impressive new talent.

A multigenerational epic set in Pakistan. Yazid grew up on the street but rises through the ranks to become a chauffeur to an army colonel. Rustom, a landowner, tries to curb violence and corruption. Saqib, a farm manager, makes a rash, desperate attempt to better himself. This novel spans decades and skilfully weaves together stories to explore class, privilege and ambition.

This novel revolves around Mr Burman, a small-town teacher, who is mourning the death of his wife and struggling to connect with his daughter. His troubles multiply when he is summoned to a prison in London to meet

Raf, once his prize pupil and “surrogate son” and now a suspected terrorist. Did Mr Burman unwittingly sow the seeds for Raf’s destructive act? This slippery narrative yields surprises. ■

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Culture | Back Story

An Oscar-nominated documentary goes behind enemy lines

“Mr Nobody Against Putin” takes on patriotism, propaganda and the limits of sympathy

March 12th 2026

When suffering is abundant, compassion can be scarce—especially for countries that inflict the pain. “Mr Nobody Against Putin”, a documentary that won a BAFTA and is up for an Oscar on March 15th, is ostensibly a study in propaganda and patriotism. Its real power, however, comes from its approach to a perennial challenge: whether and how to elicit sympathy for people on the wrong side.

A town of 10,000 souls in the Ural mountains, Karabash squats like a prison camp amid straggly birch trees, slag heaps and smokestacks. Its Soviet-era apartment blocks have rickety balconies and exposed pipework. Snows thaw to reveal rutted roadways and cracked concrete. Life expectancy is dismal. It is a useful corrective to the impression made by glitzy downtown Moscow on suggestible visitors. Far more Russians live in bleak places like this, expecting little from the state and getting less.

Karabash is thoroughly unlovable. Yet Pavel Talankin, the endearingly goofy protagonist and narrator of “Mr Nobody”, loves it anyway. The maze of pipes at the copper plant, the cryogenic winters—he describes them tenderly as a sonneteer might his idol’s blemishes. He loves Russia too, he tells the camera to which, after the onslaught on Ukraine in 2022, he confides his spiralling gloom. Maybe he loves it more than do Vladimir Putin’s fans: “Love for your country means saying, ‘We have a problem’.”

When the tanks start rolling, the propaganda kicks in. Mr Talankin is the videographer at Karabash’s school; to prove it is complying with Kremlin diktats, he films the pupils singing patriotic songs and honouring the flag, and teachers declaiming lies about history and the war. A colleague struggles to pronounce “denazification”, the word as clunky as it is misleading. Another rails slaveringly against parasites and spies, his latent jingoism unleashed. With ingrained Russian fatalism, Mr Talankin’s mother, the school librarian, keeps her head down and thinks he should, too.

Instead, he resigns, because "Even a guy like me should have some principles." But after making contact with a documentarian abroad, he unresigns, resolving to "film the abyss this school is sinking into". He records visiting mercenaries from the Wagner Group showing the children how to spot landmines. Boys compete in grenade-throwing contests. Everyone is obliged to spout gobbledygook, a lesson in subservience in itself.

Before long, the war comes home. Early in the narrative, Mr Talankin warns a student not to flunk out, lest he wind up perishing in Ukraine. Soon young men are conscripted. Then they start dying: a favourite pupil's brother; an old classmate of Mr Talankin's. He tapes the wailing of the dead man's mother at the funeral.

It is tough to listen to, and hard to know what to feel, as is often the case with an aggressor's woe. During the historikerstreit (historians' quarrel) of the 1980s, for example, West German thinkers debated the proper way to depict the plight of German soldiers on the Eastern Front in the second world war. Some thought their resistance of the Red Army should be recalled with dignity; others, such as Jürgen Habermas, a philosopher, insisted that they enabled and prolonged the Nazi evil.

Time can ease the awkwardness. In “Letters from Iwo Jima”, released in 2006, Clint Eastwood, the movie’s director, evoked the desperation of Japanese soldiers in the eponymous battle—six decades on. The youth and fear of those enlisted into a guilty cause is clearer at a distance. As Ukrainians endure daily terror bombings, for many people it is, understandably, too soon for anguish over the predicament of Russians.

Mr Talankin understands that. By the summer of 2024 the police are on to him. Rattled, he says goodbye to his mother—a classic exile’s farewell, in which nothing much is said and nothing much needs to be—and leaves Karabash, perhaps for ever. Despite the wrench, he knows such burdens do not compare to the catastrophe in Ukraine, and says so.

The tribulations in his footage are not what lingers, nor even its chronicle of brainwashing and tyranny’s throttle. Rather it is the poignant, humanising ordinariness. Their curriculum is deranged, but the students, some possibly doomed, are just like students everywhere. They mooch in corridors and get candyfloss stuck on their fingers. Girls fix their hair as boys peacock. Teenagers smooch at a graduation party. Facing the sympathy problem, this film follows an old artistic rule: show, don’t tell.■

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Economic & financial indicators

Economic data, commodities and markets

March 12th 2026

Economic data

1 of 2

	Gross domestic product, % change on year ago: latest		quarter*	2026†	Consumer prices, % change on year ago: latest		2026†	Unemployment rate, %	
United States	2.2	Q4	1.4	2.5	2.4	Feb	3.2	4.4	Feb
China	4.5	Q4	4.9	4.6	1.3	Feb	1.2	5.2	Jan‡§
Japan	0.4	Q4	1.3	0.6	1.5	Jan	2.0	2.7	Jan
Britain	1.0	Q4	0.2	1.0	3.0	Jan	2.8	5.2	Nov††
Canada	0.7	Q4	-0.6	1.4	2.3	Jan	2.5	6.5	Jan
Euro area	1.2	Q4	0.8	1.2	1.9	Feb	2.2	6.1	Jan
Austria	0.6	Q4	0.1‡	1.0	2.3	Feb	2.3	5.6	Jan
Belgium	1.0	Q4	0.4	1.2	1.4	Feb	2.2	6.4	Jan
France	1.2	Q4	0.9	0.9	1.1	Feb	1.8	7.7	Jan
Germany	0.4	Q4	1.2	1.0	1.9	Feb	2.6	4.0	Jan
Greece	2.5	Q4	3.2	2.3	3.1	Feb	2.5	7.7	Jan
Italy	0.8	Q4	1.0	0.7	1.6	Feb	1.9	5.1	Jan
Netherlands	1.8	Q4	2.1	1.4	2.3	Feb	2.3	4.0	Jan
Spain	2.6	Q4	3.1	2.2	2.5	Feb	2.2	9.8	Jan
Czech Republic	2.3	Q4	2.5	2.5	1.4	Feb	1.8	3.0	Q4‡
Denmark	3.2	Q4	0.8	1.8	0.7	Feb	2.0	3.0	Jan
Norway	2.2	Q4	-1.3	1.5	2.7	Feb	2.9	4.5	Dec‡‡
Poland	4.0	Q4	4.1	3.7	2.2	Jan	2.9	6.0	Jan§
Russia	0.6	Q3	0.4	0.7	6.0	Jan	5.0	2.2	Jan§
Sweden	2.0	Q4	2.0	2.4	0.5	Feb	1.3	8.6	Jan§
Switzerland	0.7	Q4	0.6	1.1	0.1	Feb	0.4	3.0	Feb
Turkey	3.4	Q4	1.5	3.6	31.5	Feb	25.4	8.6	Jan§
Australia	2.6	Q4	3.2	2.4	3.8	Jan	2.9	4.1	Jan
Hong Kong	3.8	Q4	4.0	2.5	1.2	Jan	1.8	3.9	Jan‡‡
India	7.8	Q4	7.3	7.2	2.7	Jan	4.0	6.7	Feb
Indonesia	5.4	Q4	6.7	5.2	4.8	Feb	2.8	4.9	Aug§
Malaysia	6.3	Q4	3.8	5.1	1.6	Jan	2.0	2.9	Jan§
Pakistan	3.7	2025**	na	3.5	7.0	Feb	5.0	6.9	2025
Philippines	3.0	Q4	2.4	4.5	2.4	Feb	2.2	5.0	Q4§
Singapore	6.9	Q4	8.7	3.2	1.4	Jan	1.7	2.0	Q4
South Korea	1.6	Q4	-0.6	2.5	2.0	Feb	1.8	4.1	Jan§
Taiwan	12.7	Q4	23.6	6.9	1.8	Feb	1.5	3.4	Jan
Thailand	2.5	Q4	7.8	2.0	-0.9	Feb	0.9	0.7	Dec§
Argentina	3.3	Q3	1.1	3.0	32.4	Jan	28.6	6.6	Q3§
Brazil	1.8	Q4	0.6	1.8	4.4	Jan	4.0	5.4	Jan§‡‡
Chile	1.6	Q3	-0.6	2.2	2.4	Feb	3.1	8.3	Jan§‡‡
Colombia	2.2	Q4	0.5	2.7	5.3	Feb	5.7	10.9	Jan§
Mexico	1.8	Q4	3.5	1.4	4.0	Feb	3.7	2.6	Jan
Peru	3.2	Q4	-0.6	2.7	2.2	Feb	1.6	9.7	Jan§
Egypt	5.3	Q3	39.4	5.3	13.4	Feb	10.2	6.2	Q4§
Israel	3.5	Q4	4.2	4.8	1.8	Jan	1.9	3.1	Jan
Saudi Arabia	4.5	2025	na	4.5	1.8	Jan	1.9	3.4	Q3
South Africa	0.8	Q4	1.5	2.0	3.4	Jan	3.4	31.4	Q4§

Source: Haver Analytics *% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast §Not seasonally adjusted ‡New series **Year ending June ††Latest 3 months ‡‡3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

2 of 2

	Current-account balance, % of GDP, 2026†	Budget balance, % of GDP, 2026†	Interest rates, 10-yr gov't bonds latest, %		Interest rates, change on year ago, bp	Currency units, per $ Mar 12th	Currency units, % change on year ago
United States	-3.5	-6.5	4.2		-7.0	-	
China	3.3	-5.7	1.6	§§	-14.0	6.87	5.2
Japan	3.7	-1.6	2.2		67.0	159	-7.0
Britain	-4.1	-5.0	4.6		2.0	0.75	4.0
Canada	-0.7	-2.2	3.5		48.0	1.36	5.9
Euro area	2.4	-3.3	2.9		1.0	0.86	5.8
Austria	0.9	-4.3	3.2		-5.0	0.86	5.8
Belgium	-2.1	-4.5	3.4		3.0	0.86	5.8
France	-0.3	-5.2	3.6		-3.0	0.86	5.8
Germany	4.6	-3.8	2.9		1.0	0.86	5.8
Greece	-5.1	nil	3.7		-7.0	0.86	5.8
Italy	1.4	-2.9	3.6		-33.0	0.86	5.8
Netherlands	6.9	-2.1	3.0		-6.0	0.86	5.8
Spain	2.3	-2.6	3.3		-16.0	0.86	5.8
Czech Republic	0.8	-2.5	4.8		46.0	21.1	8.6
Denmark	12.4	1.2	2.8		22.0	6.46	5.7
Norway	11.8	8.9	4.3		22.0	9.65	10.4
Poland	-0.9	-6.6	5.5		-50.0	3.67	4.6
Russia	0.5	-2.9	14.4		-59.0	79.1	9.5
Sweden	5.5	-1.9	2.7		14.0	9.23	8.4
Switzerland	2.7	0.2	0.4		-28.0	0.78	12.8
Turkey	-1.2	-3.4	29.6		369	44.1	-17.0
Australia	-1.6	-1.7	4.7		47.0	1.40	13.6
Hong Kong	11.8	-3.4	2.8		-66.0	7.83	-0.6
India	-1.0	-4.3	6.6		-5.0	92.2	-5.5
Indonesia	-0.2	-3.1	6.7		-22.0	16,884	-2.6
Malaysia	2.3	-3.5	3.6		-21.0	3.92	12.8
Pakistan	-0.8	-4.4	12.1	†††	-26.0	280	0.2
Philippines	-2.9	-5.8	6.5		32.0	59.2	-3.1
Singapore	15.0	1.1	2.0		-58.0	1.27	4.7
South Korea	4.9	-2.4	3.6		88.0	1,479	-1.8
Taiwan	23.3	0.7	1.4		-21.0	31.8	3.5
Thailand	2.6	-4.7	1.9		-31.0	31.8	6.0
Argentina	-2.0	0.4	na		na	1,395	-23.6
Brazil	-2.8	-7.1	13.8		-87.0	5.19	11.9
Chile	-2.1	-1.7	5.4		-35.0	897	4.5
Colombia	-2.7	-6.5	13.2		203	3,688	12.6
Mexico	-0.5	-3.8	9.0		-50.0	17.7	14.7
Peru	1.4	-2.5	6.2		-31.0	3.44	6.4
Egypt	-2.0	-6.2	23.8		-140	51.9	-2.5
Israel	2.1	-3.9	3.9		-44.0	3.12	17.3
Saudi Arabia	-3.4	-4.2	na		na	3.75	nil
South Africa	-0.1	-4.4	8.5		-195	16.5	10.5

Source: Haver Analytics §§5-year yield †††Dollar-denominated bonds

Markets

In local currency	Index Mar 11th	% change on: one week	% change on: Dec 31st 2025
United States S&P 500	6,775.8	-1.4	-1.0
United States NAS Comp	22,716.1	-0.4	-2.3
China Shanghai Comp	4,133.4	1.2	4.1
China Shenzhen Comp	2,744.0	3.9	8.4
Japan Nikkei 225	55,025.4	1.4	9.3
Japan Topix	3,698.9	1.8	8.5
Britain FTSE 100	10,353.8	-2.0	4.3
Canada S&P TSX	33,119.8	-2.4	4.4
Euro area EURO STOXX 50	5,794.7	-1.3	0.1
France CAC 40	8,041.8	-1.5	-1.3
Germany DAX*	23,640.0	-2.3	-3.5
Italy FTSE/MIB	44,773.0	-1.2	-0.4
Netherlands AEX	1,002.9	0.3	5.4
Spain IBEX 35	17,351.9	-0.8	0.3
Poland WIG	121,878.6	-0.9	4.0
Russia RTS, $ terms	1,137.5	nil	2.6
Switzerland SMI	12,958.6	-4.1	-2.3
Turkey BIST	13,200.4	2.0	17.2
Australia All Ord.	8,976.8	-1.5	-0.5
Hong Kong Hang Seng	25,898.8	2.6	1.0
India BSE	76,863.7	-2.8	-9.8
Indonesia IDX	7,389.4	-2.5	-14.5
Malaysia KLSE	1,708.8	0.6	1.7
Pakistan KSE	155,858.5	0.1	-10.5
Singapore STI	4,863.8	1.1	4.7
South Korea KOSPI	5,610.0	10.1	33.1
Taiwan TWI	34,114.2	3.9	17.8
Thailand SET	1,407.3	1.6	11.7
Argentina MERV	2,770,635.0	7.4	-9.2
Brazil BVSP*	183,969.4	-0.8	14.2
Mexico IPC	67,559.8	-4.1	5.1
Egypt EGX 30	47,195.4	1.6	12.8
Israel TA-125	4,164.1	-2.4	13.7
Saudi Arabia Tadawul	10,942.0	2.3	4.3
South Africa JSE AS	117,398.5	-3.1	1.4
World, dev'd MSCI	4,426.0	-1.4	-0.1
Emerging markets MSCI	1,516.5	3.0	8.0

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 31st 2025
Investment grade	98	93
High-yield	377	354

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Mar 3rd	Mar 10th*	% change on month	% change on year
Dollar Index				
All items	145.7	150.3	3.7	8.2
Food	138.5	142.7	3.1	-7.5
Industrials				
All	151.7	156.7	4.2	24.2
Non-food agriculturals	137.1	140.4	3.0	0.7
Metals	155.4	160.9	4.5	31.1
Sterling Index				
All items	140.8	143.6	5.4	4.1
Euro Index				
All items	143.9	147.5	6.1	1.6
Gold				
$ per oz	5,108.2	5,223.9	4.1	79.1
Brent				
$ per barrel	81.5	91.2	32.4	30.7

Sources: CME Group; LME; LSEG Workspace; NOREXECO; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; USDA *Provisional

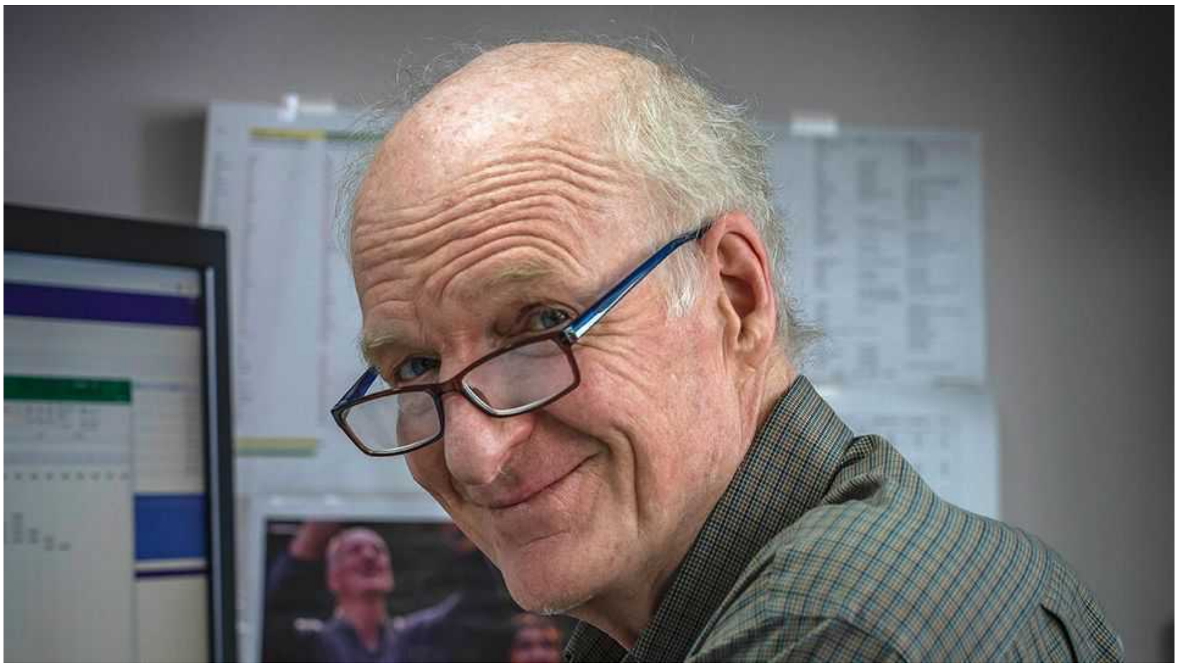
Obituary

Obituary | Mosquito versus man

Nick White was a hero of mankind’s oldest war

The physician and pharmacologist died on February 1st, aged 74

March 12th 2026



Sweet wormwood, Artemisia annua, is not a distinguished plant. It is two feet tall or so, an untidy bush with feathery leaves and small yellow flowers. Yet Chinese traditional medicine admires it because the dried leaves, served as tea, lower fevers and clear the blood. And when in the 1970s artemisinin, the chemical responsible, was extracted from the leaves (by Tu Youyou, the first Chinese woman to win a Nobel prize), it was found to work powerfully against malaria. It was really, really good, Nick White told his colleagues, and in 1981 he raced to China to get some. It ruled his life for nearly 50 years.

The health-care establishment reacted with scorn. Implicitly, they distrusted herbal medicine. They were not sure about him either: a star student at Guy’s in London, but a brand-new member of Mahidol Oxford Research Unit (MORU), recently set up to study tropical diseases at Mahidol University in Bangkok. The powers-that-be also tended to overlook malaria, a disease of the poor and disenfranchised. Yet the facts were as plain as they could be. Malaria was the most important parasitic disease in the world, killing millions, mostly children, every year. The oral treatment for milder cases, chloroquine, was no longer so effective. Bednets soaked in insecticide were useful, but could not work on their own. It was past time to find another drug. And new things always had to be tried, even if they were not quite ready yet.

Thus began an epic battle of wills: he on one side, and administritis (a dire malady, endemic in government circles) on the other. The only remedy was for him and his team to keep researching and conducting trials, which he carried out in the 1990s in Vietnam and the Gambia. Africa especially worried him, because malaria death-rates were highest there; but the most useful and enjoyable work was among Karen refugees in the Shoklo camp on the Thailand-Myanmar border. His clinic was a wooden hut among leaf-roofed bamboo shacks, and the area was inaccessible except by foot or 4x4; but there artemisinin proved itself.

At first, used on its own, its efficacy faded so fast that patients needed seven days of treatment. He realised, though, that it simply had to be paired with a longer-lasting drug to perform better. Armed with this artemisinin combination therapy (act), he led similar work in both Asia and Africa; ACT, taken as pills, cured 98% of non-severe cases with few side-effects. In 2006 the World Health Organisation recommended it as first-line treatment in such cases. But it took four more years for the WHO to endorse his finding that, in severe cases, injection of the derivative artesunate reduced mortality in adults by 34.7% compared to injected quinine. While they dithered, hundreds of thousands died.

At MORU he studied the malaria parasite deeply and, with his mathematical brain, calibrated the exact doses needed to defeat it. But field work preoccupied him, even in areas so remote that in the rainy season they could not be visited, save by elephant. He loved the gentle, impoverished Karen people, spent time by their bedsides and set up free clinics for them. For him, the war on malaria was summed up in their trusting faces.

His fondness for South-East Asia had deep roots. When he was nine his family moved to Singapore. They took trips to the Malaysian jungle, hampered by his habit of lying down to examine intriguing flowers. He might have been a botanist, if he were not so sure he wanted to be a doctor. At 23, then a junior doctor, he went to Nepal as a volunteer, to places days from any road; when he finally staggered into one village, he found he was expected to be the dentist too. He was appalled by the state of health care there, and outraged by the careless practices of the institutions, such as the WHO and USAID, that were meant to help. His anger also boiled over at Banjul, in the Gambia, when water was cut off at the Royal Victoria Hospital and he had to lug bucketfuls past sunning, oblivious tourists to treat the poor next door. (Conversely, when he once found a needy group whose medical practices he approved of, he slipped them an envelope of $100 bills with an injunction not to tell his wife.)

From 2000 to 2015 his team was winning. Between those dates, deaths from malaria fell by more than a third. But the parasite had adapted, and even by 2009 was starting to resist. The case was pressing. By 2021 there was a vaccine, and he thought it OK—not very good, not very bad. But, like the bednets, it could not work alone. The fight required every weapon available.

He had never been short of answers to problems. Good ideas poured out of him and he relished communicating them, either in a lecture hall, or when riding pillion on a motorbike, or in one of his 1,300 scientific papers, usually jotted down on a bench in a quiet spot somewhere. His response to the predictable, but miserable, growth of parasite resistance was to add yet another drug to artemisinin to make a triple combination. Once that was done, he wanted mass-screening, identification of hotspots, malaria posts in every village and mass-administration of drugs. Even that would be a holding measure and might not work. But, as with artemisinin itself, it had to be tried. A later slideshow featured two road signs, one to Gloom and the other to Doom.

Yet gravitas was not his style. He was a natural joy-bringer, whether on his harmonica in the clubs of Bangkok, or in the cartoons he drew for his colleagues, or in his Oxford retirement cottage filled with rescued fledgling birds. The malaria parasite had been beaten before, and human ingenuity would beat it again.

Almost as important as malaria in his life was the playing and following of cricket. He was once the proud vice-captain of the Thailand national side. In the Bangkok British Club team he was the Fines Master, gleefully recording ducks and dropped catches. He also fined himself each year, only half in jest, for failing to eradicate malaria from the world. ■

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