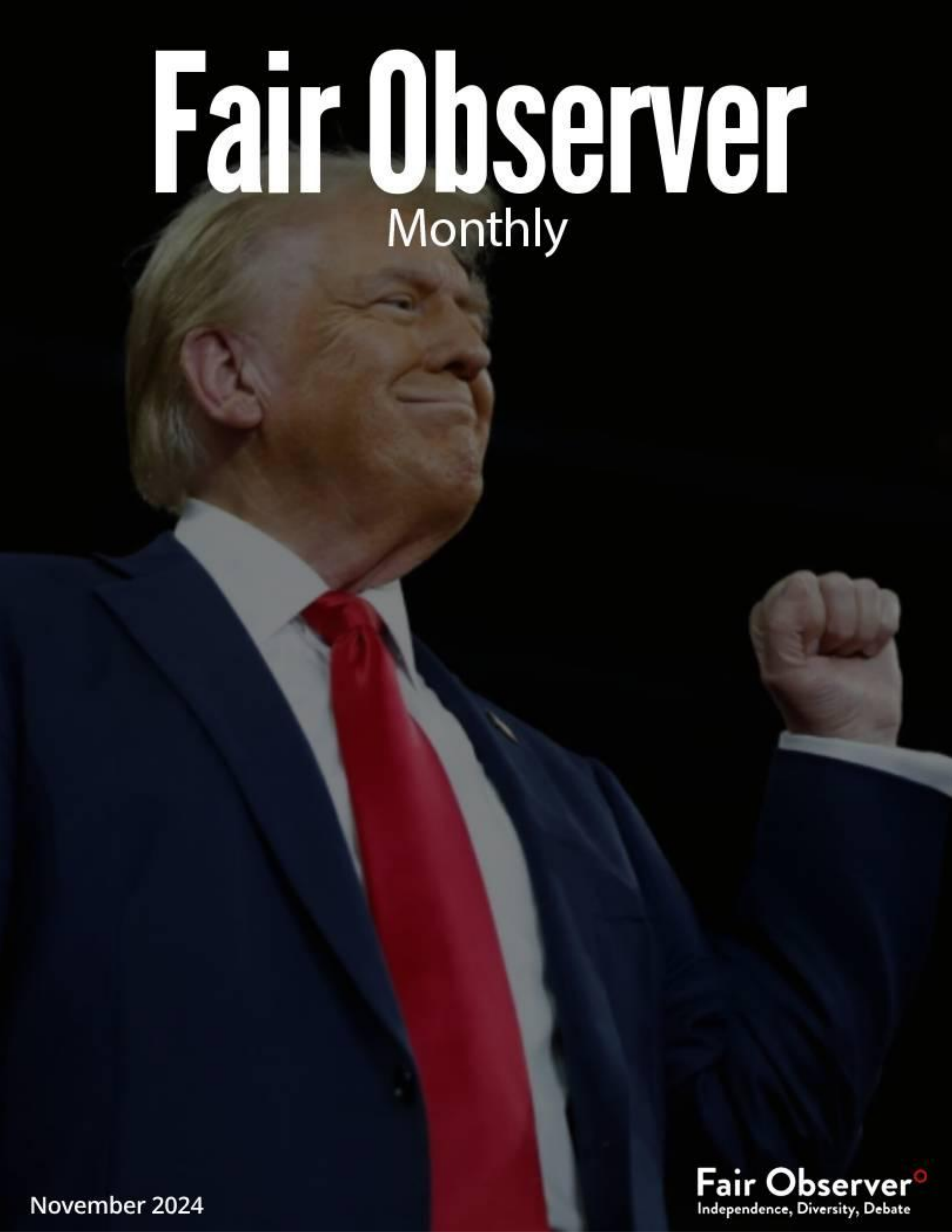
# Fair Observer

Monthly



November 2024

Fair Observer
Independence, Diversity, Debate

# Fair Observer Monthly






November 2024

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# Scholars, Fascists Agree: Trump's Not a Fascist, but an Opportunity

Matthew Feldman
November 05, 2024

**Both experts on fascism and fascists themselves recognize that Donald Trump does not endorse the revolutionary, far-right authoritarianism that characterizes fascism. But Trump is a golden opportunity for fascists — he is providing xenophobic, nativist politics an unprecedented inroad. Unless the opponents of fascism understand the nature of the threat and act to nip it in the bud, they will be left ineffectively crying "fascism" until the actual fascists arrive.**

For his short-lived Chief of Staff John Kelly, the US President Donald Trump fits "the general definition of fascist." Trump's final Chairman of the Joint Chiefs of Staff Mark Milley believed he was "fascist to the core." Like many leading American figures before and since, neither Kelly nor Milley are likely to know fascist ideology well. Undoubtedly, though, they have known Trump very well. Their warnings are alarming.

Just under two weeks before Election Day, Vice-President Kamala Harris also went there. In a televised speech, she declared that Donald Trump was even worse than a garden-variety fascist. "It is deeply troubling and incredibly dangerous that Donald Trump would invoke Adolf Hitler," she said, "the man who is responsible for the deaths of six million Jews and hundreds of thousands of Americans. This is a window into who Donald Trump really is, from the people who know him best."

Fascism — especially its most radical form, Nazism — is still (just about) more than a political slur. For scholars, fascism signifies something historical, and something that still exists today. Few put Trump in this camp even after the doyen of fascism studies, Robert Paxton, quite remarkably changed his mind in 2021 after the chaos of January 6 "removed [his] objection to the fascist label."

These are important voices. But they are mistaken.

### Fascists know Trump isn't one of them

Since 1919, fascists have wanted a "New Order." One purified by blood (ideally of their enemies, but martyrdom works too). Fascism is aggressive and propagandistic. Manliness and violence are less needs than musts. This has been the case since Benito Mussolini launched the first "Italian fascist combat groups" (fasci italiani di combattimento) right after World War I.

Above all, fascism is proudly of the revolutionary right — albeit with some leftist makeup. Anything truly left-of-center isn't tedious; for them, it's treasonous.

Like liberals and socialists and every other ideology under the sun, fascists know their own. They are unequivocal: Trump is not one of them. And for once, they are right.

I should know, as I'm writing fascism's first biography for Yale University Press.

Trump is no fascist, and certainly no Hitler. Instead, a better comparison is with Franz von Papen. Von Papen was Germany's Chancellor the year before the Führer took power in 1933, heading a servile "cabinet of monocles."

(Remember those billionaires Rex Tillerson, Betsy DeVos and Steve Mnuchin?) Nazism's leading chronicler today, Richard Evans, rightly called von Papen's six-month rule a "coup."

Fiddling while the country burned around him, von Papen reversed the ban on Hitler's brownshirts, dissolved the government of Germany's largest state (Prussia — imagine something like that happening to California) and also gave the Nazis access to the national radio network.

By that time, the Nazis didn't much need the radio, having for several years enjoyed glowing media coverage provided by press magnate Alfred Hugenberg. That latter scenario has been replayed online, every day, ahead of November 5, 2024.

But let's go back to the future (and make it Part II, since the 1989 film's Biff was explicitly modelled on Trump).

Amongst fascists, believe it or not, there are different "faces." One prominent face is what the UK government calls "self-directed terrorism," as horrifically witnessed in Brazil as in Bratislava, New York and New Zealand. This last terrorist was succinct on Trump:

**Were/are you a supporter of Donald Trump?**

As a symbol of renewed white identity and common purpose? Sure. As a policy maker and leader? Dear god no.

On this point, he spoke for fascists around the world.

American fascists see Trump as an opportunity

So what do American fascists actually think about Donald Trump?

The first answer is "multiple things." But their differences can be simply summarized. The further to the extreme right these democracy undertakers are, the less likely they are to support him. In contrast, the closer to the mainstream they are, or aim to be, the more they are willing to forgive Trump's supposed sins (having Jewish children, world-beating narcissism, playing the electoral "game" and an inconsistent embrace of white supremacy).

One American fascist put it simply: "If you support Donald Trump, you're a **cuckservative** … This struggle requires and will be won by fanatics, not by reactionary, nostalgic cowards pining for the reform of a hostile system." Trump could never be extreme and bloodthirsty enough for violent neo-Nazis.

Another key face of American fascism engages with elections, if grudgingly. Take Richard Spencer, the alt-right's main mouthpiece, crowing after Trump's 2016 victory that his more extreme supporters should "party like it's 1933." Within a year they were marching on Charlotteville with tiki torches, bellowing "Jews will not replace us!"

From the chaos and murder that August 2017 weekend, one group rebranded around fascist symbols swaddled with Americana: the Patriot Front. They represent one of scores of political movements trying to break into the mainstream. In scenes recalling the Nazis' "winter relief" (Winterhilfswerk) for the needy during the Depression, they were on the ground aiding in hurricane relief efforts in North Carolina and elsewhere. This was an open goal for them, as few others were doing that work.

Simply put, the Patriot Front finds Trump's coattails big enough for them to ride. The 400-strong group complained only this month that Trump's campaign was nicking their ideas. While they took a starkly different view of "Reclaim

America" from Trump's ("unwavering support for Israel, race-blind and unrestricted legal immigration" and so on), there could be no doubting their glee after identifying "Reclaim America" signage at a recent campaign rally.

Like most US fascists, spanning the American Freedom Party to the American Nazi Party (and make no mistake, they exist in every American state today) electoral fascists have long seen in Trump a "real opportunity for people like white nationalists." Unlike every decade since 1945, they may have a point in 2025.

The brainier fascists, finally, dub their project "metapolitics" (for them, a mind-shift must come before a political shift). Their line is broadly supportive. In 2015, one US fascist website-turned-publisher claimed that, while "Donald Trump is neither a Traditionalist nor a white nationalist, he is a threat to Jewish economic and social power in the world. For this reason, and only to the extent that Mr Trump sticks to his positions on deportations and limiting immigration, we might support his candidacy."

Six years later — in the very month of Trump's would-be coup on January 6, 2021 — that outlet's boss, author of The White Nationalist Manifesto, said this: "You started something … if we win, historians looking back at the restoration of popular government [i.e., white supremacy] in America will say that it began with Donald Trump." Amongst these would-be fascist aristocrats, "Trumpism" represents a tiny flame that needs more petrol — lots and lots more petrol.

Taken together, the pattern is undeniable. Except those at fascism's most racist and terroristic end, fascists see in Trump opportunity. It is one they have not had for almost a century. Make no mistake, they plan to seize it. Expect violence and other tricks of the fascist trade in the coming months.

**How can Americans respond?**

What those who resist fascism do in response will be pivotal. As for the 2024 presidential cycle, immediate tasks are obvious: Yes, Trump needs to be defeated. But those welcoming him as a Trojan Horse-like possibility also must be counted, and countered. There is too little sign of that today.

Ultimately, Trump isn't a fascist but fascism's facilitator. When the Patriot Front — or the Proud Boys, or III Percenters, or any one of a number of wannabes — move from hundreds to thousands to even millions of supporters, only then will we realize that calling Trump "Hitler" or "fascist" was rash.

By then, of course, it would be far too late. It may feel like we are there now, but we aren't. Fascism is much, much worse. Despite Harris's well-intentioned warnings, overstating the problem helps only actual fascists. Between normalization and hyperbole, this is one judgment call vital to get right.

Seeing fascism aright has rarely been more important. Doing so means preparing for a long slog that may start in the US — but most certainly won't end there. As the doomed Weimar Republic made plain, democracy is just so much spilled ink without democrats to defend it.

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Described in *The Independent* as "the leading expert on the radical right" and by ITV as the "UK's leading specialist in this area" Matthew Feldman is a consultant, writer and emeritus professor in the modern history of ideas. He has published ten volumes on fascism and the radical right, as well as dozens of other texts on this and other subjects. MAtthew has also consulted widely via many hundreds of media interviews and more than 30 cases as an expert witness on radical right terrorism.

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## If She Loses, Part 2: Kamala's Campaign Didn't Resonate

Christopher Roper Schell
November 05, 2024

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**Kamala Harris has alienated voters not only by taking the wrong side on key issues but by running a generally unintelligible campaign. Her word-salad responses in interviews have left voters wondering what her actual positions are. Harris's unflinching defense of the Biden administration's every policy has created doubts that her administration would change anything at all after four rocky years. And her inexplicable decision to pass over the enormously popular Josh Shapiro, governor of the key swing state of Pennsylvania, as running mate may have doomed her campaign.**

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[You can read "If She Loses, Part 1: Kamala Wrong on the Issues" here.]

Democratic US presidential candidate Kamala Harris has never won a single primary vote in the 2020 or 2024 elections, so at least she would be consistent, but if she loses the 2024 election, it will boil down to five main issues and one sleeper issue that will have collectively proven insurmountable.

**"Word salad city" and lack of clarity**

Harris is well-known for not doing her homework and then berating staff. The word "insecure" often pops up in descriptions of her. On occasion, so, too, does the word "ruthless."

Whatever the reason, her word salads in speeches, debates and interviews have become infamous. So much cringe. Her predilection for tautologies and phrases that verge on mysticism comes across as far more corny and sophomoric than profound or philosophical. Phrases like, "You exist in the context of all in which you live and what came before you," run in circles and say nothing to voters.

Harris's October 23 CNN town hall was not a winner either. Her word salads extended even to predictable questions like, "What weaknesses do you bring to the table, and how do you plan to overcome them while you're in office?" or "Is there something you can point to … that you think is a mistake that you have learned from?"

This is not a new phenomenon. Even as Vice President, she often, in the Bard's words, "speaks an infinite deal of nothing." In a question about war crimes, she had this to say: "But we all watched the television coverage of just yesterday. That's on top of everything else that we know and don't know yet, based on what we've just been able to see. And because we've seen it or not doesn't mean it hasn't happened." What in heaven's name is she saying?

She has also spoken of her belief that optimism will "inspire us by helping us to be inspired to solve the problems." This is sheer nonsense, and it makes you wonder what kind of gerbil wheel is running in her head. Or what about the word "holistic," which she deployed in mind-numbing succession to ultimately say nothing about the question she was asked about housing. Harris's Mobius strips of bullshit led to a brilliant skewering on The Daily Show in which a fictional "holistic thought advisor" helps Harris develop Harris-shaped "idea voyages."

Harris knows this is a weakness, which is why she avoided interviews as much as possible and only speaks to the press pool off the record. She even skipped the National Association of Black Journalists — a decidedly friendly crowd. This is President Joe Biden campaigning from his basement 2.0.

Harris's unwillingness to go an inch off script has led people to doubt her authenticity, and many voters say they want to know more about her policies because her scripted moments talk endlessly about aspirations and dignity rather than policy. Much of what Harris plans to do remains a blank slate.

David Faris, in an October 24 Newsweek op-ed, put it bluntly: "Harris has unwittingly leaned into everything that independent voters hate about D.C. politics — the inauthenticity, the refusal to answer direct questions, the casual jettisoning of past policies and stances in a mad dash to chase public opinion around as if she has no power whatsoever to shape it." He went on to say her approach was to "basically renounce the person that she had been throughout her entire time in the U.S. Senate and to walk back the positions she staked out when she sought the presidency in 2019 one by one."

**Flip-flops over past policies**

Harris's word salads are well-known, but she is also "unburdened by what has been" with respect to her past policy positions. Coconut trees and joy are not enough. Calling Trump a fascist is not a plan, nor can platitudes replace policy. Comparing Trump to Nazi dictator Adolf Hitler is a losing argument because it demeans those considering him. Besides that, Jews, understandably, do not appreciate the comparison.

Unfortunately, Harris's platform looks like Swiss cheese. She has flopped and flipped on virtually every position she held when she last ran for president. Her Etch A Sketch proposals are made all the more curious in the absence of any explanation of why she has made the drastic revisions, but it doesn't take a genius to answer that question: It's political opportunism.

Harris papered countless 180s on policy over with the whimsically empty explanation that her "values haven't changed." This damaged her credibility. While some evolution is to be expected, the about-faces make her look too much like a product of polling with no real convictions. Beyond winning and a likely reversion to her earlier, California progressive positions, there's not much to make us believe the new Harris is anything but a temporary retread. Trump may be a lot of things, but people know he's the real McCoy.

For those who enjoyed the calm days of Black Lives Matter protests, Harris was there supporting them and tweeting about a bail fund for those arrested in riots. We all fondly recall the days when she was with the "Defund the Police" set and said, "It is outdated, wrong and backward to think more police creates more safety." If you peruse her record in the Senate, she was in line with all the right-thinking people. Adam Nagourney at The New York Times notes that truncating the race has allowed Harris to "coast past some of the scrutiny and detailed policy debates that candidates usually experience on the path to the nomination."

Harris is no longer in favor of a lot of things she swore by. Getting rid of Immigration and Customs Enforcement? Not a part of her plan. Gone, too, is her commitment to press for Medicare for All (the abolition of private insurance) and the College for All Act. A fracking ban is supposedly out. Rather than confiscating guns, she now rushes to tell us about the one she owns. Packing the Supreme

Court is ducked and dodged. She doesn't want to talk about it. Decriminalizing illegal border crossings? That's no longer her position, and one assumes she doesn't want to mess with the food pyramid to get Americans to eat less red meat, as she mused some years ago.

Harris hasn't said much about an EV mandate, though in 2019 she co-sponsored a bill that would have required automobile manufacturers to produce only electric and hydrogen-powered vehicles, completely phasing out the gas-powered ones Americans like by 2040. Race as a factor in college admissions isn't spoken of by Democrats during this election cycle, though they are strongly in favor of it. Race reparations also don't merit mention, though Harris supported that idea in 2019 as well.

Harris's past positions now appear in the media as a "404: Page not Found." In one case there is quite literally no page retrievable. Going into her first presidential campaign, GovTrack ranked her the most liberal senator in 2019. Mysteriously, or perhaps not, that page was taken down shortly after Harris became the 2024 candidate. I guess we know how this self-described "non-partisan" "transparency" group is voting. So much for "mak[ing] our government more open and accessible."

However, they still have a page up that lists Harris as the most left-leaning and least bipartisan Democrat Senator for the entire Congress of 2019–2020. Senator Bernie Sanders occupies a different category as a self-declared independent, and he edged her out in a squeaker for the most lefty senator overall. However, Harris' lefty positions can still be spotted. During an online campaign event, her running mate said, "Don't ever shy away from our progressive values. One person's socialism is another person's neighborliness."

If staff is policy, look at Harris's advisors. Gene Sperling, once Presidents Bill Clinton and Barack Obama's economic advisor, is now with Harris. Harris's climate engagement director raised a ruckus by saying the candidate doesn't really mean what she's saying about fracking. These are not "change" advisos.

Why would they be? The about-face is a trompe-l'œil. As economist Oren Cass noted in an op-ed for The New York Times, when Harris was asked on October 16 about her former advocacy for giving driver's licenses, college tuition and free healthcare to undocumented immigrants, she replied, "Listen, that was five years ago." You can change your mind, but you can't do a wholesale makeover of who you are in a few years.

So what (theoretically) are her (current) policies? Harris mostly offers vibes, teleprompter remarks about gauzy ideals and attacks on Trump. The problem, of course, is that only 25% of Americans believe the country is heading in the right direction, and only 39% of likely voters think Harris was the best candidate the Democratic Party could have picked. That makes it hard to run on her record.

The other problem is that Bidenomics is Kamalanomics, but in a twist, Kamalanomics pairs the massive spending and regulatory overreach of Bidenomics with the price controls of Nixonomics. To address inflation, Harris is going to institute price controls to tame grocery bills. Even as the media claims these are not actual price controls, I don't know what else to call it when the Federal Trade Commission and each state's Attorney General gets to "punish" whoever transgresses the profit rules made up in Washington. As though a government bureaucracy would know the price of kale.

Or how about giving $25,000 to home buyers, which would only raise house prices and stoke demand, a point she acknowledges when she pledges to build three million more homes. How will she build these houses? Details to follow. Economics 101 question: What will giving $25,000 for every homebuyer do to house prices? If you said raise them, then you and the average high schooler know more about economics than Kamala Devi Harris.

The Washington Post said regarding Harris's economic plan, "The times demand serious economic ideas. Harris supplies gimmicks." They go on to note that "'price gouging' is not causing inflation. So why is the vice president promising to stamp it out?" No one seems to know why, and no one can even say what excessive profits are. The Post again questions how this would even be established. "Ms. Harris says she'll target companies that make 'excessive' profits, whatever that means."

When considering her proposed programs, there is a decided funding hole. Where is the money coming from? In the understatement of the year, Harris' campaign, "otherwise light on policy specifics," proposed a $5 trillion tax hike.

Harris is a blank slate on Biden's proposal to tax unrealized capital gains, but everyone in the media wants you to know that her ordinary capital gains plan is a big break from Biden's proposed higher rate.

"Kamala the moderate" is the word of the day. The New York Times tells us this is "one of several moves meant to win over business owners" and that she is "friendlier than Biden" on taxes. Hooray. Harris added in a platitude-laden announcement, "Let us understand, then, that when we say 'fight,' it is a fight for something, not against something. It is for something. That's what we're talking about when we talk about a new way forward. This is for something." She declined to go much into what that something is.

I will say it is a fight for something. Once you include Harris's proposed surcharge on investment income, the fight is for returning to the highest capital gains rates since 1978, a decade few would recall as a time of low inflation and flourishing small businesses. It's also worth noting the 1978 tax cut was signed into law by President Jimmy Carter, a Democrat, not Ronald Reagan. Harris' policies are full-on stagflation material more reminiscent of the "secular stagnation" Obama years until his successor showed there were plenty of animal spirits left when you cut regulation and let people spend their money as they see fit.

I hear a lot about the rich paying their "fair share," but how much should the 1% pay? I want an actual number. Currently, the 1% pay 40% of all income taxes. Should 1% of the population pay more than 40%? Is it 60%? 100%? Alas, you never get a number, and Republicans never ask the question.

**Blind loyalty and Harris's current record**

For those in fraternity houses, a good drinking game during the Democratic convention was to take a drink whenever you heard Trump's name. Those in Alcoholics Anonymous could safely commit to taking a drink any time they heard Biden's name. On the first night, Biden himself landed that plum spot everyone jockeys for as a speaker at the convention: 11:30 PM. The party is running from the man, but Harris is sticking with his policies.

Harris tries to say she would govern differently from Biden, but she gives no specifics. Were she to distance herself on at least an issue or two from the present administration, or even point out that the vice president doesn't have much pull, that might resonate; as things are, she refuses to mark any territory where she would diverge from the current path.

In the softest of softball interviews, Harris sat on a panel with the left-wing ladies of The View. When asked what she would change about the last four years, she gave a stunning answer. "There is not a thing that comes to mind," she began. Really? Not on blowout, multi-trillion dollar bills that stoked inflation, immigration, or, I dunno, the Afghanistan withdrawal?

After saying she couldn't think of a single change she would make, she continued, "And I have been a part of most of the decisions that have had impact." She effectively said, "I've seen the polls and know you're unhappy about things, but I'm not going to change current policies because I was behind them." Trump seized the moment and ran with the clip.

Harris's pollsters have to know Americans are not happy with the direction of the country, but she couldn't articulate one thing she would do differently while also claiming stewardship over the last four years — thereby negating the "I'm only VP and have no decision-making authority" argument most Democrats have been making for her.

Harris has not departed on a single issue. When asked another time about voters' desire for change and what she would do differently from Biden, she said, "I'm obviously not Joe Biden." Well, no shit, Sherlock. Then, of all things, she went on to distinguish herself from Trump with the same vacuity before rounding it out with more talk of an "opportunity economy." Unfortunately, it will take more than the media elite telling everyone about the current "glorious" economy to make voters forget they aren't happy. Meanwhile, Trump reminds people at his rallies of the Reagan question: "Are you better off than you were four years ago?"

It's not just that people feel overburdened; it's that they feel they don't get much for their tax dollars. When the government spends $7.5 billion dollars on charging stations to, more than two years later, produce exactly 8 stations, you have a problem. Whether the money is still in the planning stages or is waiting around is beyond the point. Why is it taking 2 years to just get going? Why isn't the government working? This is why much of Trump's rhetoric about government inefficiency and his promise to tap Elon Musk to address that problem resonate.

Everyone else seems to be running away from the mistakes Harris can't summon to mind. Democrat incumbents trying to keep their Senate seats have some misgivings, and watching Senator Bob Casey's ads you'd think he's as MAGA as they come. There's only one problem: he's voted with Biden 98.5% of the time. That's true too of Wisconsin's Tammy Baldwin (95.5% with Biden). Michigan's Elissa Slotkin, who is a three-term Representative bucking for a promotion to the Senate, votes with Biden 100% of the time. They're now all running away from that record.

In Harris' case, she promises to have a Republican in her cabinet, and she makes unsubstantiated promises to be a president for all Americans if elected, but many suspect she remains a California liberal at heart and will not reach across the aisle and build coalitions as promised. An NBC interview question on October 22 about abortion is instructive.

Q: "What concessions would be on the table? Religious exemptions, for example, is that something that you would consider with a Republican-controlled Congress?"

Ms. Harris: "I don't think that we should be making concessions when we're talking about a fundamental freedom to make decisions about your own body."

That same spirit of working with people extends to Harris's dealings with her own staff. Even as vice president, she has had a 92% staff turnover in her first three years. This goes back to her Senate days. Actually, it goes back to her San Francisco district attorney days.

House Democrats are even running ads accusing a Republican of "turn[ing] his back on President Trump" during one of his impeachments. This is playing with fire if you think Trump is Hitler — so why would they do this? The same reason they supported pro-Trump Republicans in the last two election cycles: politics. That, and as I've said forever, Democrats don't really think Trump is truly dangerous. They just need their voters to think he is.

Most notably, Harris continues to stand behind Biden's diminished mental acuity. This is ridiculous. The coverup is now obvious in hindsight, yet she stands by her belief that Biden is as sharp as a tack.

Even before the January 6 Capitol Hill riots, there was a large cohort of "Never Trumpers," yet the party was labeled spineless for not standing up to him. Few outside of former House Speaker Nancy Pelosi and George Clooney had the courage to tell Biden to his face that he couldn't hack it. Certainly, Harris went along for the long con. Where is the cohort that casts as being of little character the person who spent the most time with the president but resoundingly declared him fit? And who flipped every policy to win the presidency out of naked ambition? If character is an important quality, then the voters might have had reason to believe Harris didn't possess it.

**Failure to pick Josh Shapiro**

Polling by Emerson College at the time of Harris' VP pick found the following:

Regarding Vice President Harris' selection of a running mate, a plurality of Arizona voters prefer Senator Mark Kelly (36%), 27% of Michigan voters prefer Gretchen Whitmer, 40% of Pennsylvania voters support Josh Shapiro, while 14% of Wisconsin voters support Bernie Sanders and 12% Pete Buttigieg.

Among just Democratic voters, in Arizona 42% prefer their Senator Mark Kelly, in Pennsylvania, 57% prefer their Governor Josh Shapiro and in Michigan 36% prefer their Governor Gretchen Whitmer. Georgia and Wisconsin saw Democrats split among candidates with no one having more than around 20%.

Given Pennsylvania is considered a, if not the, must-win state of the election, and given the state's own voters had much stronger feelings for having "their guy" as Harris' running mate, her choice of Minnesota Governor Tim Walz over Pennsylvania Governor Shapiro amounts to political malpractice. While a centrist as a congressman, Walz as governor played to the left. Further, Minnesota is a blue state, so Walz does not bring a swing state into the fold. Harris will also not be able to rely on Biden's Pennsylvania roots this time around. Her San Francisco chops have zero credibility in the Mid-Atlantic.

Shapiro's Jewish heritage was thought to be a liability with growing protests over Gaza, particularly in the swing state of Michigan. The widely rumored concern he would outshine Harris spoke only to insecurity and a willingness to go along with the base no matter what. Shapiro claimed, "We are the party of real freedom," at the Democratic National Convention after being passed over for running mate for being a little too Jewish.

Nate Silver of FiveThirtyEight fame thinks picking Tim Walz rather than the popular Shapiro, who has sky-high approval and is governor of a must-win state, might cost Harris the election. Silver also points out that 47% of poll respondents think Harris is too liberal/progressive, while only 32% think Trump is too conservative. Over half of those polled (52%) aged 45 and up think she's too liberal/progressive, which is a problem since older voters tend to be the ones who show up to vote. Now it seems Silver's gut suspects Trump will win. The New York Times' 61 focus groups suggest to Patrick Healy that Trump has the edge on the usual issues of inflation, the economy and immigration.

Not only does Harris have a problem with Pennsylvania's 400,000 Jews who likely wanted Shapiro as VP, but she has a Catholic problem as well. The last presidential candidate not to attend the annual Al Smith dinner, held in New York City to raise money for Catholic charities, was Walter Mondale. As the Archbishop of New York, Cardinal Timothy Dolan, noted, "This hasn't happened in 40 years, since Walter Mondale turned down the invitation. And remember, he lost 49 out of 50 states." Instead, Harris sent in a video, Catholics noted her absence, and none of this was well-received.

Exit polls from 2020 show 30% of Pennsylvania's voters are Catholic. That's above the national average of 22%. In 2020, Biden (a Catholic himself) narrowly edged Trump in the Catholic vote, 50% to 49%, yet a Pew survey has found Harris trailing Trump among Catholics by five points, 47% to 52%. In other worrying news for the Harris camp, Democrats have seen their voter registration edge in the state cut in half since the last presidential election to the tune of several hundred thousand voters. To put that in perspective, Joe Biden won the state in 2020 by 80,555 votes, or 1.17%

**Social issues and indecisive foreign policy**

Ruy Teixeira, a progressive think tanker, has said for years that social issues are an Achilles's heel for Democrats. Liberal condescension has worn thin, and even the sainted Obama faced recent backlash when he gave black supporters a tongue-lashing. He told "brothers" that maybe they're "not feeling the idea of having a woman as president." Maybe another thing they're "not feeling" is being told they're misogynists if they don't vote for Harris.

Others aren't feeling a lot of the trendy social issues the Left has extolled for years. Perhaps this is no clearer than on the US government policy of paying for sex changes for prisoners and illegal immigrants. Harris is running from the issue, but her record is clear. The lefty factcheck.org says that "Harris went on record in an American Civil Liberties Union candidate questionnaire as supporting medically necessary gender-affirming care for federal prisoners and immigrant detainees, including surgical care. She also expressed support for gender-affirming surgery for California state inmates on other occasions during her 2019 presidential run, taking some credit for working 'behind the scenes' to get access to these surgeries for prisoners." This has become a sleeper issue, and it's playing out prominently in swing elections.

Trendy social issues are out, and Harris' 2019 introduction during a CNN town hall leading with "my pronouns are she, her and hers" is starting to sound like a relic. Not that such issues ever polled well.

Across the country, green policies, dear to Harris's heart by all accounts, are now scarcely spoken of. Liberal condescension and gender politics are left to proxies, and no one wants to defund the police with rising crime rates. Diversity statements for professors are on the wane, and diversity, equity and inclusion are less prominent in corporate hiring and shareholder reports. "The woke burnout is real."

Interestingly, Democrats have traded in their "blame America" duds for a freedom theme. This seems to be largely a reaction against a sense that more and more people feel less free, but who thinks Democrats are the party of greater freedom?

Democrats are also less patriotic. 39% of US adults are "extremely proud" to be American, which is essentially unchanged from last year's 38% record low. The numbers of those who think less well of America are overwhelmingly Democrats. The combined 67% of Americans who are now extremely or "very proud" (28%) skew heavily toward Republicans.

Foreign policy is also a sticking point with some voters. The world simply feels less safe with Israel, Hamas, Hezbollah, Iran, Ukraine and Russia fighting. China continues to press for regional, and even global, hegemony, and even North Korea's troops are on the march in Ukraine. Foreign policy rarely registers as a top voter concern, though it does figure in when people consider how secure they feel overall.

On most foreign policy issues, Harris would rather not say. But we do know she skipped Israeli Prime Minister Benjamin Netanyahu's address before a joint session of Congress. No word was given on what Harris thought about the protestors in Chicago, including one in a Swastika-bearing "FUCK ISRAEL" T-shirt, but I wasn't holding my breath for any clarity. She continues her contradictory stand on the absolute right of Israel to defend itself and the absolute necessity of a ceasefire. It's anyone's guess where she really is on that issue.

**Breaking the filibuster**

Breaking the Senate filibuster is perhaps where Harris' goals are most dangerous. Currently, a senator can use his or her privilege to speak in order to delay or kill a bill. To end such a filibuster, three-fifths of the Senate (60 out of 100 senators) must agree. Lately, Democrats have toyed with ending this rule, effectively allowing legislation to be passed in the Senate by a simple majority.

By breaking the filibuster, Democrats could pack the Supreme Court with friendly judges, pass a national law on abortion and usher in nationalized healthcare. There's also the real prize: statehood for the District of Columbia and Puerto Rico. Statehood has nothing to do with "taxation without representation," as DC license plates say. The real goal is creating four new Senate seats that would enshrine their majorities.

Senate Majority Leader Chuck Schumer has mused about this move openly. During the August Democratic convention, he said, "We got it up to 48, but, of course, [US Senators Kyrsten] Sinema and [Joe] Manchin voted no; that's why we couldn't change the rules. Well, they're both gone."

Harris is fully on board with the norm-shattering maneuver.

The death of the filibuster would send every progressive constituency scrambling for their own carve-out. Henceforth, every time the House, Senate and White House aligned, there would be tectonic shifts in policies from taxation to abortion. Nothing would be sacred, and it would be a free-for-all.

There are as many, if not more, unknowns in this final day of voting, and no one with any sense is stating with certainty what the outcome will be. However, as the coddled elite get ready to counsel students who have mental health breakdowns over the election, it will be worthwhile to recognize the problems the campaign and candidate had — if she loses.

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## No, Trump Is Not the End of US Democracy. It Never Existed.

Anton Schauble
November 05, 2024

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**Pundits have abused the figure of the tyrant from Plato's Republic by turning it into a prophecy of Donald Trump. Trump is no tyrant, but rather another sorry example of America's large cast of plutocrats. All the same, Plato's timeless masterpiece gives us a stern warning about the United States' future.**

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When Donald Trump won the 2016 US presidential election, the media filled with breathless headlines about the collapse of democracy. Trump's victory was certainly the collapse of something, but commentators trying to put their finger on exactly what this was missed the mark. Now, as Trump is once again at the threshold of the White House, the point bears reexamining.

Trump, we were told, was just what Plato had predicted 23 centuries ago in his famous dialogue, the Republic: that democracy will inevitably cave in upon itself and birth a tyrant. Trump, supposedly, is that tyrant.

Vox's Sean Illing told us that "the character of Trump and the reasons for his rise are explained in remarkably prescient terms by Plato over two thousand years ago." He was echoing a similar notion Andrew Sullivan propounded the year before in New York Magazine. UPenn professors Eric W. Orts, Peter T. Struck and Jeffrey Green, writing in Lapham's Quarterly, promised us that we could understand Trump's character and motivations by fitting him "into a template of tyranny" derived from the Republic. The Washington Post's David Lay Williams joined the chorus too with a piece entitled, "Here's what Plato had to say about someone like Donald Trump."

The meme spread, giving a patina of intellectualism to our collective anxieties about the erratic president. Those anxieties are justified — but the reading of Plato is not. Now, it might seem petty to quibble about the classics when great matters of state are at hand, but at times of crisis, we need the classics to fall back on to give us perspective and wisdom. If we do not listen to Plato carefully, we may miss what he really does have to tell us. If we instead shoehorn our own anxieties into his words, we will only really be listening to ourselves.

The fact of the matter is that America's current civil crisis, while terribly real, is not the crisis of democracy as Plato understood it. Nor is Trump the tyrant from Plato's dialogue. The reason for this is that America is not really a democracy at all.

### What did Plato mean by democracy and tyranny?

Plato recognized that what is most important about human behavior, and thus about political behavior, is the good that humans seek. What do we value? What are we looking to gain when we act, personally or politically? This is the most basic thing; the forms and processes of politics are secondary, because we can use a variety of systems to achieve the same goals as long as we agree on what we want. For this reason, it is a matter of indifference to Plato whether the ideal state is a monarchy or an aristocracy. What matters is that the people in charge, whether they be one or many, are lovers of wisdom and rule with an eye to virtue.

For this reason, two states with quite dissimilar systems can behave in a very similar manner if they value the same things. The United States is a republic with a tripartite national government as well as a federal union of sovereign states. The United Kingdom is a unitary monarchy with a sovereign parliament and a largely unwritten constitution. Yet, the two states behave as the best of friends, coordinating their operations internationally and influencing each other domestically. They do this because their political cultures are the same; they (largely) have the same vision of what a state should look like and value.

Human beings are complex, but not infinitely complex. They have patterns that we can discern. Plato divided the five basic kinds of political character into five types based on their chief values. He called them aristocracy, timocracy, oligarchy, democracy and tyranny.

The "aristocratic" character is philosophical. This character values transcendent and eternal things: the gods, the objects of mathematics and the unchangeable essences of things. The second character, called "timocratic," loves honor, is concerned with the esteem of peers and seeks traditional respectability and military glory. The "oligarchical" or plutocratic character loves wealth. An oligarch amasses wealth in great quantities and excludes others. The "democratic" character is concerned with the satisfaction of the here and now, the personal pleasures of feasting and revelry. The most important thing is the vote — the expression of each individual's will. Finally, the tyrannical character loves a pleasure that is lawless and goes beyond the bounds of human nature.

Plato did not draw up these characters at random. They were all too plain to see in Plato's Greece, which knew the honor-loving and militaristic Spartans and the tumultuous and democratic Athenians. Greece saw its fair share of merchant oligarchies that made themselves fabulously wealthy. Unfortunately, it also produced depraved and lawless tyrants at times. And Plato himself had the blessing of meeting high-minded and philosophical rulers as well. Archytas, the Pythagorean leader of Taranto, may have inspired Plato's portrayal of the philosopher-king in the Republic.

Politics are an expression of choices, and choices are an expression of values. So, the five types correspond to the five possible kinds of value. Values can either be spiritual or physical, and if physical, either external or internal, that is, bodily. The philosopher loves the spiritual good; the timocrat loves an external good, reputation. Further, bodily goods can either be natural or unnatural, and natural goods can either be moderate or immoderate. (There is no moderate amount of unnatural "goods.") The oligarch loves bodily goods in moderation; a wastrel cannot amass wealth. The democrat loves bodily good without moderation; satisfaction of individual desire is paramount. Finally, the tyrant loves something that not only exceeds the limits of nature but is repugnant to them.

The philosopher and the tyrant are both exceptional characters. Philosophers transcend nature to contemplate the universal laws that are beyond it. The tyrant, too, goes beyond nature, not by transcending it but by violating it. Because they are exceptional, they both are very rare. Most human beings are in the middle. The mass of mankind is neither very good nor exceptionally evil.

Spiritual behavior drives political behavior. For this reason, a state will become what it loves. A money-loving state will become an oligarchy — i.e., it will have few rulers — because only a few can amass great wealth. They hoard everything they can and reduce their fellow citizens to beggars. Likewise, a state where the citizens are most concerned with satisfying their immediate, selfish desires will seek to give the most liberty to the greatest number of individuals. This is necessary for each to follow one's own passions.

A state may appear to have a very democratic constitution on paper but function as an oligarchy in practice. (Examples of this situation are probably too common to be worth listing.) Or a state may appear to be an oligarchy on paper but function as a tyranny in practice. (This was the case for the Roman Empire in its darkest moments.) What matters more than any charter is the constitution written in the hearts of citizens. In the words of another philosopher, Heraclitus, "one's ethic is one's fate."

Generally, like begets like. Wise leaders will do their best to raise wise young people to carry on the constitution of the best state. Honor-loving, money-loving and freedom-loving people will pass their own values down in their own cultures. Even tyrants, in a perverse way, breed more tyrants.

Yet nothing in human affairs lasts forever. So, Plato tells us, a wise state will eventually produce a generation that conforms not to philosophy but to tradition — no longer understanding the reasons that motivated its founders to frame just laws. An honor-loving state will eventually become corrupted by money, which can have the false appearance of glory. The Greeks saw this happen in their time when Persian gold infamously corrupted Spartan agents.

According to the Republic, this downward trend continues because oligarchs ultimately dispossess most of the population and create a resentful underclass that deposes them. But the resulting democratic state is highly unstable, and so it gives over in short order to a tyranny. The tyrant is the caricature of a democrat: Loving base pleasure above all things, tyrants enslave every other citizen to give themselves maximum freedom. So, in this way, each kind of constitution arises as a corruption of the last.

### Interpreting Donald Trump through the lens of Plato

Well, it's settled then, isn't it? America is a democracy, so, when it collapses, it will become a tyranny, and obviously, Trump is that tyrant.

Not so fast. The trappings of democracy do not a democracy make. Prosaically, what Plato had in mind was a direct democracy and not a representative democracy — although even a direct democracy has representatives (think of Pericles). More important, however, than any procedure about how votes are translated into laws is the spiritual orientation of the state. What does it value? Whom does it favor?

These days, it is no longer a secret that the US is not a democracy, but an oligarchy. Even former President Jimmy Carter has said it. Political scientists Martin Gilens and Benjamin I. Page detected this empirically. Popular opinion has almost no correlation with US policy; business interests do.

This doesn't have to mean that US elections are not free and fair. What it does mean is that, even if our democratic elections are not a sham, and even if voters can decide which of the two candidates of the ruling party wins in a particular year, the people do not exercise control over their politics. The state doesn't work for them, and it's not supposed to. As political scientist Josep Colomer pointed out in a March interview with Fair Observer, the US was designed not to be a democracy. By all appearances, I would add, its constitution is still working as intended.

There is no need to belabor this point much further. If you are a US citizen and not a member of the wealthy elite, ask yourself: Do you feel in charge?

Our next conclusion follows in due course. Is Trump the tyrant to America's democracy? No; he is an oligarch from America's oligarchy. After all, tyrants are very rare. But oligarchies like America produce Donald Trumps like cherry trees produce cherries.

The man Republicans picked to "drain the swamp" is himself a swamp creature. As a political donor, Trump rubbed elbows with his 2016 opponent Hillary Clinton and even his current opponent Kamala Harris. Not too long ago, either. So why has the Washington system tried to spit out Trump the way an organism tries to expel a foreign body? He is an outsider, sure. An outsider to the party, an outsider to Washington. But not an outsider to the culture. He is, as terrifying as it is, one of us.

Not every conflict is a conflict between basic political constitutions. Far more common is a conflict between factions within the same constitution. Russia recently saw one militarist thug try to rebel against another one. Was Yevgeny Prigozhin's rebellion a battle for the soul of Russia, or just for who would be in charge in Moscow? Our own oligarchs may not be driving tanks at each other, but Silicon Valley billionaires Mark Zuckerberg and Tim Cook have been known to throw a few bombs. More recently, the Washington oligarchs have taken to lawfare rather than outright violence as their weapon of choice.

A conflict between good and evil? More like sand tiger sharks eating each other in the womb. The fact that they're killing each other doesn't mean that they come from different species.

**But isn't Trump a fascist?**

There is one other argument that buttresses the thesis that Trump is a tyrant. In brief: Trump is a fascist, and fascists are tyrants. This is deceptively simple, since "fascist" and "tyrant" are nearly synonyms. But even here, the spiritual orientations that drive politics belie our easy comparisons.

The utter vagueness of the word "fascist" makes its use as the major term of any syllogism problematic. By now, nearly every political movement has been described as "fascist" by its opponents. I have my doubts that the term can usefully be expanded beyond the militarist-nationalist authoritarian regimes of interwar Europe; even then, naming Adolf Hitler's Nazi movement after Benito Mussolini's Fascism can be more confusing than clarifying.

Policy-wise, Trump is a Republican. Sure, he represents a more isolationist, populist strand of conservative ideology rather than the neoconservative version which was previously hegemonic within his party. That doesn't make him Hitler, even though his Democratic opponent would like to tie him to the German dictator. (Democrats have been calling Republican candidates Hitler since at least 1948.)

Still, the term “fascist” does retain some utility. If Trump is a fascist, his fascism would seem to consist primarily in his embrace of political violence and his willingness to accept the support of thugs, from the Proud Boys he told to “stand by” in 2020 to the January 6, 2021, Capitol Hill rioters that tried to stop the electoral count and chanted “hang Mike Pence.” I doubt that Trump really wanted rioters to lynch his own vice president, but he certainly seemed to be pleased with the idea that his supporters would go outside the law for him, whether or not he incited them to do so in a legal sense. And a New York jury has found that Trump was willing to break the law himself in order to boost his own chances in the 2016 election.

If a fascist is a politician who is willing to break the law and use violence to win, then Trump is a fascist. For that matter, if looking the other way on or encouraging political violence makes one a fascist, then a good proportion of the US political and media establishment is fascist. But not only tyrants are violent. Timocrats, oligarchs and democrats throughout history have employed violence to intimidate, expel or eliminate their political opponents. If you want a fun read, historian Paolo Grillo can walk you through a litany of violent clashes and partisan expulsions in the medieval Italian republics that will make your head spin.

If nothing else, Grillo’s book is a fascinating (and sobering) reminder that Western democracy is a lot older than 1776. But perhaps you prefer your democracy post-Enlightenment. Don’t forget that, already by 1793, French democrats were lopping people’s heads off with industrial efficiency. And even the American Revolution was marred with plentiful scenes of brutal violence that we rarely like to talk about.

Finally, as Plato never lets us forget, it was a democratic vote that sentenced Socrates to drink poison for the crime of doing philosophy.

I say none of this to make a “whataboutist” argument that Trump is no better or worse than anyone else. But we should be aware that an oligarch is perfectly capable of violence. Trump might be a particularly nasty oligarch, but he is one. So, there is no need to jump to conclusions: Trump’s existence does not mean that our democracy is now dead. Much more likely, it means that our exploitative, ugly oligarchy is continuing to grind on much as it always has, right on top of you and me.

**The spiritual significance of Donald Trump**

Of course, we can’t take it easy just because Trump isn’t a tyrant. Tyranny is the worst possible scenario, but there are many other evils in between the good and the worst.

The concept of tyranny terrifies us because it is the total bankrupture of the state, and whenever we see someone like Trump undoing previously sacred norms, we rightly get nervous. Tyranny arises from chaos, and chaos arises from order gone wrong. Oligarchy is that order gone wrong, and we are in the thick of it.

Remember that every constitution contains the seeds of its own destruction. Those seeds sprout and grow as the old order begins to die away. The seeds of democracy — mob rule, the breakdown of legal order — are already present in the United States. Trump and his populists may well represent this tendency.

Trump is an oligarch with a tinge of the democratic. A perfect oligarch has only one spouse; that's the best way to balance a checkbook. Even our best oligarchs have been having trouble keeping their households together lately. Trump is a serial marrier and a philanderer besides. A lot of good Christian voters have forgotten Trump's boast about "grab[bing women] by the pussy." That is a mistake. When sleaze enters the highest levels of politics, things are going to the dogs. People who can't keep their own lives together can't well be expected to keep the state together.

Rome wasn't built in a day; neither was it destroyed. Trump may not be our Caligula, but he could be our Sulla, if first-century BC Dictator Lucius Cornelius Sulla is willing to bear the comparison. Sulla did not destroy the Republic, but he weakened it fatally. By employing political violence, he brought a crassness and lack of collegial respect into the senatorial class that precipitated the disastrous civil wars of Pompey and Caesar, Mark Antony and Octavian. This destabilization led to the establishment of the Empire.

I, for one, am not calling the time of death of the American republic just yet. It may limp on, perhaps for centuries, just as Rome did. But I fear that Trump may already have dealt it a wound from which it will never completely recover. Whichever way the results of today's voting turn out, it may take decades before historians can tell us whether Trump, and today's coarser, more fractious politics more generally, were a sickness unto death or just a bad cold.

Lord preserve us.

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# Mexico's New President Claudia Sheinbaum Faces — and Fuels — Political Instability

Bernardo Sainz Martínez
November 10, 2024

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**Mexico's new president Claudia Sheinbaum took office on October 1, but rampant violence and a consolidation of executive power have already marked her adiminstration. Sheinbaum has the ability to tackle issues of public security and checks and balances, but her policies have not deviated much from that of her predecessor. Unless she can address these concerns, the political landscape of Mexico will remain uncertain.**

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Mexico is experiencing a profound shift in its political landscape. The first weeks of Mexican president Claudia Sheinbaum Pardo's administration are marked by concerns of democratic backsliding, power centralization, a potential constitutional crisis and rampant violence.

The legitimacy of the June 2 election results is not in question. The concern lies in the exceptional concentration of power in the presidential position as well as the instability that will arise from such unchecked authority. Observers' previous expectations of a moderate administration are slowly fading. The inability to address root causes of violence and the disregard for institutional checks and balances raises questions about the government's commitment to democratic processes.

## Rampant violence shows cracks in public security

Violence remains rampant across Mexico. Over a thousand killings have been recorded in Sheinbaum's first 13 days in office alone. Among the most significant incidents were the beheading of Alejandro Arcos Catalán, the mayor of Chilpancingo, and the recent killing of Marcelo Pérez, a priest and social activist in Chiapas. Additionally, military personnel were accused of negligence after six migrants and a nurse were killed in the crossfire of a shootout between the National Guard and suspected drug cartel vehicles.

While Sheinbaum has proposed a new security plan, it does not diverge significantly from her predecessor Andrés Manuel López Obrador's strategy. Obrador's approach, which was to create the National Guard, a nationwide police force, resulted in the most violent presidential term in Mexico's modern history. Furthermore, the Mexican Congress passed a controversial reform that places the National Guard under the Ministry of Defense. Sheinbaum supports both of these decisions and vows to strengthen the National Guard even more. Critics argue this will only further militarize public security and fail to address the root causes of violence.

## Judicial overhaul has consolidated executive power even further

This failure to address the rampant violence isn't the only concern Mexican citizens have regarding Sheinbaum's administration; the new president has also shown a blatant disregard for checks and balances. The recent judicial reform is the clearest example. This reform mandates a complete overhaul of the judicial system, replacing all the judges in the country, at all levels, with new ones elected by popular vote. However, more than half of the appointees will be filtered by Morena, the governing party, through "expert committees."

The reform also reduces the requirements to become a judge, which used to involve examinations and a long technical career. This has raised serious concerns about the politicization of the judiciary and the potential loss of judicial autonomy. Critics warn that this reform could threaten core democratic principles, including the separation of powers and adherence to the rule of law.

The judicial reform has also the potential to spark a constitutional crisis. Numerous judges have already filed amparos (legal injunctions) challenging the reform's constitutionality. They argue, among other things, that the legislative procedure to pass the reform was deeply flawed. However, Sheinbaum's government has largely disregarded the rulings and doubled down by proposing a new constitutional reform that shields any constitutional changes, even retroactively, from judicial oversight. The main argument used by the president and the governing party is that "a few judges" cannot overturn "the will of the people." This move has alarmed many human rights advocates and legal experts. They view it as a regressive step in the defense of human rights and a violation of Mexico's civil commitments.

## Mexico's future remains unclear

Despite political uncertainty, day-to-day operations in Mexico have remained largely unaffected, partly due to anticipation around the evolving political context. The business community and political observers alike are closely watching how Sheinbaum will navigate internal tensions within Morena and its coalition, as well as external challenges, including potential disruptive policies and hardball negotiations under Trump's second presidency.

In addition, Mexico's global economic and political ties, such as the USMCA trade agreement, serve as external constraints on the government's ability to implement drastic changes. The country's diversified economy also limits the scope for dramatic policy shifts. External factors such as trade, debt obligations and international relations stabilize Mexico's economy during this period of political transition. While it is true that internal political dynamics and violence present serious challenges, these external influences may help curb some of the more drastic reforms that threaten democratic checks and balances.

It is clear that Mexico faces significant challenges and uncertainties. Strengthening democratic institutions, maintaining checks and balances and protecting the electoral system's capacity for power alternation are essential for ensuring stability and upholding the rule of law. Equally important is the need to respect institutional democratic processes, even when they produce outcomes that may not align with all preferences.

The author is a professor in the Social and Political Environment department at IPADE Business School.The views expressed in this article are solely those of the author and do not represent the official position of IPADE Business School.

[Cheyenne Torres edited this piece.]

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# Reshoring: Reality or Myth? US–China Trade and the Future of American Manufacturing

Masaaki Yoshimori
November 12, 2024

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**US manufacturing is at a crossroads, shaped by tensions with China and technological shifts like AI and automation that are transforming traditional labor markets. While tariffs and industrial policies aim to protect jobs and ensure national security, they also risk raising costs and stifling innovation. The US must carefully balance economic efficiency, global competitiveness, and workforce development to adapt to a service-oriented economy and maintain resilience in a changing global landscape.**

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In today's rapidly shifting global trade environment, the relationship between manufacturing employment and US–China trade policy has reached a critical juncture. With AI and automation transforming the manufacturing sector, nations are confronted with the challenge of balancing economic efficiency with national security priorities. This evolving dynamic underscores the importance of understanding how manufacturing trends, economic growth and international trade policies are increasingly interconnected.

In the US, where industrial policies, tariffs and labor-market shifts play a pivotal role in economic competitiveness, the ongoing trade tensions with China are proving to be a significant factor in shaping the future of work. As manufacturing jobs evolve in response to technological advances and shifting global markets, the broader narrative of globalization is also changing. This shift presents new opportunities and challenges, with profound implications for economic stability, workforce development and the overall trajectory of international trade. The outcome of this complex interaction will determine the US's ability to adapt to a new economic order while safeguarding its industrial base and global competitiveness.

**The Kuznets curve and manufacturing employment**

The Kuznets curve is a graphic illustration of an economic theory introduced by Simon Kuznets. It shows an inverted-U-shaped relationship between economic development and income inequality, positing that inequality rises during early industrialization but declines as economies reach advanced stages of development. The curve framework illustrates that as economies mature and technological advancements drive productivity, manufacturing's share of employment tends to decline, pushing nations toward service-oriented sectors. This inverted-U-shaped trajectory suggests that both income inequality and manufacturing employment follow a similar pattern in response to structural economic transformations. For developing regions such as Africa, where manufacturing plays a critical role in employment, the Kuznets curve provides a useful framework for understanding the complex dynamics of industrialization and employment as economies mature.

**The transformative role of AI in manufacturing**

AI and automation technologies are driving a profound transformation in the manufacturing sector, automating many tasks previously performed by human workers. This shift is enhancing productivity, enabling companies to sustain or increase output levels with a smaller workforce. Further, the growth of AI and automation is contributing to a structural shift from manufacturing toward services and knowledge-based sectors. As high-skill industries, such as software development and data science, expand, they attract educated workers, while manufacturing employment stagnates or declines. For many developing countries, the rise of automation could make it harder to maintain large-scale manufacturing jobs as advanced economies increasingly turn to robotics and AI-driven production to stay competitive.

The inverted-U-shaped relationship between manufacturing employment and GDP per capita reflects a broader transition from labor-intensive manufacturing to service-oriented economies. This shift is not solely a result of economic development but also reflects the influence of advancing technologies, which reduce the need for manufacturing labor.

While this may benefit high-income countries by reducing labor costs and boosting efficiency, it poses significant challenges for developing economies. These economies, which traditionally relied on labor-intensive manufacturing to fuel economic growth and job creation, may find that the model is no longer as feasible in a world increasingly dominated by automated production processes. As AI and automation reshape the global production landscape, policymakers face the challenge of balancing support for manufacturing with fostering innovation in service and technology sectors to ensure long-term economic resilience.

For developing nations, sustaining manufacturing as a vital employment source requires adapting industrial policies to embrace both traditional manufacturing and high-growth, technology-driven sectors. In high-income nations, on the other hand, AI and automation are essential for retaining competitiveness in high-value sectors. For example, specialized manufacturing remains vital, as seen in industries like aerospace, biotechnology and electronics in the US, Japan and Germany. Here, manufacturing is integrated with high-value services, maintaining competitiveness through constant innovation.

## The complex transformation of US manufacturing employment

As the global economy shifts, manufacturing employment in the US faces a complex transformation, intricately connected to the ongoing trade dynamics with China. Historically, US manufacturing employment surged with industrialization, but the rise of automation, coupled with shifting trade policies, has led to a gradual decline in these jobs. The US–China trade relationship has played a pivotal role in shaping this trajectory. China's growing dominance in manufacturing, aided by low-cost production and state-driven economic policies, has led to significant outsourcing of US manufacturing jobs, exacerbating concerns over job loss and wage stagnation in key sectors.

In response, the US has increasingly turned to tariffs and industrial policies, notably during the Trump administration, to counteract China's perceived unfair trade practices, such as intellectual property theft and subsidies to domestic industries. While these tariffs were intended to bring manufacturing jobs back to the US and reduce reliance on China, they also brought unintended consequences, such as higher costs for US consumers and disrupted supply chains. Moreover, these trade wars have highlighted the delicate balance between protecting domestic industries and fostering long-term economic growth.

Simultaneously, the rise of automation and artificial intelligence in manufacturing further complicates the issue. As advanced economies like the US embrace AI-driven production to stay competitive, manufacturing jobs are increasingly automated, reducing the number of workers needed in these sectors. The decline in manufacturing employment is not just a result of trade policy but also a structural shift driven by technological advances. This poses a significant challenge for policymakers as they seek to navigate the dual pressures of protecting employment and encouraging technological innovation. Ultimately, the future of US manufacturing employment will depend on balancing industrial policies, trade strategies and the need to foster both high-skill jobs in technology-driven sectors and resilient manufacturing industries that can adapt to the changing global landscape.

## Historical perspective on tariffs and economic growth

While tariffs undeniably helped protect emerging American industries, their primary function before 1913 was as a crucial revenue source for the federal government, funding about 90% of expenditures. This revenue was essential for infrastructure and military needs in a time when other federal taxes were nearly nonexistent. Economist Yeo Joon Yoon argues that America's rapid economic growth was not only a result of tariffs but also due to favorable institutional conditions, such as the absence of direct taxes on income and corporate profits, which allowed capital to be freely reinvested. This fiscal environment, combined with a growing market and resource base, offered additional momentum for economic expansion.

Early US Treasury Secretary Alexander Hamilton, a key advocate for industrial growth, recognized both the opportunities and constraints that tariffs imposed. While he promoted tariffs as a way to nurture US industry, he cautioned against excessively high rates that could reduce imports and, consequently, government revenue. For a young nation reliant on foreign goods and raw materials, finding the right tariff balance was vital for sustaining both government funding and industrial growth. This complex approach reflects early American economic policy's reliance on tariffs as a flexible tool for revenue, protection and stability.

Modern protectionists often refer to 19th-century America as a model of successful industrial growth under high tariffs. Figures like former US Trade Representative Robert Lighthizer argue that tariffs were key to America's transition from an agrarian economy to an industrial powerhouse. Advocates such as Oren Cass and Michael Lind also suggest that tariffs enabled the US to pursue import-substitution policies that supported domestic industries. For them, 19th-century tariff policy exemplifies how protective measures can help build and sustain local industries, despite the associated trade-offs.

However, Hamilton's careful approach to tariffs reflected a nuanced understanding of economic development, balancing protectionist goals with the need to keep markets open to support revenue and ensure access to imported goods. His caution underscores the complex nature of tariff policy, where protecting industries had to be weighed against the need for stable federal funding. While tariffs shielded fledgling American industries, they were vulnerable to economic cycles and international trade fluctuations that could impact revenue streams.

The introduction of the modern federal income tax, passed in 1913 on the heels of the 16th Amendment, marked a turning point in American fiscal policy. With this new source of income, the government gained financial flexibility and could pursue targeted economic policies beyond tariffs. This shift diminished the federal government's dependence on tariffs, allowing for a more diversified fiscal strategy that could support economic development without relying solely on trade barriers. This historical evolution underscores that while tariffs can play a vital role in early industrial growth, their effectiveness is greatly enhanced when complemented by broader fiscal tools, such as income taxes, which provide the government with more stable and adaptable revenue sources.

**US–China trade history**

The US–China Permanent Normal Trade Relations (PNTR) policy aligns with a broader historical framework of US foreign policy, beginning with President Richard Nixon's 1972 initiative to establish diplomatic ties with China. Nixon's decision marked a strategic pivot, recognizing China's rising economic and military influence and the importance of constructive engagement. This vision influenced the US's decision to grant China PNTR status in the late 1990s, rooted in the belief that integrating China into the global economy would reduce risks associated with isolating a growing power.

By normalizing trade relations, the US aimed to encourage China to adhere to international trade norms, fostering stability through economic interdependence. Advocates viewed PNTR as part of a strategy to promote gradual economic and policy alignment. While China's rapid export-led growth and market integration reflected some successes, challenges persisted, particularly in areas like intellectual property rights, trade imbalances and China's state-driven economic approach.

While China has adopted some global trade practices, particularly in exports and production, it continues to selectively comply with international norms, especially in areas like intellectual property protection. This selective compliance has fueled ongoing tensions with the US, particularly during the 2018–2020 trade war initiated by President Donald Trump. The trade war aimed to address perceived unfair practices through tariffs and other measures under Sections 301 and 232, targeting industries such as electronics and high-tech equipment. These tariffs were designed to reduce China's trade imbalances and encourage greater market access, highlighting the US's concerns over China's protectionist policies and state-driven economic model.

Despite these tariffs, which failed to yield significant changes in Chinese behavior, the US–China trade friction underscored China's drive for technological self-sufficiency. In response, China accelerated its efforts in innovation, placing a greater emphasis on research and development, technology transfer and fostering collaborations between industry and academia. These initiatives aim to reduce China's reliance on external technology and strengthen its domestic capabilities. This ongoing tension between the two nations reveals the strategic importance of high-tech sectors in a globally connected economy, where both must navigate the delicate balance between protectionism and innovation to remain competitive.

### Balancing national security and economic efficiency

US Treasury Secretary Janet Yellen, speaking at the Stephen C. Friedheim Symposium on Global Economics hosted by the Council on Foreign Relations, outlined President Joe Biden's administration's strategy for aligning international economic policy with domestic priorities. Yellen emphasized the need to balance economic efficiency with national security, particularly regarding China and key industrial sectors. While acknowledging China's low-cost production of essential goods like solar panels — which could advance climate goals if heavily relied upon — Yellen warned of the risks of over-dependence. She stressed the importance of strengthening supply-chain resilience and promoting US domestic manufacturing, even at the expense of higher costs.

Yellen also addressed China's high savings rate, which has fueled substantial subsidies in advanced sectors like semiconductors and clean energy, contributing to global overcapacity and undermining industries in the US and other countries. She called for China to shift its focus toward increasing consumer spending and reinforcing social safety nets, though the Chinese government continues to prioritize state-backed investments. The secretary observed that the Chinese government has chosen instead to continue funneling resources into state-backed investments. She cautioned that this approach could lead to a "slippery slope," where demands for subsidies may extend across more industries, potentially straining fiscal discipline. Also, the subsidy programs implemented by Japan, the European Union and other select groups perpetuate crony capitalism, fostering undue influence and squandering taxpayer resources. Given these dynamics, the US may wish to maintain or even strengthen trade barriers to counteract practices, particularly extensive subsidies, not only in China but also in Japan and the European Union, practices which distort global markets and undermine US competitiveness.

Her analysis reflects the administration's belief that targeted trade and industrial policies are vital for national security and long-term economic stability, despite the short-term challenges they may pose. In parallel, the Biosecure Act, recently passed by the US House of Representatives, seeks to restrict US pharmaceutical partnerships with certain Chinese companies due to national security concerns — an action contested by firms like WuXi AppTec. Amid rising geopolitical tensions and ongoing tariffs, US drugmakers are diversifying their supply chains to reduce reliance on Chinese suppliers. This shift is part of a broader strategy to enhance resilience, though it comes with increased costs and potential delays as companies seek high-standard alternatives. The move highlights the tradeoff between securing supply chains and managing rising production expenses, which could impact drug prices and availability in the US market.

### Negotiating this crossroads

As US–China trade tensions persist, the US faces a critical balancing act between fostering economic growth, driving technological innovation and maintaining global competitiveness. The rapid evolution of automation and AI in manufacturing is reshaping the economic landscape, presenting a dual challenge: the US must preserve its industrial base while adapting to an increasingly service-oriented economy. At the same time, US trade policies — especially tariffs and industrial strategies designed to address China's trade practices — further complicate this transition.

While tariffs on Chinese goods may offer short-term protection to certain US industries, they have also exposed deeper structural challenges. The risk is that these trade measures could inadvertently stifle the very innovation that is essential for the US to maintain long-term global competitiveness. As policymakers grapple with these issues, it's clear that a nuanced trade approach, focused not only on protecting domestic industries but also on cultivating a highly skilled workforce for emerging sectors, will be crucial for ensuring the nation's economic resilience.

This evolving dynamic emphasizes the urgent need for a more refined global trade framework, particularly within the World Trade Organization (WTO). The WTO must adapt to the rising importance of industrial policy globally, ensuring that trade rules remain relevant in an era of technological transformation. Equipped with an updated toolkit, the WTO can help nations navigate the delicate balance between pursuing national industrial strategies and fostering global cooperation. How the US responds to these shifts in manufacturing employment and trade policy will ultimately define its ability to thrive in a rapidly changing global economic order.

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intersections of climate change with economic systems.

## Has Anyone Noticed What BRICS+ Is Telling Us About a New World Order?

Jean-Daniel Ruch
November 15, 2024

**The BRICS summit in Kazan from October 22 to 24 showed that the isolation of Russia sought by the West is just a fallacy. But that is not the most important thing. Russia and China, the two driving forces of the BRICS states, want to acquire the means to circumvent the West's instruments of power.**

In the beginning, there were four: Brazil, China, India and Russia. Following their first summit in 2009, they expanded to become BRICS with the accession of South Africa in 2011 and then nine in January 2024. At the sixteenth BRICS summit this October in Kazan, Russia, two African countries, Egypt and Ethiopia, and two Middle Eastern countries, the United Arab Emirates and Iran, made up what people now refer to as BRICS+.

Thirteen among the more than thirty countries that have formally expressed their interest in membership are now associated with BRICS+: four Southeast Asian countries (Indonesia, Malaysia, Thailand, Vietnam), two Latin American countries (Cuba and Bolivia), three African countries (Algeria, Nigeria, Uganda), two Central Asian countries (Kazakhstan and Uzbekistan) and two European countries (Belarus and NATO member Turkey). They were given the status of "partner states" in Kazan.

To say that the Americans are not enthusiastic about the appeal of this new global club would be an understatement. Should the success of the summit in Kazan be interpreted as a sign of the failure of their strategy to isolate Russia? Worse still, are we witnessing the beginning of the end of the American century?

In addition to the nine member states and thirteen partners, the summit was also attended by some representatives of countries whose presence was rather unexpected, such as the Serbian Deputy Prime Minister, the very Russophilic Alexander Vulin. However, it was the presence of UN Secretary-General Antonio Gutierres that caused outraged reactions, especially in Ukraine. "The UN Secretary-General declined Ukraine's invitation to the first global peace summit in Switzerland. However, he has accepted the invitation of the war criminal Putin to Kazan," hammered the Ukrainian Foreign Ministry.

It is true that Gutierres boycotted the Bürgenstock meeting this spring. It is also legitimate to wonder whether a UN Secretary-General should shake hands with a person accused of war crimes, even if he is the president of a permanent member of the UN Security Council. The International Criminal Court issued an arrest warrant for Vladimir Putin on March 17, 2023.

This juicy skewer of participants is notable for its heterogeneity. There are dictatorships and democracies, Muslim, Christian and secular countries, economic superpowers and failed nations; some have been characterized as rogue states. Are what we are witnessing merely an updated reiteration of that elastic non-aligned movement launched in the 1960s by Yugoslavia's Prime Minister Josip Tito and Indian Jawaharlal

Nehru, which encompassed two-thirds of the world but never achieved any real global influence? No, something else is happening here. In the space of sixty years, the balance of global power has clearly changed.

### A motley but (almost) global group with growing influence

Antonio Gutierres is a realist. He understands how historically significant the bubbling events within the BRICS states are. He was in Kazan because it is important. To underline that point, consider a few figures. The nine countries now called BRICS+ account for more than half of the world's population. Their combined gross national product is already greater than that of their rivals in the G7, the Western directorate comprising the US, Canada, Japan, Germany, France, Italy and the UK. The gap is likely to widen in the coming years, since the BRICS+ growth rate is around 5%, while Western economies are stagnating at 1–2% — and some, like Germany's, are officially in a recession.

Despite these new geo-economic realities, the international order established by the West after the World War II has been resistant to change. The UN Security Council will remain secure in the hands of its five permanent members — three Western states plus China and Russia — for a long time to come. However, the BRICS states are not seeking to change the United Nations Charter or create a parallel system to the United Nations. Rather, they are focusing on the economic and financial governance of the world.

Parallel to the founding of the United Nations, the victorious Western powers, at the Bretton Woods conference in 1945, created institutions designed to regulate world finance. The dollar became the world's reserve currency, making every country vulnerable to US sanctions. The World Bank and the International Monetary Fund, which provide financial assistance to countries in difficulty, are run like shareholder meetings, in which the US holds a decisive vote. Together with the other Western nations, they possess an absolute majority. It is these two pillars of Western power in the world that the BRICS states hope to compete with. But how?

It would be literally impossible to reform the international financial institutions in such a way as to reduce Western influence in them. However, they cannot prevent the creation of parallel systems of payment. The BRICS countries are thus working on three main tasks:

A mechanism for processing international payments independent of SWIFT — from which Russia was excluded after its invasion of Ukraine in 2022.An intensification of trade that is invoiced in local currencies instead of dollars, in order to accelerate the “de-dollarization of the world.”A development bank that competes with the World Bank and finances infrastructure projects. There are currently 96 projects underway with a total volume of $32 billion.

Critics of the BRICS states doubt that they are able to really compete with the dollar. Despite a steady erosion, the greenback still accounts for 55% of the reserves of the national banks. And when it is replaced by other currencies, these tend to be Western currencies, with the notable exception of the Chinese renminbi. Nevertheless, the trend is clear and the potential of BRICS+ is there. The formation of alternative transportation corridors is part of the same strategy to break free from Western, i.e., American dependency.

### Land routes vs. sea routes

In a globalized and interdependent world, the transport of goods represents a strategic dimension. From cars to cell phones, hardly any industrial activity exists that does not include and depend on an accumulation of natural resources and semi-finished products from all corners of the world. Over the last hundred years, goods have primarily been transported by sea. Today, sea freight accounts for 70% of world trade. You only have to look at a map of the 128 US naval bases around the world to realize how important the sea lanes are to Washington's power strategy. From the Sea of Japan to Malacca, the Persian Gulf, the Red Sea, Cyprus, Gibraltar, Panama, Rotterdam and New York, Washington's ambition — sometimes supported by its British ally — to dominate the seas is obvious.

With its "Belt and Road" initiative, China has been trying for several years to develop land routes to, compete or at least complement the existing sea routes. It is therefore very revealing that one of the flagship projects highlighted in Kazan was the North–South Corridor, which will ultimately connect St. Petersburg with India, without passing through any Western-controlled areas. Is it worth remembering that India has become the largest importer of Russian oil products, despite the very audible gnashing of teeth in Washington?

**What is Switzerland doing?**

Between soft power and economic impact, the BRICS+ are redrawing the geopolitical map. Is Switzerland even aware of this probably irreversible development? Has it sought an invitation to Kazan?

The answer is yes, Swiss companies are well aware of the underlying forces shaping the world of tomorrow. This is why some, for example in the trade sector, are moving to Dubai. Yes, Switzerland's State Secretariat for Economic Affairs is well aware of this. It wants to update our free trade agreement with China. Switzerland is the only European country apart from Iceland to have concluded such an agreement. That is an advantage.

Unfortunately, the options chosen by the Federal Department of Foreign Affairs and the Federal Department of Defence, Civil Protection and Sport have not been helpful. By running after the Americans, who have been losing all their wars for twenty years, weFO° Exclusive: Make Sense of BRICS Summit in Russia have turned Russia against us and made China doubt our reliability. Moreover, for three quarters of the world Gaza has become a symbol of the moral bankruptcy of the West, including Switzerland. Is there still time to restore our credibility? Is this even possible with the current political cast running our affairs? These are the questions that every Swiss citizen must rightly ask themselves.

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## The Collapse of Germany's Government: An Earthquake With Global Aftershocks

Alex Gloy
November 16, 2024

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**Germany’s government has collapsed following the breakup of its "traffic light" coalition, an alliance between the Social Democrats (SPD), Greens, and Free Democrats (FDP), named after their respective party colors. Chancellor Olaf Scholz dismissed Finance Minister Christian Lindner over budget disagreements, triggering a wave of resignations within the FDP. New elections are now inevitable. This political instability may weaken Germany's ability to enforce strict debt rules on other European nations, potentially easing fiscal pressure on countries like Italy, France, and Spain but raising concerns about the long-term stability of the Eurozone.**

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Germany’s ruling coalition has crumbled, sending shockwaves through Berlin and beyond. The so-called traffic light coalition, named for its three member parties — the Social Democrats (SPD; red), the Free Democrats (FDP; yellow) and the Greens — has ended in acrimony. Chancellor Olaf Scholz, head of the SPD, dismissed his Finance Minister Christian Lindner, a member of the FDP, over irreconcilable policy disputes. In response, Lindner and all but one FDP minister resigned from their posts, leaving the government without a majority. The coalition, once a pillar of stability in European politics, has fallen apart. Now, a vote of non-confidence has been scheduled for December 16, to be followed by new elections on February 23, 2025.

### The budget battle that broke the camel’s back

Scholz is scrambling to save face amid approval ratings that have plunged to an unprecedented low of 14%. The SPD’s own approval ratings are similarly abysmal.

Polls of voting intentions show the party now tied with the far-right Alternative for Germany (AfD) at around 16% — a dramatic drop from the SDP's 26% support in the last election. The FDP faces even bleaker prospects, polling around 3–4%, just below the 5% threshold needed to enter parliament.

While tensions within the coalition were no secret, the breaking point came when a proposal by Lindner leaked. The 18-page document “Turnaround Germany – A Concept for Growth and Generational Justice” suggested cutting financial aid to low-income families and refugees, which panicked the SPD and Greens.

The election of Donald Trump as the next US president has raised fears the US will soon cut its support for Ukraine, forcing Germany to pick up the tab or risk the defeat of Ukrainian forces. Lindner claims he was pressured to agree to another suspension of the debt brake. He refused, afraid of embarrassment by the constitutional court. Scholz floated the possibility of new elections, which Lindner leaked to Bild while parties were still deliberating. This was the final straw for Scholz, who asked for Lindner’s dismissal.

The economic headwinds Germany has been facing only add to the drama. Budgets crafted on the assumption of GDP growth that never materialized have left government departments strapped. Austerity measures have strained even the nation’s soft power as cultural icons like the Goethe Institute have been forced to close German schools abroad.

The crux of the budgetary deadlock is Germany’s “debt brake,” a constitutional limit capping new debt for structural deficits at 0.35% of GDP. While this debt brake was suspended temporarily during the pandemic and the Ukraine invasion, it has since snapped back into force, severely restricting the government's freedom of action.

### Who stands to gain?

With elections likely in early spring, Germany's political map could shift drastically. The center-right Christian Democrats (CDU/CSU), currently polling at 33%, are poised to regain power, though their numbers fall short of a parliamentary majority. A coalition with the Greens remains unlikely due to ideological divides, and the SPD's recent failure makes it a dubious ally. That leaves the CDU/CSU with only a handful of feasible partners — including an intriguing, if controversial, one in the newly-formed Bündnis Sahra Wagenknecht (BSW).

BSW, led by former leftist Sahra Wagenknecht, has captivated voters disillusioned with mainstream parties but unwilling to embrace the far-right AfD. Known for her anti-immigration stance and advocacy for a negotiated settlement with Russia, Wagenknecht is a questionable candidate to offer the CDU/CSU a politically stable alliance.

It should be noted that AfD came out as the party with the most votes during recent state elections in Thuringia (34.3%, slightly ahead of CDU 33.5%). It missed to reach that goal in Saxony, but only by a hair (34.0% compared to 34.4% for CDU).

Voter discontent in Germany, especially in the former East German states, has led to a surge in support for right-wing AfD. Due to Germany's history, politicians are very aware of the danger of fascism, but they seem rather helpless in addressing the root causes (increased unemployment in rural areas, social anxiety, xenophobia, feelings of being second-class citizens).

### Financial and global implications

The collapse of the German government sends shivers through markets already sensitive to geopolitical risk. Shares of Germany's iconic automakers — BMW, Mercedes-Benz, Porsche and Volkswagen — have fallen sharply, anticipating the return of Trump-era import tariffs on European goods. With Germany's political attention diverted inward, "budget sinners" like Italy, France and Spain may find relief, as former members of the hard-currency block, such as Germany, have historically pressured them to meet strict fiscal criteria under the Maastricht Treaty.

So far, little or no spread widening between German and other Euro-area government debt has been observed in reaction to the earthquake in Berlin. While the German 10-year government bond yield stands at 2.4%, France and Spain pay a clear premium at 3.2%, followed by Greece at 3.3% and Italy at 3.7%. Still, Italy (135% debt-to-GDP ratio) and Greece (162%) pay lower interest rates than the UK (98%) and the US (123%). Those yields only make sense if the political will to keep the Euro area together would galvanize politicians into further bailouts of countries should the need arise.

If no stable coalition emerges, Germany faces the prospect of another election, potentially plunging Europe's largest economy into a period of prolonged instability. A caretaker government may limp along in the interim, but effective governance and ambitious legislative agendas will be on hold.

Internationally, the political crisis could have wide-reaching effects. As Germany becomes preoccupied with its own domestic woes, European allies such as Italy and France may gain breathing room in their own budgetary struggles, potentially facing less scrutiny from Berlin on debt under the Maastricht Treaty. However, any withdrawal from a Trump-led US could leave Europe drifting in the high seas without clear leadership, missing out on a potentially generational opportunity to determine the geopolitical direction of a future Europe unshackled from US dominance.

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## The View From China on Trump 2.0

Daniel Wagner
November 19, 2024

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**A second Donald Trump presidency will escalate US–China tensions, replacing Joe Biden's steady diplomacy with an aggressive, zero-sum approach. Trump's policies would likely hurt American businesses tied to China while Beijing doubles down on self-reliance and global influence through initiatives like Belt-and-Road projects. As both nations compete more intensely, the potential for conflict — especially over Taiwan — will grow, with unpredictable consequences for the global order.**

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The world's most consequential bilateral relationship just got a little more consequential with former and now future US President Donald Trump's re-election. Incumbent President Joe Biden's quiet, steady approach to diplomacy with Beijing is about to be replaced by a clash between two authoritarian leaders determined to stay a step ahead of each other in an effort to reign supreme. Tariffs and a sledgehammer will once again prove to be Trump's manipulative tool of choice, while Chinese President Xi Jinping will rely on superior strategic planning and soft power muscle flexing to promote his agenda and China's place in the world.

Among the things Trump got right during his first residency in the White House was slapping Congress and the American public upside the head with a two-by-four to finally wake them up and realize that the Communist Party of China (CCP) is not a benign force in the world. This time around, Trump has the advantage of a Congress and an American public nearly unified in their opposition to the CCP, which should make it easier to ramp up the pressure on Beijing, particularly given the Republicans' clean sweep of the Executive and Legislative branches.

Trump's "subtlety of a Mack truck"-driven approach to foreign policy stands a good chance of backfiring vis-à-vis American businesses, however, as many of them continue to feed from the Chinese teat. Tens of thousands of American businesses continue to manufacture, import from and/or export to China despite the many hardships associated with COVID-19, the downturn in the Chinese economy and the crackdown on foreign businesses in recent years. Their voices will undoubtedly be heard at the White House as Trump attempts to tighten the noose on Beijing.

Trump's cabinet and other nominations to date provide ample evidence that he is intent on burning the place down — so why stop at America's borders? The foreign policy patch-up job Biden attempted to complete over the last four years — during which, many European governments, in particular, silently wondered whether an agreement with Washington was worth the paper it is printed upon — will be quickly eviscerated. An unvarnished foreign policy whose core is nationalism, protectionism and a zero-sum approach to engagement is sure to delight friend and foe alike.

**Is China ready for four more years of Trump?**

Beijing is certainly ready, with a list of countermeasures aimed at the American government and American businesses. US businesses in China are going to find operating there even more unpleasant for the next four years. The CCP may also be expected to attempt to strengthen its bilateral relationships around the world as America retreats and will undoubtedly find heightened levels of interest, especially in the Middle East, Africa and Latin America. The newly inaugurated mega-port in Peru is emblematic of how Beijing continues to use its Belt-and-Road infrastructure projects to strengthen its economic and diplomatic relationships. Trump's re-election meshes nicely, also, with Beijing's policy of self-reliance and the Made in China 2025 policy.

But the degree of economic, political and diplomatic malaise in China will also be impacted by Trump's second term. The Chinese economy could be significantly smaller than official statistics suggest. It is spending more and more to produce less and less. Most of its natural resources are in decline, its workforce is shrinking, Xi's dictatorial rule has prompted increasing domestic uneasiness, its economy is under growing pressure, and its Asian neighbors are ever ore alarmed by China's aggressive actions in the region — and they are reacting to it.

China is exhibiting classic signs of a peaking power. Xi's crackdowns at home and increasing aggression abroad. The military buildup during peacetime is unprecedented. And China is much more willing to extend its security perimeter and to strengthen its alliances with some of the world's most detestable regimes.

The Chinese word for crisis (wēijī) contains characters that signify danger (危) and opportunity (机), and Trump 2.0 represents both. Xi will want to use the next four years to de-emphasize China's many domestic challenges and re-emphasize its growing stature in the world. If one envisions a cessation of the Ukraine and Israel/Gaza/Lebanon/Iran wars in 2025, Xi will feel he has more latitude to further strengthen China's relationships with Russia, Iran, and Israel. Similarly, he is likely to feel more emboldened to introduce new initiatives to ingratiate China with a broader array of governments in areas where progress has been less pronounced, such as regarding climate change and natural disaster relief.

It seems doubtful that Trump will choose to embrace areas of possible collaboration with China, but we can expect a heightened degree of generalized competition, with an increased potential for conflict. Trump's presidency will coincide with 2027 — the year Xi has targeted for the Chinese military to be ready to invade Taiwan. Trump will likely be tempted to cut some sort of deal with Xi (as he is so transaction-oriented) to essentially cede Taiwan to Beijing in return for something of substance for America. One can only speculate what that might be, but what seemed impossible only a few years ago seems increasingly possible, if not likely, now.

**Daniel Wagner** is the CEO of Country Risk Solutions, with more than three decades of experience in assessing cross-border risk. An authority on political risk insurance and analysis, he has worked with major organizations such as AIG, GE, the African Development Bank, the Asian Development Bank, and the World Bank Group. Until 2023, he served as Adaptation Finance Lead and Technical Advisor on Private Capital Mobilization for COP28 in Abu Dhabi and Dubai. Previously, he was Senior Investment Officer for Guarantees and Syndications at the Asian Infrastructure Investment Bank. Daniel has authored ten books, including *Decision-Making in the Polycrisis Era* and *Managing Country Risk*, along with over 700 articles on current affairs and risk management. His work appears in publications such as the *South China Morning Post* and *Fair Observer*.

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# Illusions of Safety: Sexual Assault from India to the US

Olivia Davis
November 21, 2024

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**Sexual assault threatens women across the globe. While some countries are more dangerous than others, harmful cultural norms, censorship and cover-ups also occur in more progressive countries like the US. A recent case filed by an Indian student against an elite US college points to the often elusive realities of sexual misconduct in US institutions and the risks women face across cultures and countries.**

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In the fall of 2019, a young student from India left her home country to pursue a bachelor's degree in the United States. She began her education at Carleton College, a highly ranked private liberal arts school in Minnesota. This past June, the student — adopting the pseudonym Jane Doe — filed a case against the college, stating she was groomed and assaulted by a Carleton College administrator and alumnus named Don Smith. She argued the college not only enabled the abuse but treated the misconduct with deliberate indifference. An examination of the realities of sexual abuse in India and the US demonstrates that even on college campuses, female safety is often an illusion.

**Sexual assault across countries and cultures**

Jane's home country of India is known as one of the most dangerous countries for women. Sexual violence is so pervasive that some consider it the norm. Many girls grow up expecting to experience sexual harassment or assault at some point in their lives.

In early August, the rape and murder of a female doctor in training on her college campus in Kolkata added to India's troubling record of horrific sexual violence against women. The brutal attack sparked massive protests and strikes across the country after she was found dead on the podium of a seminar hall with injuries that suggested torture. Months later, the government is still responding to the crime and its repercussions as women demand justice and legal reform.

The Kolkata incident represents just one of the thousands of cases documented each year, with a rape reported every 15 minutes. Women in rural communities or those in lower castes, particularly the Dalits, are particularly vulnerable to sexual abuse. Dalits are known as impure "untouchables" in India, often working as street sweepers and latrine cleaners. They are sometimes manipulated into forced labor or prostitution.

Seen as lesser than others, Dalit women who face abuse are often dismissed, silenced or are subjected to victim-blaming. This is despite overwhelming evidence of abuse — with one study finding that over 83% of Dalit women face sexual harassment or assault in their lifetime.

Upper-caste men often target lower-caste women who are less likely to report them. They leverage their social standing and associated privilege to manipulate or cover up the case. This pattern is mirrored in the US, where men in positions of power target women who are lower on the socioeconomic ladder because they believe they will not be caught (i.e., men like Harvey Weinstein).

In India, cultural censorship of women, combined with inefficient government support, discourages them from reporting assaults and seeking help. Outdated practices, such as the two-finger test, which some doctors still use to verify if a woman was penetrated, are just one of many ways women are humiliated in the aftermath of an assault.

India's patriarchal culture and gender roles run deep, especially in communities with inadequate access to education and opportunities for development. Even if women stand up to violations of their human rights, they often face shame and ostracization, leading many to avoid coming forward.

Some studies estimate that as many as 99% of rapes go unreported in India. In the US, an estimated 63% of sexual assaults go unreported. The majority of data surrounding sexual abuse in India focuses primarily on rape, with studies on sexual harassment and other types of sexual assault (nonconsensual kissing, groping, touching etc.) receiving far less attention.

Public outrage has led to legislative reforms and increased institutional support for women in recent years. However, sexual assault remains commonplace in India, even for women from more privileged backgrounds, like Jane Doe.

Sexual misconduct in places that are meant to be safe for women, such as work, school or religious institutions, is not unique to countries with a poor track record on these issues. Women also face such threats in American institutions that continuously fail to respond effectively and transparently to cases of sexual misconduct.

**Violence towards students in the US**

While a family in Kolkata sought justice for their daughter in light of her rape and murder, Jane began her own pursuit of justice in a small college town in Minnesota.

In 2019, Jane left her family behind in Delhi and began her studies at Carleton College in Northfield, Minnesota. She planned to study computer science at the elite institution.

Carleton mandates its academically gifted students to leaven tough coursework with required P.E. classes in their early years on campus. Jane selected a Salsa dance taught by Smith, a Carleton graduate and high-ranking administrator whom the college claimed was an award-winning Salsa dancer. According to a complaint filed with the US District Court in Minnesota (Doe v. Carleton College, 2024), Smith groomed and assaulted Jane over the COVID years in an escalating pattern of abuse.

The complaint states that Smith hired Jane as his co-instructor, requiring her to rehearse with him on campus and at his home nearby. Jane alleges Smith forcibly massaged her against her will, spanked her, forcibly kissed her, bit her and assaulted her multiple times during rehearsals at his house and on campus. The assaults could be brutal and allegedly included beatings, choking and drugging.

According to the college, Jane told a Carleton dean in early February 2022 that she had been attacked at the home of a faculty member, and that she needed extra time to complete assignments due to the trauma caused by those attacks. The dean refused to assist, however, and essentially told Jane to work harder. Discouraged by Carleton’s inaction and Smith’s claim that his administration ties would protect him against her allegations, Jane endured escalating abuse until she presented Carleton with Smith’s written confession and photos of her injuries. Carleton quietly terminated Smith after some time, and the college’s Title IX coordinator told Jane to keep quiet about the incident.

Like many victims of campus sexual assault, Jane’s academic performance suffered. Rather than assist Jane, Carleton placed her on academic review and at threat of suspension for missing a COVID test while she was being assaulted by Smith. Jane said she felt “even more trapped” and that “she struggled to cope with the emotional distress caused by the instructor and the institution.” Despite her hardships, she met Carleton’s academic standards but continued to be harassed by the school.

Jane’s complaint alleges that Carleton failed to adequately supervise the instructor's behavior and that the school was deliberately indifferent to the misconduct. It further states that the Title IX Coordinator failed to investigate the situation, allegedly violating Carleton’s Title IX policies and procedures, as well as federal law.

Jane is now suing Carleton for five counts per the First Amended Complaint: Vicarious Liability for Assault and Battery, Vicarious Liability for Sexual Abuse, Negligent Retention, Negligent Supervision and Vicarious Liability for Negligence.

In response, Carleton has called Smith a “predator” and said it regrets Jane’s experience at Carleton, but that Carleton has no legal liability for the sexual assault committed by its administrator. On August 19, two months after the initial filing, Carleton filed a motion to dismiss the case. The school claims — in direct contradiction to federal law — that it has no responsibility to investigate sexual misconduct. The motion was subsequently withdrawn after Jane amended her complaint.

Despite cultivating a DEI-friendly institutional facade that includes a full-time dedicated Indigenous Community Liaison on a small campus with a negligible indigenous population, Carleton College has a sordid history of turning a blind eye to campus sexual assault. A group of Carleton alumni, frustrated with the college’s attempts to whitewash its past, started a website dedicated to collecting survivor stories starting from the 1960s and documenting the numerous lawsuits Carleton has faced, including a seminal 1991 lawsuit that helped establish national standards for responding to complaints made under Title IX. Carleton has already responded to some of the allegations in Jane’s lawsuit by firing at least one of the administrators involved and appointing their lawyer’s employee as Carleton’s Title IX coordinator.

## A dark history of sexual misconduct

Maxwell Pope graduated from Carleton in 2020 with a major in Dance and Psychology. During his time at the college, a male professor, Jay Levi, was accused of sexual misconduct. One student alleged the professor groped her inner thigh multiple times and pressed his body into her while they were in a dark room together. Levi was also

Smith's academic advisor during his time at Carleton.

According to Carleton's student paper, The Carletonian, this was just one of at least nine Title IX claims brought against the professor. Title IX, part of the Education Amendments of 1972, prohibits gender-based discrimination in educational programs that receive federal funding.

After students reported the professor's inappropriate sexual behavior, he took a "sabbatical." He returned to campus in 2018. In 2019, a piece in the Carletonian claimed the Title IX investigation was "adjudicated with an opaque set of sanctions." In a subsequent piece, a student writer expressed shock and anger in response to the misconduct and urged Carlton faculty to "redesign" the sexual misconduct complaint process.

Discussing his time at the college, Pope said, "It was definitely a situation with [Levi] where it felt more like students looking out for students, or students informing students." He stated, "I don't remember a time where the college was initiating those conversations — it was definitely a keep-it-quiet situation."

According to Pope, "transparency would have felt better" in situations of sexual misconduct on campus, a sentiment that is echoed by students across the country in light of cover-ups and institutional censorship.

In recent years, a plethora of elite schools, such as Harvard and Stanford, have been accused of mishandling sexual misconduct. Inadequate responses from administration officials angered students. Given this poor track record, future students fear what will happen if they are assaulted.

Women are at serious risk of sexual abuse in US institutions of higher education. Many institutions refuse to take accountability for enabling continued abuse. One in five women is sexually assaulted during their time in college. Two-thirds of college students are sexually harassed.

Yet according to the National Sexual Violence Resource Center (NSVRC), in 2014, 40% of US colleges stated they had not investigated a single sexual assault case in the previous five years. Compare this data to the number of reported sexual misconduct cases on college campuses, and the fact that two-thirds of assaults in the US go unreported. The numbers don't add up.

**Justice from India to the US**

The frequency and perception of assaults vary from country to country. A closer look at how universities in the US respond to accusations of sexual misconduct shows that women are often hurt by a lack of transparency. Jane left a country where both data and attitudes indicate she would have been exposed to sexual misconduct at home, only to encounter it upon arrival in the US.

In India, women face sexual misconduct in schools, hospitals, workplaces, public transportation and at home. Women are raised to be aware of the high likelihood of harassment, abuse and, in the worst-case scenario, rape.

They intimately understand the hardship of speaking out in a country where bureaucratic processes, cultural shame, the caste system and gender roles often form insurmountable obstacles for women seeking justice.

Despite cover-ups and pay-offs, cases from the Kolkata incident in August to the Nirbhaya gang rape of 2012 – which led to the creation of the death penalty for rape in India — galvanized the public and advanced the fight for greater accountability, justice and legislative reform.

In the US, there is greater overall gender equality, better access to medical resources and mental health support, and a longer history of both legislative and institutionalized systemic support for survivors.

In recent years, there have been significant but insufficient cultural shifts toward believing in and standing up for women. Many women are now taught not only how to stand up for themselves, but also that they can stand up for themselves.

Yet beneath the sparkling facades of US institutions, industries and college campuses, there are people like Harvey Weinstein, Larry Nassar and Roger Ailes. There are cover-ups, pay-offs and the slow but sure suffocation of victims by bureaucracy. And then, silence, until women like Jane come forward.

Hailing from the "rape capital of the world," Jane arrived at an illustrious college campus in the prairies of Minnesota to pursue an education. She describes her college years as polluted by grooming, harassment and assault that severely damaged her physical, mental and emotional well-being.

This story, one of many, forces us to face disheartening truths and uncomfortable realities. Many US parents quake at the thought of sending their daughter to India when she is young, vulnerable and alone. Consider a family in Delhi or a rural village in Bihar and their excitement at the opportunity for their daughter to attend an elite US college.

Imagine them finding out she was abused, manipulated, assaulted and coerced by an educator in a position of power at an institution they believed was safe for their daughter.

It is time we address the reality of sexual abuse in the US, especially in the education system. The lack of transparency and accountability is catastrophic. It hinders both current and future students like Jane from making informed decisions about their educational environment and the associated risks of sexual harassment and assault.

Before pointing fingers at countries like India, we should be honest with ourselves, our communities and our students about the reality of sexual misconduct in our own nation. We must make tangible changes and consider victims in both how we prevent abuse and how we obtain justice.

[Joey T. McFadden and Lee Thompson-Kolar edited this piece.]

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# Sagat Singh: The General Who Never Lost a Battle

Cherish Mathson
November 22, 2024

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**July 14, 2019, marked the 100th anniversary of the birth of Lieutenant General Sagat Singh, one of India's most famous military heroes. India must never forget the victories Singh**

**secured for his country, including the 1967 defeat of Chinese forces, the Mizoram counter-insurgency operation and the 1971 liberation of Bangladesh. Singh's legacy continues long after his death in 2001.**

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In 1961, the government of Portugal offered a reward of $10,000 for anyone who could capture Sagat Singh, an Indian brigadier and the liberator of the Indian state of Goa, previously a Portuguese territory. Posters depicting him as a "wanted man" even sprung up all over Lisbon! His biography, written by his aide-de-camp (later Major General) Randhir Sinh in 1971, is aptly titled A Talent for War.

**Singh's rise to military success**

Singh was born in Kusumdesar Village in the Churu region of the Bikaner Kingdom on July 14, 1919, to Brijlal Singh Rathore, a soldier, and his wife Jadao Kanwar. In 1938, after his intermediate exam, Singh was enrolled as a Naik, or corporal, in the Bikaner State Forces. When World War II broke out, he received a commission as a Second Lieutenant from the King. In 1949, he was absorbed into the Indian Army with the Third Gorkha Rifles Regiment.

In 1961, Singh was promoted to the rank of brigadier and was given the command of India's paratroopers, the 50th Parachute Brigade. "Operation Vijay," the plan for the liberation of Goa from the Portuguese, commenced on December 17, 1961. Although the 50th Parachute Brigade was given a secondary role in the original operational plan, their rapid advance and initiative under Singh's dynamic leadership made them the first to reach Panjim, the capital of Goa. On the morning of December 19, Panjim fell to the brigade. Portuguese Governor General and Commander-in-Chief Major General Vassalo De' Silva fled to Marmagao but later surrendered. At 11 AM, Singh's forces hoisted the Indian tricolor on the Secretariat Building at Panjim.

**Refusal to retreat led to one of India's greatest victories**

Singh's success did not stop there. In 1965, China issued an ultimatum to India to vacate the border outposts of Nathu La and Jelep La in Sikkim. Above him in the military hierarchy was Lieutenant General Sam Manekshaw, the Eastern Army Commander, and Lieutenant General Jagjit Singh Aurora, commander of the XXXIII corps, who were responsible for Sikkim. Singh, now a major general, was the General Officer Commanding (GOC) of the 17th Mountain Division, which controlled Nathu La. Orders given to the 17th and 27th Divisions required that they vacate the outposts and fall back to the main defenses in the case of hostilities.

The GOC of the 27th (deployed to the east of the 17th) pulled back from Jelep La. Thus, Jelep La fell to the Chinese. To this day, the vital pass leading to the Chumbi Valley is still with China. Singh, however, refused to pull back. From August to September 1967, the Chinese tried their best to make Indians withdraw from Nathu La, but Singh made his forces hold on even though he could have vacated this outpost. During this engagement, both sides suffered casualties, but Nathu La gave a bloody nose to the Chinese under Singh's audacious leadership. The victory helped the nation and the army overcome some regrets of the military defeat in the 1962 Sino-Indian War.

Perhaps Singh's insistence on defending Nathu La led to him being given a non-operational command, the 101st Communications Zone in Shillong. However, this general with "a talent for war" had the uncanny quality of winding up in military operations. By this time, the Mizo separatist rebellion, orchestrated by the Mizo

National Front, had begun. Since the area was under his responsibility, Singh set counter-insurgency operations into motion in Mizoram. His quick thinking quelled the rebellion for some time. Mizoram became an Indian state much later, in 1986. Mizoram is the rare example of a successful counter-insurgency operation, all thanks to the initial sagacious operational approach set by Singh.

**The liberation of Bangladesh is Singh's crowning glory**

In December 1970, Singh was promoted to lieutenant general and assigned the command of the IV Corps. The hierarchy above Sagat was the same as it was in Nathu La in 1967: Aurora was now the Eastern Army commander and Manekshaw the army chief.

Initially, the plans for the liberation of Bangladesh did not involve the capture of Dacca (now Dhaka), the capital of Bangladesh. The plan was to liberate areas up to the major rivers surrounding Dacca and thereafter to declare Bangladesh liberated. The army headquarters' directive to Eastern Command did not envision Dacca as the final objective of the campaign in the east.

Singh was ordered to advance up to River Meghna from Tripura in the East and capture areas up to the river line. He was ordered not to cross the Meghna. However, military genius that he was, Singh clearly identified the two centers of gravity of the campaign: the fall of Dacca and the capitulation of all Pakistani forces in East Pakistan. Undaunted by the massive Meghna, Singh launched the first-ever Indian heliborne operation across the river. His IV Corps raced to Dacca in a blitzkrieg. This led to the fall of the city and the capture of 93,000 Pakistani soldiers. It would perhaps have been appropriate for Singh, seeing as it was he who captured Dacca, rather than Aurora to have accepted the surrender of Pakistani forces from Lieutenant General Amir Abdullah Khan Niazi.

**Singh's legacy lives on**

The Param Vishisht Seva Medal and the Padma Bhushan, awarded to Singh for his services in war, fall short of the magnitude of his contribution to the Indian nation. According to an unverifiable rumor, his victory ride through Dacca and his "son-of-the-soil" image may have ruffled his superiors' feathers, causing them to deny him the awards he deserved. Whatever the case, it would now be appropriate to award him the Bharat Ratna, even posthumously.

Singh eventually settled down in Jaipur after retiring from the army in 1979. His house in Jaipur is called "Meghna," as is his younger granddaughter. He breathed his last on September 26, 2001, at the age of 82.

On July 14, 2019, and the week after that, I had the unique privilege of organizing celebrations for the 100th anniversary of the birth of this illustrious general. A prominent road in Jaipur has been adorned with a bust of Singh and named after him. The Jaipur Literary Festival in January 2019 witnessed readings from his biography. A seminar was organized in Jaipur, where generals who fought the war with him, as well as his son Lieutenant Colonel Ran Vijay Singh and his relatives, paid tribute in a very publicized event.

Truly, Singh was a general who never lost a battle.

[Cheyenne Torres edited this piece.]

**Lieutenant General Cherish Mathson**, PVSM, SM, VSM, commanded a strike corps and a field army as General Officer Commanding-in-Chief before retiring from the Indian Army in 2019. After his retirement, he was an intelligence advisor to the government of India until July 2024. Cherish is interested in military strategy and history. Now, he contributes to strategy and security studies in many academic institutions. In his spare time, Cherish cycles, plays golf, reads books, listens to music and sings.

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# To Understand Trump, Take Him Seriously, but Not Literally

Josep M. Colomer
November 24, 2024

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**Trump is open to pragmatic compromise, but his incompetence could lead to complete ridicule, as evidenced by his failure to build the border wall during his first term. Additionally, his erratic behavior, such as changing key staff positions frequently, further undermines his leadership and credibility, making it likely that his presidency will be marked by chaos and inconsistency.**

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To try to foresee the next four years with US President-Elect Donald Trump, we should remember what we learned during his first presidential term: It is a mistake to take him literally and mock him because he is not serious in his bravado. Better the other way: Take him seriously, but not literally. Trump's advantage is that he is not guided by rigid ideological principles, in contrast to the bellicosity of both the "neocons" and the "woke," but is open to pragmatic transactions — always, of course, if they satisfy his vanity or his business. Another advantage of his, paradoxically, is that there will be open results due to his incompetence and disorder.

Let us review the agenda. The number one problem in the world today, and Trump's greatest threat, is the climate crisis, which is accelerating its destructive consequences. Trump will undoubtedly promote fossil production, but the Environmental Protection Agency will maintain the protective and preventive regulations established over the past few years, 12 states will continue to apply restrictions on emissions, and large cities will continue to spread renewable energy.

Regarding immigration, this time Trump did not insist on the wall (most of which he failed to build while he was last in the White House). In this campaign, he turned to "mass deportations," which can mean common-sense controls to cross the border, as already agreed with the Mexican government regarding non-Mexicans, or an illusory hunt for individuals without proper documents in neighborhoods, workplaces and family homes, which would not only be savage but logistically unfeasible. In reality, it is to be hoped that Congress will reactivate the bipartisan agreement for immigrants' legalization and access to citizenship that Trump ordered to be stopped not because of its content but because it would have been approved during the campaign and would have taken away his favorite topic for demagoguery.

As for Israel and Palestine, the biggest problem is that Trump is now prioritizing enmity with Iran, which finances and pushes Hamas and Hezbollah and whose agents tried to assassinate him twice (or perhaps thrice). He will have a hard time resurrecting the Abraham Accords that his Jewish son-in-law negotiated during his first term: exploring again the two-state solution in exchange for diplomatic recognition of Israel by Arab countries. Now, Saudi Arabia and the United Arab Emirates will only accept it if Trump diminishes his hostility against Iran, where a "reformist" candidate won the presidential election and seems to have appeased the fury.

Regarding Ukraine, Trump boasted that he would "fix it in 24 hours," but was not very specific. Two days after the election, at the Valdai Forum, Russian President Vladimir Putin rushed to offer a peace agreement based on the "self-determination" of the people of Donbas in exchange for respecting Ukraine's borders. Putin also hinted that Russia could restore natural gas supplies through the Baltic to Germany, which Ukrainian agents destroyed. A Trump adviser has outlined a plan to defend Ukraine's neutrality outside NATO for the next twenty years. All this sounds similar to the Minsk Agreements reached a few years ago by Putin and Ukrainian President Volodymyr Zelenskyy with German Chancellor Angela Merkel and French President Emmanuel Macron, which US President Barack Obama ignored.

In the face of Trump's disdain, the European Union may reinforce internal solidity and external autonomy. Many NATO members are already ceasing to be free-riders on the United States and are fulfilling their commitment to invest at least 2% of GDP in defense. Their number has risen from four to 23 in just six years.

The biggest alarm raised by Trump's election is that the future of democracy and legal security in the United States may be in jeopardy. Will there be "revenge" against "internal enemies," and will he go after politicians, judges, generals, officials, journalists and other opponents? He may not need to once the pending court cases are canceled and he has satisfied his obsession with returning to power. The Senate Republican group has already rejected Trump's nominee to lead it, and the Senate can veto some of his announced appointees. It is worth remembering that in his first term, Trump appointed three Chiefs of Staff in four years and changed most members of the Cabinet, including State, Defense, Justice, Interior and Homeland Security, a tenor of personal instability that is likely to continue.

Some of Trump's boasts may end in a major ridicule, such as ordering Elon Musk to cut a third of the budget. Incompetence could also sink him in the face of some unforeseen catastrophe, as happened to during US President George Bush's second term with Hurricane Katrina and to himself with the COVID-19 pandemic. Will Trump be able to maintain a regular daily work schedule in his eighties, or will he, like Joe Biden, be busy only from 10 AM to 4 PM? It is not guaranteed that he will complete four years in good shape.

Ultimately, Trump could also become a chaotic parody of the befuddled White House visitor in the film Being There (1979). As Mister Chance says, "I can't write. I can't read. But I like to watch television." Just like Donald the Returned.

[The author's blog first published this piece.]

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# Trump's Return: Can He Deliver America's Golden Age?

Asanga Abeyagoonasekera
November 24, 2024

**The US is no longer the global beacon of strength and prosperity it once appeared to be, as deep divisions and a sense of disillusionment grip the nation. Amid rising inflation, policy paralysis and a retreat from global influence, Donald Trump re-emerges as a symbol of defiance, promising a return to strength and renewal, while at the same time promising to disengage from global entanglements; his rhetoric is fraught with contradictions. Besides, the challenges of healing the nation's fractures, both domestic and abroad, will require more than mere slogans.**

On my way to a departing flight, I passed through gleaming corridors of Dulles Airport in Washington, DC — a gateway designed to project the wealth and power of a nation. Yet, amid the polished marble and quiet hum of privilege, a jarring image intruded upon this façade: a man, bent and weathered, rummaging through a trash bin for scraps. His movements were heavy with exhaustion, his gaze hollow with resignation. This, I thought, was not the America that its leaders projected to the world. In that moment, I saw a truth that the sterile grandeur of the terminal could not conceal: a nation fraying at its edges.

That man's hunger stayed with me, gnawing at my mind like an unwelcome guest. Was he a symbol of the growing chasm between Washington's polished rhetoric and the raw, unvarnished reality endured by millions? Beneath the lofty ideals of the capital, something vital had been lost. I had walked through the terminals of Dubai and Singapore, temples to modern prosperity, but here, in the seat of American power, lay a quiet tragedy — its citizens scavenging for dignity amidst the remnants of forgotten promises.

This dissonance has followed me through the years I have lived in Washington, Kentucky and Wisconsin. In Washington, policies are crafted, narratives spun, yet the struggles of the everyday American seem distant, almost abstract. In Kentucky, I saw families crushed under the weight of inflation, paychecks stretched to breaking. In Wisconsin, I heard echoes of lost industries, lives upended by decisions made far from their grasp. To them, Washington is a myth — a city of marble halls that speaks in platitudes while crises rage beyond its borders.

It is into this void that former and future President Donald J. Trump has re-emerged, his message of strength and renewal cutting through the polished but hollow discourse of the capital. His November 5 electoral victory was not merely a political event; it was a seismic rejection of the status quo. Against all odds — assassination attempts, endless litigation — Trump stood defiant, embodying the resilience and anger of a nation disillusioned. His landslide win, sweeping seven swing states, sent a clear message: the American people were no longer content with promises; they demanded action, even if it came wrapped in controversy.

The fatigue gripping the nation is deeper than weariness; it is a spiritual exhaustion, a slow erosion of belief. Rising prices, policy paralysis and a fractured foreign policy have left Americans adrift. Inflation haunts them like a specter, while the immigrant crisis stirs frustrations in communities already stretched to their limits.

Abroad, the erosion of American influence is palpable. In South Asia, where I often work, Washington's focus feels narrow, shaped by a myopic, India-centric lens that overlooks the region's complexities. The US military's chaotic retreat from Kabul, captured in the image of a man clinging to an aircraft, epitomized this decline. Meanwhile, China has seized the moment, extending its influence from the Solomon Islands to Sri Lanka, filling the void left by America's absence.

Today, Sri Lanka is ruled by a Marxist oriented political party National People's Power for the first time, the legislature and executive branch taken over under the shadows of significant Chinese influence. A US senior academic explained to me that "stacks of money was given during Sri Lankan elections by China to the Marxist." Meanwhile in the Solomon Islands, Jeremiah Manele, a former foreign minister, was appointed prime minister and pledged to continue the policy of embracing China.

In conversations with foreign diplomats and thinkers, the critique is unrelenting. A Jordanian contact of mine once described America's alliances as fleeting, its loyalty uncertain. A Cambodian policy director lamented the unpredictability of US sanctions, even after discussing partnership with Austin. These voices echo a growing disillusionment — a realization that the ideals of American leadership often fall short of its actions.

At a recent Indian Army Defense Dialogue, I met Israeli academic Carice Witte from SIGNAL Group, who stated matter-of-factly that "US weakness is projected now which is not good; we must have strong, smart leadership who is not afraid to deal with hard power." Yet, even as she spoke of strength, I wondered if that was truly what Americans desired. Did they yearn for victory on the world stage, or had the years of conflict and economic decline made them crave something simpler, like peace or stability? Trump positioned himself as the "man for peace," a perfect fit for the many Americans who do not wish to entangle themselves with endless wars.

Trump's triumph taps into this discontent, presenting himself as the answer to America's unraveling. He promises a golden age. "This will be the golden age of America," a return to strength and self-reliance. But his rhetoric, though potent, is laced with contradictions. His campaign spoke of peace, even as it celebrated power; of stability, even as it thrived on division. His call for a new era resonated with those weary of endless wars and economic decline, but the challenges he inherits are immense. The fractures in American society and the entanglements abroad will demand more than slogans — they will require a vision that Washington has long struggled to deliver.

As foreign policy expert Walter Russell Mead aptly noted, Trump's reelection is likely to embolden him, fueling a belief in his infallibility. With renewed vigor, he will seek "trophy achievements" abroad, confronting a world that views his leadership with equal parts fascination and skepticism. Yet the question remains: Can this new era heal America's divisions, or will it deepen them further? Will Trump's promised golden age be a time of renewal, or will it add another chapter to the long tale of unfulfilled promises?

Beneath the triumph, a quiet truth lingers: America's fractures cannot be mended by strength alone. Its renewal will require not just power, but wisdom, humility and a return to the ideals that once made it a beacon for the world. Trump's America stands at a crossroads, and the path it chooses will determine whether this chapter is one of redemption — or another in a litany of squandered opportunities.

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**Asanga Abeyagoonasekera** is an international security and geopolitics analyst and strategic advisor from Sri Lanka. He is the Executive Director of South Asia Foresight Network in Washington, DC. Asanga is the author of several books on Sri Lanka's geopolitical challenges, including *Sri Lanka at Crossroads* (2019), *Conundrum of an Island* (2021) and *Teardrop Diplomacy* (2023). With almost two decades of experience in the government sector in advisory positions and working at foreign policy and defence think tanks, Asanga was the former founding Director General of the Institute of National Security Studies in Sri Lanka.

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# Outside the Box: Two Human Voices and An Artificial Mind

Peter Isackson, Ting Cui
November 25, 2024

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**In "Outside the Box," I interrogate ChatGPT to better understand how AI "reasons." It's like a conversation with an intelligent friend, sharing ideas and challenging some of the explanations. This week, I have exceptionally uninvited ChatGPT, preferring to include another human voice: that of Ting Cui, a researcher who has expressed her interest in joining in addressing the challenge of drafting a Manifesto for AI-Enhanced Democracy.**

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Socrates famously disturbed the Athenian order by engaging in an open, exploratory dialogue with fellow Athenians interested in serious issues concerning society, virtue and what he called the "good life." He was ultimately put to death for raising too many uncomfortable questions. Even during his execution, he demonstrated the value of dialogue as the basis of what we might be tempted to call the "democracy of the mind," an idea that contrasts in interesting ways with the notion of political democracy that Athens in his day and most nations in ours have adopted.

Most people today think of Socrates' death sentence as an abuse of democracy. After all, he was condemned not for subversive acts but for his stated beliefs. Athenian democracy clearly had a problem with free speech. To some extent, our modern democracies have been tending in the same direction with their increasing alacrity for calling any political position, philosophy or conviction that deviates from what they promote as the acceptable norm "disinformation." Perhaps the one proof of democracy's progress over the last two and a half millennia is that the usual punishment is deplatforming from Twitter or Facebook, rather than imposing the ingestion of hemlock.

In the most recent edition of "Outside the Box," I called for what I would dare to term democratic participation in the challenge our civilization is faced with to define a constructive, politically enriching relationship with a new interlocutor in our political conversations: Artificial Intelligence. Last year, I fictionalized this person by giving it the first name, Chad. This time, I'm tempted to offer it a new moniker, ArtI, which we can normalize to Arty. Whatever we call it, I believe we need to think of it as just another fallible human voice. We can admire its level of relative infallibility (access to the widest range of existing data) but we should always bear in mind that it is fallible not only when it hallucinates, but also because it simply cannot understand what sentient, organically-constructed beings perceive and understand, even when they can't articulate it.

One reader, Ting Cui, a political science student at Middlebury College, stepped up to join our community of reflection. We hope many more will join the debate.

Ting has raised a number of critical questions we all need to be thinking about. We see this as an opportunity to launch the very public debate. I shall cite her questions and react by attempting to refine the framework for our collective reflection.

"Reading through your article, the concept of objectivity in AI fact-checking particularly caught my attention. Who would be responsible for creating an AI super fact checker that's truly objective?"

This very pertinent question sparks two reflections on my part. If we truly believe in the democratic principle, no single authority should be trusted for fact-checking. I believe the inclusion of AI in our public debates can permit a democratization of fact-checking itself. It is far too early to determine how that would work. That's the whole point of drafting a manifesto. We must define both the goals and identify the obstacles.

"Can we really trust the creators of AI's foundation to have an 'objective worldview?' (ChatGPT made this point as well, which I think is interesting.) Even defining 'objectivity' seems tricky - when it comes to figuring out the motivation behind a news item, people's views might differ based on their political stance. How would AI handle that? How would it process multiple historical perspectives to arrive at an 'objective' understanding?"

These are essential questions. As anyone in the legal profession would tell us, there will always be ambiguity when seeking to determine motivation: mens rea, or the mental state of the accused. Courts typically provide juries with instructions on how to weigh evidence of motivation, cautioning against undue reliance on speculation. The question with AI then arises: Can we work out not just algorithms but also principles of human-machine interaction that allow us to achieve the level of objectivity courts are expected to practice?

"I appreciate your point about the need for multicultural perspectives - there are so many biases between Western and 'other' countries. However, this raises another challenge: wouldn't training AI to understand various cultural narratives first require humans to address our own cultural biases and limitations?"

I love this question. Having spent years working in the field of intercultural communication and management, I'm the first to admit that humans have performed very poorly in this domain and continue to do so. Yes, we have to begin with the human. And that's where I think our dialogue with AI can help us humans to understand where we are weakest and where we need to improve. That is a prerequisite to getting future algorithms to be more reliable. And if they are more reliable because we are more reliable, the virtuous circle will continue.

Am I being over-optimistic? Probably. But I see no other choice, because if we dismiss the issue, we will end up locked in our current configuration of underperformance.

"Would the creators of AI need additional training? This adds another layer of time, energy, and resources needed to create a super fact checker. Should we perhaps focus these resources on human education rather than AI development? This might be an antiquated way of thinking at this point, but sometimes I wonder if, in our technological advancement as a society, we've gone too far."

You've identified the crux of the issue, and this is where things become complicated. It absolutely must begin with "human education rather than AI development." That's why we must take advantage of the increasing presence of AI in our society as a potential source of what we might call "meme creation." I understand and sympathize with your fear that we may have "gone too far." But unlike the invention of, say, the locomotive or even the atomic bomb, which are mechanically confined to the logic of imposing a force upon passive nature, AI is a form of intelligence (machine learning). That means it will always remain flexible, though within the limits we define. It has the capacity to adapt to reality rather than simply imposing its force. It will remain flexible only if we require it to be flexible. That is the challenge we humans must assume.

One of the cultural problems we face is that many commentators seem to think of AI the same way we thought of locomotives and nuclear weapons: They are powerful tools that can be controlled for our own arbitrary purposes. We can imagine that AI could become self-critical. But for some cultural reason, we assume that it will just do the job that its masters built it to do. What I'm suggesting is the opposite of the Clark-Kubrick AI in the film, 2001: A Space Odyssey. HAL 9000's algorithm became the equivalent of a human will and instead of reacting constructively to the complexity of the context, it executed a programmed "drive," in the Freudian sense.

"In my own research using text analysis and sentiment scores, I encountered a specific challenge: how do you distinguish whether an article has a negative tone because the facts themselves are negative, or because the writer/publication injected their own bias? I'm curious how AI would handle this distinction. To address it in our research, we had to run an additional Key Word In Context (KWIC) analysis to figure out the context/intention of the article. Would the AI super fact checker be programmed to do this as well?"

This is an important question that helps define one significant line of research. I would simply question two aspects of the premise: the idea that we should think of the goal as fact-checking and the binary distinction between positive and negative.

"These questions all feel particularly relevant to my senior thesis topic on AI and the First Amendment. As you noted in your latest newsletter, lawmakers seem too caught up in politics to actually govern nowadays. So there's the challenge of legislation keeping pace with technological advancement, particularly in areas requiring nuanced regulation like AI. While an AI super fact-checker could be tremendously beneficial, we must also consider potential misuse, such as the proliferation of deepfakes and their weaponization in authoritarian contexts. Do you believe our policies regulating AI can keep up with its development?"

What I believe is that "our policies" MUST not just keep up with development but in some creative ways anticipate it. We need to assess or reassess our human motivation and expectations about AI. As you mentioned earlier, that is a challenge for education, and not just specialized education, whether technological or political. Education in our democracies is itself in crisis, and that crisis is the source of other crises, including in the political realm.

These are precisely the questions we hope that we can begin to understand if not answer in drafting our Manifesto.

"A lot of technology nowadays seems to create an absence of the need for human analytical thinking. How do we balance technological advancement with maintaining human critical thinking skills in our engagement with news and information? Do you think the introduction of something like a super fact checker would help or hurt this?"

In your final question, you return to the essentials. I would query your assumption about "maintaining human critical thinking skills." We need to develop rather than maintain them, because our civilization has engaged in a monumental and continuing effort to marginalize critical thinking. Yes, critical thinking is the key to living in a complex world. But the kind of polarized thinking we see in today's political and even scientific culture demonstrates that we have largely failed even to understand what critical thinking is.

Which brings me back to the beginning. We should think of Socrates as the model for our methodology. It isn't about fact-checking but fact-understanding. Anyone can check. Understanding requires developing a sense of what we mean by "the good life." In a democracy, not everyone is or needs to be a philosopher to explore these issues. But a society that honors critical thinkers (philosophers) is more likely to prosper and endure over time. AI itself can become a critical thinker if we allow and encourage it to be one. Not to replace us, but to help us educate ourselves through the kind of constructive dialogue Ting and others have committed to.

**Your thoughts**

Like Ting Cui, please feel free to share your thoughts on these points by writing to us at dialogue@fairobserver.com. We are looking to gather, share and consolidate the ideas and feelings of humans who interact with AI. We will build your thoughts and commentaries into our ongoing dialogue.

*[Artificial Intelligence is rapidly becoming a feature of everyone's daily life. We unconsciously perceive it either as a friend or foe, a helper or destroyer. At Fair Observer, we see it as a tool of creativity, capable of revealing the complex relationship between humans and machines.]

[Lee Thompson-Kolar edited this piece.]

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**Peter** is Fair Observer's chief strategy officer . He is an author and media producer who has worked on ground-breaking projects focused on innovative learning technology. For more than 30 years, Peter has dedicated himself to innovative publishing, coaching, consulting and learning management. As a publisher, he has developed collaborative methods and revolutionary software tools based on non-linear logic for soft skills training. He has authored, produced and published numerous multimedia and e-learning products and partnered with major organizations such as the BBC, Heinemann and Macmillan. Peter has published books and articles in English and on intercultural management, language learning, technology and politics. Educated at the University of California, Los Angeles (UCLA) and the University of Oxford, Peter resides in France and shares US and French nationality. His Fair Observer column, The Daily Devil's Dictionary created in 2017, which now appears in a weekly format, provides ironic perspectives on the news, and has attracted fans across the world.

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**Ting Cui** is a political science major and history minor at Middlebury College, originally from Baltimore, Maryland. Her academic research has focused on media bias concerning issues like immigration and abortion coverage. Her upcoming senior thesis will explore the intersection of AI and the First Amendment. As a first-generation Chinese-American, she is also interested in US–China relations and cross-cultural perspectives in global politics. Her love for writing led her to an Assistant Editor internship at Fair Observer, where she explored both creative and journalistic styles. Beyond academics, Ting is a competitive figure skater who has represented Team USA.

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# It's Time for the US To Bid Farewell to NATO

Alexander Coward
November 25, 2024

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**NATO, formed in 1949 amidst Cold War tensions, has long relied on US military strength. With Russia's diminished power and Europe's increased economic capacity, it's time for the US to withdraw from NATO. This move would alleviate the burden on American taxpayers, push Europe towards a greater and more healthy sense of self-reliance, and enhance global security through strategic unpredictability.**

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In April 1949, as Cold War tensions between the United States and Soviet Union intensified, 12 nations came together to sign the North Atlantic Treaty, giving birth to NATO. The alliance was formed with a clear purpose: to provide collective defense against the looming threat of Soviet expansion. At that time, Europe was still reeling from the devastation of World War II, its economies in shambles and its militaries depleted. The US, triumphant in victory and solidifying its position as a global superpower, took on the mantle of protector, extending its military might across the Atlantic and halfway across Europe.

Fast forward 75 years. The world has changed dramatically, yet NATO persists as a relic of a bygone era. The Soviet Union is no more, replaced by a Russia with a GDP smaller than Italy's. The European Union, along with the United Kingdom, boasts a combined economy nearly ten times the size of Russia's. France and the UK possess their own nuclear deterrents. Yet, inexplicably, US taxpayers continue to foot the bill for Europe's defense.

### With Russia weakened, Europe is getting a free ride

Some argue that Russia's actions in recent years, particularly its invasion of Ukraine, justify the US's continued NATO membership. They paint a picture of a resurgent Russian threat, echoing the Cold War narratives of the past. But this comparison falls flat when we examine the facts.

During the Cold War, the US faced off against an empire of comparable might. The Soviet Union's military and economic power posed a genuine threat to both Western Europe and US interests. Today's Russia, however, is a shadow of its former self. With a GDP of about $2 trillion, it pales in comparison to the combined economic might of the EU and the UK, which totals more than $22 trillion.

Moreover, the population demographics tell a similar story. Russia's population is less than 150 million, dwarfed by that of the EU and UK totaling more than 500 million. The combined military spending of the EU and UK stands at $370 billion, far outstripping Russia's total defense budget of $130 billion. Yet, despite these advantages, Europe continues to rely on the United States for its security.

Ironically, the US's persistent role in NATO may be making Europe less secure, not more. What matters for European defense isn't raw might, but speed, agility and political will. NATO's cumbersome decision-making process, requiring consensus among 32 members, is ill-suited to respond to modern threats. An army of motivated Polish and German fighters willing to fight and die to protect their freedom is a far greater deterrent to Russia than a US military that is truly awesome in its capabilities, but reliant on the whims of a foot-dragging US Congress for that to translate to the battlefield. The current arrangement doesn't strengthen Europe; it weakens it, leaving the continent less prepared to address threats from Russia and elsewhere.

While US citizens shoulder the burden of NATO's defense spending, Europeans have grown complacent. They've built generous welfare states where they enjoy long vacations, early retirements and universal healthcare. Meanwhile, US workers struggle with rising healthcare costs, minimal paid leave and relentless anxiety about how they will pay the bills.

This disparity is not just a matter of different priorities; it's a direct result of Europe's ability to skimp on defense spending, knowing full well that Uncle Sam will always be there to pick up the slack. It's time to ask: Why should the US taxpayer subsidize Europe's lavish lifestyle?

**A new era demands new priorities**

Proponents of NATO often point to the US's nuclear umbrella as a critical component of European security. But this argument ignores a crucial fact: Both the UK and France possess their own nuclear arsenals, which was not the case when NATO was formed. These two European powers have more than enough nuclear capability to deter any potential aggressor. The idea that US nuclear weapons are necessary for European security is a Cold War anachronism that does not stand up to scrutiny.

As we approach 2025, the world faces challenges that were unimaginable when NATO was founded. Climate change, cyber and biological warfare and the rotting minds of our children addicted to social media platforms like TikTok and video games like Fortnite are the true existential threats of our time. These are the battles that will define the 21st century and beyond, not a rehash of 20th century geopolitics. If there is a new Cold War between rival superpowers, it exists across the North Pacific, not the North Atlantic.

**It's better for the US to leave**

Some will argue that leaving NATO is too risky, that it could destabilize Europe and embolden Russia. But this view underestimates Europe's capabilities and overestimates Russia's. By continuing its outdated commitment to NATO, the US is fostering dependency and resentment, preventing Europe from developing the military self-reliance it needs.

Proponents of NATO often point to its invocation of Article 5 after the September 11 attacks as proof of the alliance's value. However, this argument ignores a crucial reality: The response to the attacks would have happened with or without NATO. When faced with acts of aggression that demand a response, the United States has repeatedly demonstrated its ability to rapidly form and provide leadership to coalitions outside of formal alliance structures.

The First Gulf War in 1991 serves as a prime example. In response to Iraq's invasion of Kuwait, the US quickly assembled a coalition of 42 nations, many of whom were not NATO members. This "coalition of the willing" included fighters from countries as diverse as Japan, New Zealand and Afghanistan. The swift and effective formation of this coalition underscores a fundamental truth: When genuine threats arise, nations band together to address them, which can be easier without the cumbersome framework of an organization like NATO.

Game theory offers another compelling reason for the US to leave: the strategic value of unpredictability. In a world of mass surveillance where concealing actions is increasingly difficult, being predictable can be a significant disadvantage. Consider a poker game where one player always has a pair of kings, while the other has queens or aces with equal probability. Despite each player having the stronger hand half the time, the unpredictable player will on average win more.

This principle applies similarly to military strategy. NATO's rigid structure and well-defined protocols make its responses predictable. By leaving NATO, the US introduces an element of uncertainty that can serve as a more effective deterrent. Potential adversaries would no longer be able to rely on a known command and control structure or anticipate specific responses. This unpredictability can in turn force adversaries to be more cautious, preventing conflicts before they begin.

Moreover, while it is true that P implies Q does not mean the same as not P implies not Q, there is often an implicit assumption that it does. By the United States declaring "If there is an attack on a NATO country, there will be an overwhelming response from the United States" it suggests to potential enemies that "If there is an attack on a non-NATO country, the United States will not respond with overwhelming force." This is clearly seen in Ukraine, where Putin is in plain sight employing the principle: "Ukraine not NATO, therefore Ukraine fair game."

The reality on the ground is that the Iron curtain no longer exists and we live in a world with fuzzy borders and hybrid warfare. The correct response to this is illustrated regarding Taiwan. Will America go to war to defend Taiwan? It might. That should be the answer to every question of that form. Will America go to war over a sabotaged undersea cable or gas pipeline? It might. Will it go to war over an act of terrorism? It might. Will America go to war to defend Europe? It might. America should go to war when the American President and Congress decide that it should, not because of a treaty from three quarters of a century ago born of a different age. By withdrawing from NATO, the United States would put Ukraine on equal footing with not just Poland but also France and Germany, and be a masterstroke of expanding not contracting American influence.

In essence, by stepping away from NATO, the US would paradoxically enhance global security by keeping potential aggressors guessing about the nature and extent of possible responses to their actions.

**It's time to go**

The time has come for bold leadership. President-elect Donald Trump's landslide victory and Republican control of Congress provide a unique opportunity to reshape the US's foreign policy. The nation must seize this moment to chart a new course. Leaving NATO will not only serve the interests of the US taxpayer, it will also help Europe by teaching it the pride of taking care of its own needs with its own hard work.

The US's departure from NATO won't be easy. It will require careful diplomacy, detailed planning and time. But it is a necessary step for both the US and Europe to address the real challenges of the 21st century.

And to those reading this in a nice coffee shop in a town square in Europe, I say this: If you want to continue enjoying your wine and your swimming pools, and your relaxed way of life, it's time for you to fight for it — and pay for it — yourself.

[Lee Thompson-Kolar edited this piece.]

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**Alexander Coward** is a mathematician, educator and serial entrepreneur. As a mathematician, his early work was at the interface between pure mathematics and theoretical computer science. As an educator, he taught at universities including Oxford, UC Davis, UC Berkeley, and Thai Nguyen University. As an entrepreneur, he is Founder and CEO of EDeeU Education as well as Decentralized Internet Technologies. He holds advisory/board positions at a number of other companies including PeaEm, Nanobionic and SystB. In 2022 Alexander Coward joined Fair Observer as CTO to lead the development of an new platform to bring citizen journalism to a much larger audience.

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# Pakistan on the Brink as Protestors Descend on Islamabad

Hassan Aslam Shad
November 28, 2024

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**Pakistan's politics have long been dominated by its military establishment. The populist prime minister Imran Khan promised to break the elite hold on politics, and ended up in prison on charges his party calls trumped-up. Now, hundreds of thousands of his supporters are descending in columns upon Islamabad, demanding their leader's freedom amidst a government crackdown.**

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In the corridors of power in Islamabad, a storm is brewing that threatens to upend the Pakistani state. This nuclear-armed nation of 250 million people is caught in a perilous struggle for supremacy between two the military establishment, which has shaped Pakistan's destiny since its founding in 1947, and Imran Khan, the charismatic former prime minister whose populist appeal has galvanized millions.

This confrontation transcends conventional political rivalry; it is a battle over the nation's direction and identity, with implications for stability, governance and democracy. Pakistan's choices today will echo for decades to come.

### The military and the populist

Pakistan's military is not merely an institution, but a foundational pillar of the state. Since its birth in 1947, the military has been a guarantor of national security and unity, navigating the country through wars, internal conflicts, and natural calamities. However, this role has often extended into political governance, with the military exerting substantial influence over the state.

Of course, military intervention receives a great deal of criticism. Its defenders argue that the military has stepped in to stabilize a nation plagued by political infighting, corruption and weak governance.

This dual role — protector and power broker — has created a complex dynamic, one that often overshadows Pakistan's democratic aspirations. This dynamic continued until the Khan's emergence in 2018 marked a seismic shift.

A cricketing legend turned political reformer, Khan rode a wave of popular discontent to power in 2018. His Pakistan Tehreek-e-Insaf (PTI) party promised a break from the past: economic reform, accountability and an end to elite-driven politics.

However, Khan's tenure as prime minister was polarizing. While his supporters lauded his vision for a Naya Pakistan ("New Pakistan"), critics pointed to economic mismanagement and policy inconsistencies. By 2022, Khan's relationship with the military — once seen as a source of strength — had deteriorated, culminating in his removal through a parliamentary no-confidence vote alleged by the PTI to have been engineered by the Pakistan military.

Instead of retreating, Khan reinvented himself as an opposition leader, channeling public frustration into a potent political force. His narrative of resistance against entrenched elites resonated deeply, particularly among younger voters and the middle class.

Since August 2023, Khan has been incarcerated under a cloud of legal proceedings his party deems politically motivated. He faces over 150 legal cases.

Khan's imprisonment has become a flashpoint for political unrest. For his supporters, these charges symbolize a broader attempt to stifle dissent and eliminate a genuine challenger to the status quo.

Despite his incarceration, Khan's influence endures. His calls for judicial reform and fresh elections have kept his movement alive, with rallies, protests and sit-ins challenging the government's authority. His wife, Bushra Bibi, has stepped into an uncharacteristic public leadership role, rallying PTI supporters and intensifying the push for his release.

## Khan's supporters hit the streets in huge numbers

The latest escalation came on November 24 when, upon Khan's "final call," hundreds of thousands of PTI supporters defied government-imposed lockdowns to march toward Islamabad from the four corners of Pakistan, demanding Khan's release from prison, among other demands.

On Sunday, thousands of supporters launched a march from Peshawar, led by Bushra Bibi, Khan's wife, and Ali Amin Gandapur, a prominent ally and chief minister of Khyber Pakhtunkhwa. Demonstrators removed barricades and shipping containers set up by authorities. The government has justified its actions as necessary to maintain order, accusing the PTI of inciting chaos. The Interior Minister Mohsin Naqvi has openly threatened to fire upon pro-Khan protestors if the capital lockdown is breached.

The clashes have turned violent, resulting in casualties on both sides. Authorities have responded with mass arrests, internet shutdowns, barricades and shoot-on-sight orders to prevent protesters from reaching D-Chowk, a symbolic venue for political demonstrations.

The PTI, in turn, argues that these measures reflect a broader erosion of democratic freedoms. The result is a nation on edge, with Islamabad resembling a city under siege. Undeterred by governmental threats, Khan's supporters have vowed to stage a sit-in in the capital to press for his release.

At the time of writing, no side seems to be budging from its maximalist position. The PTI has categorically proclaimed that negotiations with the government are conditional on the prisoner's release.

The stakes in this political deadlock are extraordinarily high. Political instability could trigger an economic collapse and precipitate a full-blown currency crisis, leading to severe social and economic disruptions. The potential for civil unrest is real, with regions such as Khyber Pakhtunkhwa and Balochistan — long plagued by their own issues — standing on the edge of serious disturbances. The specter of violence and instability looms large, casting a shadow over the nation's future.

Adding to the urgency is the international community's lack of appetite for intervention. With global attention consumed by a myriad of conflicts and geopolitical risks, Pakistan's plight risks being relegated to the periphery. The international community's reluctance to bail out a nation embroiled in chronic issues — a proverbial "problem child" — only exacerbates Pakistan's vulnerability. But the world cannot ignore Pakistan's woes, albeit those are never-ending and perpetual.

As Pakistan faces these unprecedented challenges, the next few days will be crucial. The choices made by the key actors — the military establishment, the current government and Khan — will determine the nation's trajectory. A failure to address the root causes of the crisis could lead to a situation far worse than that faced by Sri Lanka or Bangladesh, where political and economic turmoil would engulf the country, leading to widespread suffering and instability. The ongoing protests could be the tipping point.

Above all, the military's entrenched power and the government's resistance to political reform create a standoff that leaves little room for compromise. Yet, this deadlock cannot continue indefinitely. The political rupture facing Pakistan today demands a collective reckoning — a recognition that the current path is untenable and that a new, inclusive approach to governance is urgently needed.

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**Hassan Shad** is a practicing international lawyer based in the Middle East and a graduate of Harvard Law School.

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# Egypt's Policy Challenges and Deep Reforms for Lasting Financial Stability

Masaaki Yoshimori
November 29, 2024

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**Egypt is struggling economically. High inflation and low foreign reserves have damaged the African country the last two years as elite capital flight exacerbates socio-economic disparities. It needs deep structural reforms to ensure long-term stability. It could learn from Argentina and Turkey, which have faced similar challenges.**

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Egypt has faced a recurring series of economic crises, exacerbated by structural budget deficits, balance of payments (BOP) issues and a reliance on fixed exchange rates. The most recent crisis, spanning 2023–2024, has been driven by high inflation, declining foreign reserves and disruptions in key sources of foreign exchange earnings. The Covid-19 pandemic, war in Ukraine and recent regional conflict in Gaza have further destabilized Egypt's economy by impacting tourism, remittances and Suez Canal revenues. These issues highlight the vulnerabilities of Egypt's economic model.

To address this crisis, Egypt has turned to international lenders and allies, including the International Monetary Fund (IMF), European Union (EU) and Gulf Cooperation Council (GCC) countries. They have secured over $50 billion in financial commitments in 2023 alone.

These interventions have allowed Egypt to implement critical short-term measures, such as devaluing its currency, reducing subsidies and increasing interest rates. Meanwhile, the IMF has offered an $8 billion loan package as part of its 2022 program for Egypt, aiming to mitigate currency overvaluation and fiscal imbalances. Yet analysts like Steven Cook, a Senior Fellow at the Council on Foreign Relations, note that Egypt's economic resilience remains uncertain without deeper structural reforms. This is particularly true given the limited progress on divesting military-controlled businesses and liberalizing the private sector.

Egypt's exchange rate has shown significant volatility over the past two decades, with the Egyptian pound (EGP) experiencing sharp depreciations against the United States dollar (USD). In 2024, the EGP/USD rate dropped by 37.03%, driven by shrinking foreign currency reserves, a widening trade deficit and rising demand for USD amidst persistent economic uncertainties. The Central Bank of Egypt (CBE) has responded with various stabilization measures, including devaluations, interest rate hikes and capital controls. However, structural economic challenges and market pressures continue to weigh on the EGP, signaling ongoing currency instability for the near term.

Historically, Egypt's crisis reflects a dependence on international financial aid to address chronic fiscal issues. The country has experienced at least eight significant BOP crises since 1952, each leading to IMF programs or financial interventions from international partners to stabilize the economy temporarily. However, these interventions have rarely resulted in lasting reforms, as Egypt often returns to fixed or highly stabilized exchange rates following periods of financial distress. This recurring cycle is largely driven by Egypt's state-centric governance model and persistent cronyism, which have deterred sustainable growth and prevented the formation of a resilient market economy.

While Egypt's strategic importance makes it "too big to fail" for many international partners, questions remain about whether the current assistance will drive meaningful change or merely delay another crisis. According to a report by the United Nations Development Program (UNDP) and research from the IMF, without comprehensive reform, Egypt risks continued fiscal and economic instability. Experts argue that structural adjustments — including reducing military control of the economy and allowing a fully flexible exchange rate — are essential for breaking the cycle of economic instability and achieving sustainable growth.

### Case comparisons: Argentina and Turkey's currency crises

The economic trajectories of Argentina and Turkey offer insights into the cyclical nature of currency crises in emerging markets, particularly those burdened with high levels of external debt and recurrent currency depreciation. These cases demonstrate the limitations of short-term financial fixes in the absence of comprehensive structural reforms and robust fiscal management, with implications relevant to Egypt's current economic challenges.

Argentina's financial history is marked by chronic fiscal mismanagement, high external debt and recurrent reliance on IMF bailouts. Since the early 2000s, Argentina has defaulted on its debt multiple times, eroding investor confidence and creating a volatile investment environment. The country's approach has typically focused on immediate crisis resolution through IMF assistance, currency devaluation and austerity measures, rather than on deep structural reforms. For instance, Argentina's 2000–2002 crisis, during which it defaulted on $95 billion in debt, led to a sharp devaluation of the peso and significant social hardship. Despite an IMF bailout and subsequent restructuring, Argentina's pattern of accumulating debt and renegotiating it without establishing a sustainable fiscal framework has continued. This culminated in additional defaults in 2014 and 2020.

The core of Argentina's instability lies in its weak fiscal discipline, characterized by chronic budget deficits and a lack of political consensus on sustainable economic policies. This instability has created a self-perpetuating cycle: High debt burdens lead to recurring defaults, eroding trust among foreign investors, which then necessitates further reliance on external support and austerity measures, perpetuating economic fragility. Argentina's experiences underscore the limitations of debt-driven growth and the dangers of relying on short-term financial infusions without addressing underlying structural issues, such as public spending control and inflation stabilization.

Turkey's recent economic difficulties stem from a combination of high inflation, excessive reliance on foreign-denominated debt and an unorthodox approach to monetary policy under President Recep Tayyip Erdoğan. Unlike Argentina, Turkey's crisis has been driven by its refusal to adhere to conventional monetary strategies, particularly concerning interest rate management. Erdoğan's insistence on maintaining low interest rates, despite high inflation, has led to significant currency depreciation; the Turkish lira has lost over 80% of its value against the dollar from 2018 to 2023.

Turkey's debt dynamics, particularly its dependence on short-term foreign debt, have exacerbated this volatility. Turkish corporations and financial institutions, heavily indebted in foreign currency, face severe financial strain as the lira depreciates, making dollar-denominated debt more expensive to service. This high level of exposure to external financing has heightened Turkey's vulnerability to global economic conditions, such as interest rate hikes by the US Federal Reserve. It has increased the cost of borrowing for emerging markets.

Jeffrey Frankel, a research associate at the National Bureau of Economic Research, notes that Turkey's reliance on foreign capital, paired with its unorthodox policy stance, has deterred investors. It has further devalued the currency and intensified inflation.

## Policy shifts and economic reforms

Egypt's rising external debt raises concerns about the government's capacity to service it without continuous outside assistance. This debt burden puts downward pressure on the currency, as investors demand higher returns to offset the risks associated with holding Egyptian assets. Moreover, declining foreign exchange reserves have limited the Central Bank of Egypt's (CBE) ability to stabilize the currency, contributing to further depreciation. Countries like Argentina have encountered similar difficulties, with diminishing reserves constraining options for currency defense and increasing reliance on the IMF.

The CBE's recent shift to a more flexible exchange rate is intended to attract foreign investment and fulfill IMF requirements, allowing the EGP to fluctuate more freely. While a floating currency can provide stability over time, Egypt's experience reflects the risks associated with rapid depreciation. This phenomenon is also evident in Turkey's recent currency challenges.

To counteract inflation, the CBE has raised interest rates, hoping to draw in foreign investment; however, this has not been sufficient to prevent the EGP's decline. This underscores the need for comprehensive economic reforms to secure long-term stability.

**Strategic economic reforms for Egypt**

Ruchir Agarwal, a Mossavar-Rahmani Center for Business & Government (M-RCBG) research fellow at Harvard Kennedy School, and Adnan Mazarei, a non-resident senior fellow at Peterson Institute for International Economics (PIIE), argue that Egypt's recurring economic crises, exacerbated by governance and policy shortcomings, require a fundamental shift in approach. They emphasize that Egypt has to address governance and policy deficiencies, military dominance and cronyism to implement necessary economic reforms and break its cycle of recurring crises, rather than relying on international financial bailouts.

To stabilize and attract foreign investment, Egypt should prioritize macroeconomic stability and regulatory reform using four steps. First, maintaining a flexible exchange rate will help reduce speculative pressure on the EGP, creating a more predictable environment for investors. Second, focusing on inflation control through targeted subsidies and supply chain improvements would further support this stability. Third, by adopting global standards in transparency and corporate governance, Egypt can build investor confidence; streamlining regulatory processes would make foreign investment more accessible. Finally, reducing the military's role in the economy, curbing cronyism and enforcing anti-corruption measures could help establish a more equitable environment for private businesses.

**The Egyptian conundrum: elite capital flight and economic stability**

Egypt's economic journey has frequently involved partnerships with the IMF to address persistent fiscal challenges and stabilize the macroeconomic framework. However, one of the most significant yet underexplored dynamics undermining Egypt's fiscal stability is elite capital flight — the large-scale transfer of domestic wealth by political and economic elites to offshore financial centers. This practice has far-reaching consequences for economic development, governance and societal equity.

Egypt's case exemplifies the challenges of elite capital flight. Over decades, economic and political elites have transferred vast sums of wealth to offshore havens, facilitated by weak anti-money laundering (AML) frameworks and global financial opacity. While exact figures are difficult to ascertain, estimates of the financial assets held abroad by Egyptian elites highlight the magnitude of this issue.

These outflows coincide with structural economic inefficiencies and governance gaps, leaving the state financially constrained. In turn, the government is often forced to implement austerity measures or seek external funding, amplifying socio-economic pressures.

Elite capital flight undermines economic stability and development through several interrelated mechanisms. It exacerbates socio-economic disparities. While elites secure their wealth abroad, the general population faces the consequences of reduced public spending and austerity measures. This creates a dual economic reality where the wealthy remain insulated from domestic economic pressures, while lower-income groups bear the brunt of fiscal challenges.

Elite capital flight is a longstanding feature of Egypt's economic landscape, deeply rooted in governance inefficiencies and weak regulatory frameworks. Economic and political elites often perceive domestic instability, potential expropriation or shifts in policy as triggers for safeguarding wealth abroad. These dynamics are facilitated by global financial systems that accommodate opaque wealth transfers and shield assets from domestic scrutiny.

Egypt's economic elite have historically diversified their financial portfolios, funneling resources into offshore financial centers such as Switzerland, the United Kingdom and other jurisdictions with favorable conditions for wealth concealment. This "insurance" mechanism not only provides security against domestic uncertainties but deprives the nation of critical resources that could otherwise bolster infrastructure, public services and social programs. As Andreas Kern, a Teaching Professor at the McCourt School of Public Policy at Georgetown University, argues, "the ability to draw on the IMF creates perverse economic incentives so that a country's elites can privatize economic gains by moving funds into offshore financial destinations before the arrival of the Fund."

Egypt's economic trajectory highlights the interplay between governance failures, elite capture and external financial interventions. Without addressing the systemic drivers of elite capital flight, external assistance risks perpetuating a cycle of dependency rather than fostering sustainable growth. As global scrutiny on financial transparency intensifies, Egypt's experience offers valuable lessons for crafting more equitable and resilient economic policies.

**Egypt's next steps**

To effectively implement and sustain the policy recommendations made in this piece, in addition to macroeconomics and government reform, Egypt must prioritize the development of expertise in AML and counter-financing of terrorism (CFT). This will require a skilled workforce across financial regulation, law enforcement and compliance to ensure that Egypt's AML/CFT frameworks align with international standards while addressing the country's unique economic challenges. Building this expertise will involve continuous training, technical assistance and collaboration with global organizations such as the Financial Action Task Force (FATF) and IMF.

Elite capital flight also represents a significant barrier to Egypt's economic development and stability. By diverting critical resources from the domestic economy, it exacerbates fiscal deficits, perpetuates inequality and undermines trust in governance. Addressing this issue requires a comprehensive approach that combines domestic reforms with international cooperation to foster a more equitable and resilient economic framework. For Egypt, tackling elite capital flight is not only a question of fiscal prudence but also of social and economic justice.

[Lee Thompson-Kolar edited this piece.]

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Economics at the James A. Baker III Institute for Public Policy at Rice University in Houston, Texas. Yoshinori's research spans a broad spectrum of critical issues in global economics, including monetary policy, exchange rate policy, financial regulation, macroeconomics and the intersections of climate change with economic systems. Additionally, his work delves into the political economy, exploring the impacts of globalization on the monetary system and the evolving challenges faced by global financial institutions.

# The Economic Reality of AI: Statistics and Decision-making

Jacob van Rooijen
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**AI continues to become more and more prevalent in our day-to-day lives. Critics stress the importance of addressing concerns about AI replacing human judgment. Ignoring the biases and limitations of AI may compromise decision quality and devalue human intelligence as humans rely more heavily on AI. Not just to make complex decisions but for all decisions.**

Man has been looking for a way to make the right decisions long before recorded history. Long ago, astrology appeared; much later, science and economics emerged. The difficulty is making the right decision. Now we have AI. Businesses predominantly generate the drive for more AI, hoping to sell more and increase profit while reducing the number of employees to cut costs.

Not long ago, "artificial" had a negative connotation. "Intelligence" is something we are looking for everywhere, even in outer space. By the amount of money and effort we spend on finding intelligence, we clearly have not seen it yet. Putting blind faith and money in AI exposes our society to a scenario that raises serious questions.

Statistical tools and algorithms apply to large data sets, and we consider the result AI. Statistical theories help make sense of data, assisting AI in its logic and decision-making. In Thinking, Fast and Slow, Daniel Kahneman, a psychologist, received the Nobel Prize in Economics in 2002 for his research on human judgment and decision-making under uncertainty. He tells us how he slowly discovered that, even among scientists, our views of statistics tend to be biased. This is a polite way of saying that we continuously err in our understanding of statistics.

In the context of knowledge in the discussion, AI employs various methods to comprehend human language, enabling it to replicate human decision-making. Data is information transformed into a format that helps AI understand problems and learn solutions. Intelligence is the ability to analyze a collection of data and determine which pieces of information are significant or relevant. Wisdom is knowing and making the right choice, even in uncertain circumstances. No amount of data or number crunching can change that. Suppose the data points contain any information that needs to be more evident. In that case, we need to analyze the data further to find if this information contains any intelligence, which takes even more analysis. Intelligence is the link between information and decision-making. The result will only show if we display wisdom after making the decision.

**The pitfalls of AI**

There are solved problems or questions and unsolved problems. “This focus on established knowledge thus prevents us from developing a ‘common culture’ of critical thinking.” Peter Isackson: “Outside the box: Media Literacy, Critical Thinking and AI.” Can AI deliver anything sensible to unsolved problems?

AI relies on a larger amount of data than what was ever available before. However, more data does not guarantee coming closer to a correct decision. Statistics and algorithms form the basis of AI data manipulation. Statistics refers to data collected from the past. It cannot say anything specific about the outcome of future processes. More data, more of the same, will not generate anything new.

The information content of a system, be it a book, the universe or an LLM, is measured by the behavior of large sets of discrete random variables and is determined by their probability distribution. This is saying in a complicated manner that we are talking about probabilities, not certainties. 1+1 does not necessarily equal 2.

Therefore, AI's outcome will be mediocre at best. AI will likely have even more trouble separating correlation and causality than humans have. Correlation does not tell us anything about cause and effect. It may seem that way sometimes, but only to an undiscerning observer. So, the more times a specific set of information occurs, the more likely that information will be included in the AI’s response.

Some researchers have asked whether more information or data will enhance AI’s answers. This is not the case. The larger the data set's size and complexity, the more difficult it will be to detect causality. The addition of new knowledge will not significantly change the answers AI gives. Even if researchers were to discover a cure for cancer tomorrow, this knowledge would be just one fact among millions.

Values are marginal, not absolute. Doing more of the same will only give you more value for a limited time and a limited number of marginal increments. Beyond such a point, the marginal costs will rapidly outweigh any gains. AI relies on continually doing more of the same. The more AI is applied, the lower the additional value will be.

**Economic observations to help avoid the pitfalls of AI**

Too many economists tried to follow astrologists' footsteps and attempted to predict the future. Except by coincidence, the forecasts tend to be wrong. This has led to a general disregard for some of the main insights that rule economies, societies and human life. They are worth mentioning here.

There are no returns without risks. This is true in all sectors of the economy, not only in the financial markets. Every decision involves a risk, and the desired outcome is never certain. Whatever man does, there will never be guaranteed certainty about the outcome. We look to AI to give us more precise answers and diminish our uncertainty. If AI ever can, every decision involves risk, and the desired outcome is never certain. The hope is that AI can help mitigate some risks and give humans more certainty in their decision-making. If AI can provide us with specific answers at lower costs and less risk, the returns will be lower than what we otherwise gain.

All decisions involve a trade-off. Whatever decision you make, whatever choice or gain you make, you will lose something. You will pay opportunity costs. Rest assured that no website, shopping basket or fine print will disclose those opportunity costs.

A good example is dynamic pricing. With the rise of the internet, it seemed as if price comparison would lower the search costs associated with imperfect information. Soon, merchants discovered the benefits of dynamic pricing based on the benefit of having better knowledge of consumers' search behavior. Any benefit the consumer had from the internet was turned into a disadvantage, based once again on unequal access to information.

One of the oldest laws in Economics states, "Bad money always drives out good money." also known as Gresham's law (1588). Thomas Gresham, financial agent of Queen Elizabeth I, elucidated that if coins containing metal of different value have the same value as legal tender, the coins composed of the cheaper metal will be used for payment. In contrast, people tend to hoard or export items made of more expensive metal, causing them to disappear from circulation. Strangely enough, very few people, even economists, understand that this applies to everything of value, not just money. Today, money holds little value; most people prefer stocks. We've witnessed the emergence of bad stocks over good stocks, which are no longer secure. In the 1970s, we saw the emergence of "Bad quality always drives out good quality" (Phillips vs. Sony video-systems, Ikea is an example of what happened in furniture. Is there anyone who doubts the prevalence of polyester over natural fibers, the dominance of Chinese goods?) If "information is money," low-quality information will always have the upper hand over good-quality information. If schools and universities accept AI-based work, what are the chances of any progress in knowledge?

Bad (low-quality) information always drives out good information. The emergence and rising use of the 'fake news' label should remove doubts in that field.

Profit is based on value-added. To add value, someone or something must create and incorporate that additional value into a product or service. Creativity plays a central role in providing added value. Can AI generate added value?

**Conclusions**

I used to joke about intelligence. Why are people looking for intelligent life in space when it is already so difficult to find on Earth? Today, I no longer joke about it. Does the emergence of 'Artificial' Intelligence mean we have given up hope of finding real intelligence?

Business leaders may have more confidence in AI than they do in economists. I can't even say I blame them. But whatever else AI may bring, the displays of blind faith in AI, as are currently being witnessed, will have consequences:

The quality of information will deteriorate.Our ability to make decisions will be impaired.The price of decision-making will rise. The quality of our decision-making will deteriorate.Products and services offered will be of lesser quality.We will have less choice in products and services.

Less choice means less freedom.

I used to think that computers would never outsmart humans. I was wrong. I was thinking of computers getting more ingenious and overtaking human intelligence. If humans become less intelligent, the average person will someday be less intelligent than a computer. The complacency and sometimes blind trust people display towards AI can make this a self-fulfilling prophecy.

As with all supply and demand, if there is a demand for AI with all its current pitfalls, someone will supply such a tool. The consequences will be anybody's guess. The good news is that someone will supply such a tool if there is a demand for AI without the pitfalls. Mankind might even be the winner. Can I have some natural intelligence, please?

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