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Fair Observer
Independence, Diversity, Debate

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ABOUT FAIR OBSERVER

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Should FIFA Pull the World Cup Out of the US?

Ellis Cashmore
February 03, 2026

Former FIFA President Sepp Blatter is urging fans to boycott the 2026 World Cup in the United States, citing recent civil unrest and immigration enforcement abuses. These statements defy the organization's official policy on political neutrality. Football fans must ask themselves: Should the Cup be relocated to maintain FIFA's integrity, or used to protest civil rights in the US?

Recently, former FIFA president Sepp Blatter shared his views on the appropriateness of the USA as a host of association football's quadrennial tournament. In a social media post endorsing comments from Swiss reformer Mark Pieth, Blatter urged fans not to travel to the United States for the 2026 event, warning that the social climate there "hardly encourages fans to go." Blatter cited recent fatal shootings by federal immigration agents in Minneapolis, Minnesota — Immigration and Customs Enforcement (ICE) killed US citizens Renée Good and Alex Pretti on January 7 and 24, respectively — as emblematic of a society in disorder and a political administration unconcerned about civil liberties. Blatter has a point.

Football's unifying spectacle?

For a sports event established and still trading on the rhetoric of world peace and unity, such a controversial intervention from a past FIFA leader

is unprecedented and extraordinary. FIFA, football's global governing organization, has long insisted that politics should be divorced from sports. Its statutes historically prohibited expressions of political opinion on the pitch, and its public posture has been to allow host nations' flag-waving patriotism while disavowing partisan disputes and domestic politics. But the context of what has been happening in the US has now made that firewall look flimsy.

The US is co-host for the 2026 World Cup alongside Canada and Mexico. Eleven US cities, from Atlanta, Georgia to Seattle, Washington, will stage 78 of the 104 matches, including the showpiece grand final in July at the MetLife Stadium in East Rutherford, New Jersey. The US considers what Americans call soccer a rising sport and a marquee opportunity to showcase itself globally. (The word soccer was originally derived from "socia" from the middle of association football.)

Yet, as many know, the country hosting these games is currently deeply fractured. Operation Metro Surge, US President Donald Trump's aggressive extrajudicial immigration enforcement operation centered in Minnesota, has witnessed more than 3,000 arrests and multiple deaths. The killing of Alex Pretti, an intensive care nurse, by a federal agent while filming immigration enforcement sparked massive protests and led Minnesota Governor Tim Walz to deploy the National Guard.

On January 21, the Eighth US Circuit Court of Appeals lifted an injunction that had restricted immigration agents from arresting peaceful demonstrators. Civil liberties groups denounced this move as a violation of First Amendment protections in a tournament host state. And in what Minnesota activists called the first general strike in eight decades, hundreds of local businesses shut

down and thousands marched in protest at the ICE raids and detentions.

In this volatile geopolitical context, Blatter's announcement sounds like a lot more than rhetorical noise. It seems quite rational and reflects international concern that the US's civil rights crisis, a colossal breakdown in trust between citizens and federal authority, could disfigure what is meant to be football's greatest unifying spectacle.

FIFA's stance on politics, then and now

For decades, FIFA's official policy was that football and politics don't mix; players couldn't display political messages and host countries were told that their internal affairs did not concern world football. In the same way, the International Olympic Committee maintained for decades that sports and politics should remain strictly separate. Politicians were tolerated on pitch sidelines, but political protest was not and players were strenuously discouraged from publicizing their beliefs. That principle stretched credulity at times, especially in 2018 and 2022, when the World Cup was staged in Russia and Qatar — countries that had both been condemned for their poor human-rights records. Yet FIFA's public neutrality remained the default position.

With the infamous murder of George Floyd in the US in May 2020 and the ensuing global movement for racial justice, FIFA and its affiliates were obliged to shift. The organization embraced inclusiveness and equality as new principles, endorsing anti-racism campaigns, advancing women's football and signaling support for diversity and LGBTQ+ rights. These themes have become central to FIFA's brand: Women's tournaments are positioned explicitly as platforms for empowerment and social inclusion and equality initiatives are now integral to FIFA's corporate identity. While it would have been inconceivable as

recently as ten years ago, FIFA, in 2021, approved of players taking the knee before games. The move divided fans, but players, especially in England's Premier League, appeared to welcome the gesture of defiance against racism and perhaps other forms of bigotry. The gesture no longer takes place, at least not on a regular basis.

This evolution was initially tactical: It was a sensible and timely response to the changing zeitgeist of global social movements. Other sports similarly abandoned their bans on politics and social affairs. But in football, the change has morphed into something more doctrinal. FIFA's embrace of diversity, equality and inclusivity is no longer just an add-on feature of the game; it's part of its credo. That's why critics argue FIFA can no longer convincingly separate sport from politics when a host nation's domestic policies contravene the very values FIFA now claims to uphold. Consistency disappears.

And now the contradiction is visible. The question that's being asked is: How can FIFA champion equality, anti-racism and inclusiveness on one hand, while blithely staging its flagship event in a country where civil unrest stems from bitterly contested enforcement of immigration policy, and where critics claim human rights are being ignored?

FIFA President Gianni Infantino has close personal ties with Trump, a fact that has not helped the organization's credibility on this matter. Under Infantino's leadership, FIFA offered Trump a widely-ridiculed "Peace Prize" at the World Cup draw. It was a supinely sycophantic act that introduced geopolitics into an otherwise sporting occasion.

Analysts inside and outside football circles worry that FIFA's seeming acquiescence could reduce the sport to a mere appendage of realpolitik, meaning that football's moral capital

can and will be exploited by host governments for their own agendas in this and future World Cups.

Protest at the World Cup?

The real question isn't whether fans can watch 48 teams compete in 104 matches: They will. The tournament infrastructure is already being built, tickets are selling and stadiums are being prepared. But what moral character will the World Cup have?

Trump wants the World Cup in the US. It has more symbolic importance than even the Olympics. It attracts far more attention and lasts longer than a G7 summit. Heads of state will congregate as will all manner of high profile politicians, dignitaries and other kinds of celebrities. The world's media will attend. Live crowds from everywhere will number in the millions. The hosts will entertain the visitors with pomp and spectacle. But, for all his braggadocio, Trump must surely realize there are risks.

A global sporting event set against a backdrop of civil strife could become a stage for protest rather than celebration. Already, American sports arenas have seen anti-immigration and anti-ICE demonstrations spread into professional games. If similar activism manifests during the World Cup (for example, protests at venues, international delegations refusing to sing anthems, public backlash over entry bans or travel restrictions, etc.), politics could overshadow the spectacle.

Imagine Senegalese fans barred from entering certain US cities. Or headline-making protests in Los Angeles and New York City on match nights. Or even teams and fans using the platform to draw attention to human rights concerns. None of these scenarios are likely but none of them is wildly far-fetched, either, given the current social context and the US's political direction of travel. FIFA's administrative muscle in demanding guarantees

from host governments has limits. US immigration policy is set by a president emboldened by his base and seemingly deaf to international opinion.

Blatter's critics also suggest that a stronger FIFA leadership, i.e. one not beholden to Trump, might have already relocated World Cup matches entirely. It's logistically challenging and financially ruinous, but not impossible. Seasons were shifted for Qatar 2022; matches have been relocated for other tournaments. Yet FIFA's economic interests and commercial contracts make such a major move barely conceivable, especially considering the US media's influence in FIFA's World Cup finances.

So, the Cup will go ahead. But should it?

Pros vs. cons: should or shouldn't we cancel?

Why we should not hold the World Cup in the US:

Moral inconsistency. FIFA's exalted values of inclusivity and equality ring hollow if the host nation's core policies violate those principles. **Civil unrest risk.** The US is currently facing large-scale protests and crackdowns that could spill into tournament dates and locations, perhaps necessitating heavy security presences at all games. **Safety concerns.** Recent federal shootings and lifted protest protections raise international safety questions. **Political exploitation.** The World Cup might inadvertently become a tool for partisan agendas, diminishing football's unifying power.

Why the World Cup should go ahead in the US:

Unmatched infrastructure. No other co-host — Canada or Mexico — alone can shoulder the logistical and financial burden on such short notice. **Football's universality.** Football transcends politics; millions will watch and enjoy

without engaging with the host nation's controversies. **Economic and cultural opportunity.** The tournament could still grow the game in the US and foster youth engagement, long-term. **Risk of precedent.** Canceling sets a precedent where sports events hinge on transient political climates, forcing every future host to meet subjective moral thresholds.

FIFA's dilemma

The 2026 FIFA World Cup presents a dilemma: a global festival of sport scheduled in a nation currently racked with deep political fissures that show no signs of repair and could worsen over the next few months. Blatter's call for a boycott echoes wider anxieties about the US's social cohesion, and the ethical contradictions between FIFA's stated values and its hosting choices are more conspicuous than ever.

Association football has long been more than a sport. It's a global cultural force that can and often does mirror global tensions. The World Cup this year will test whether the sport can stay above geopolitics, or whether politics and justice will impose themselves on football's grandest stage. The strong likelihood is that the tournament will go ahead. But for 39 days in June and July, the world of football and perhaps the rest of the world will hold its breath.

[Ellis Cashmore is the author of *Celebrity Culture*, now in its third edition.]

[Lee Thompson-Kolar edited this piece.]

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positions at the University of Hong Kong, the University of Tampa and Aston University. His first article for *Fair Observer* was an obituary for Muhammad Ali in 2016. Since then, Ellis has been a regular contributor on sports, entertainment, celebrity culture and cultural diversity. Most recently, timelines have caught his fancy and he has created many for *Fair Observer*. What do you think?

The Politics of Cheapness: Japan's Consumption-Tax Truce, the Yen's Fragility and the Long Shadow of a Weaker Dollar

Masaaki Yoshimori
February 04, 2026

Japan's cross-party push to cut the consumption tax ahead of the February 2026 election reflects the seductive politics of cheapness, offering immediate voter relief while quietly weakening fiscal credibility and unsettling bond and currency markets. At the same time, US ambivalence toward dollar strength under Trump-era rhetoric reduces an external anchor for the yen, amplifying market sensitivity to Japan's domestic political signals. Together, these dynamics suggest that both Tokyo and Washington are relying on currency depreciation as a substitute for reform — an approach markets price relentlessly, even when voters applaud it.

In politics, there are few ideas more seductive than cheapness. Not efficiency, not reform, not even growth — but the promise that tomorrow will cost less than today. Cheapness is democratic. It asks nothing of voters except gratitude. It allows leaders to appear generous without confronting trade-offs, and it flatters the belief that pain can be postponed indefinitely, perhaps even avoided altogether.

In early 2026, Japan's political class has rediscovered this temptation with remarkable unanimity, and markets are paying attention.

As Prime Minister Takaichi Sanae guides the country toward a February 8 Lower House election, an unlikely consensus has formed across party lines: cut the consumption tax. The slogans differ, the justifications vary and the proposed mechanisms range from temporary relief to more durable restructuring. But the direction is unmistakable. From the ruling Liberal Democratic Party (LDP) to fragments of the opposition, the political system has converged on the idea that households need relief now, visibly and unambiguously.

Ahead of the snap election, Prime Minister Takaichi has gone further, pledging to scrap the consumption tax on food. Yet the absence of a clearly articulated funding strategy is beginning to unnerve both financial markets and voters, raising questions about fiscal credibility even as political momentum for tax relief accelerates.

Market unease has been driven less by electoral politics than by the substance of the policy debate, especially proposals to cut the food consumption tax from 8% to 0% for a two-year period. While such a measure would provide short-term support to household spending, it is estimated to reduce government revenue by around ¥5 trillion (~\$32.2 billion) annually. Given that the consumption tax is a cornerstone of Japan's social security

financing, the absence of a clear funding framework has raised concerns about further strain on already stretched public finances.

In electoral terms, this makes sense. In market terms, it rarely does.

Consensus in politics is comforting to voters. In financial markets, it is often interpreted as a warning sign. It surfaced most clearly in the bond market on January 20, 2026, when long-dated Japanese government bond (JGB) yields rose sharply, with 30-year yields reaching multi-decade highs of 3.88%, reflecting investor caution over increased borrowing and fiscal uncertainty. When ideological disagreement disappears, it usually means constraints have loosened. And when constraints loosen, prices adjust.

At the same time, across the Pacific, the world's reserve currency is absorbing its own political signal. US President Donald Trump, with characteristic bluntness, has declared that a weaker dollar is "great." Treasury Secretary Scott Bessent has responded with the familiar incantation that the United States maintains a "strong dollar policy." The market, however — ever literal, never sentimental — has listened more carefully to the president than to the footnotes.

These two stories — Japanese fiscal populism and American dollar ambivalence — are not parallel lines. They intersect. They meet most visibly in the yen, in Japanese Government Bonds and in a deeper question that increasingly defines advanced economies: whether social contracts are being renegotiated quietly through currency depreciation rather than openly through reform.

The consumption tax as political Esperanto

Japan's consumption tax has always been more than a tax. It is a symbol — of intergenerational

fairness, of fiscal realism, of Japan's uneasy truce with arithmetic.

Introduced cautiously, raised painfully and defended technocratically, the tax served for decades as a signal not just to voters but to investors. It told a story: that Japan, despite its extraordinary public debt, understood the difference between stimulus and surrender; that its political system retained at least one instrument it was willing to adjust upward when necessary; and that aging, however daunting, would be financed rather than wished away.

That signal is now fading.

What is striking about the current election cycle is not merely that the LDP is flirting with tax cuts — Japanese incumbents have done so before — but that almost everyone is. The Centrist Reform Alliance, elements of *Ishin no Kai* (the Japan Innovation Party) and even voices historically associated with fiscal caution now frame consumption tax relief as unavoidable, almost self-evident.

The reasons are not mysterious. Inflation has returned to Japan after a long absence, but wage growth has lagged. Households feel poorer even as employment remains high. Energy prices, food costs and housing-related expenses are more salient than abstract discussions of debt sustainability. And politics, like water, flows downhill — toward pain points that are immediate, visible and easily moralized.

The consumption tax is uniquely suited to this role. It is flat, transparent and paid by everyone. Cutting it feels like justice. Raising it feels like betrayal. It can be reduced without designing new bureaucracies or confronting entrenched interest groups. It produces instant political gratification.

For voters, this is relief.

For markets, it is ambiguity.

Because the issue is not the tax cut itself. It is the transformation of the tax's meaning. Once a consumption tax becomes a bargaining chip rather than a pillar, it ceases to anchor expectations. Investors do not require proof of irresponsibility; they respond to the weakening of commitment. And in long-duration markets, commitment is everything.

When arithmetic meets electoral gravity

Japan's government bond market has survived decades of theoretical insolvency by cultivating something rarer than discipline: credibility without illusion.

Investors tolerated extraordinary debt levels because they believed three things. First, that the Bank of Japan would remain accommodative enough to suppress volatility. Second, that inflation would remain structurally low. Third, that politicians — whatever they promised in campaigns — would eventually blink before crossing fiscal red lines.

The February election puts pressure on all three assumptions.

A consumption tax cut, especially if framed as permanent rather than explicitly temporary, does more than widen a deficit. It changes the story investors tell themselves about Japan's political economy. It suggests that the system is becoming less willing to exchange short-term pain for long-term solvency. And markets, more than any electorate, trade on stories.

The emerging story is uncomfortable in its simplicity: Japan wants growth without reform, relief without funding and stability without sacrifice.

That story steepens yield curves.

Already, traders quietly note that a decisive victory for the LDP could paradoxically weigh on JGBs rather than support them. A strong mandate for Takaichi might embolden fiscal expansion without revenue offsets. The irony is sharp but familiar: Political stability can increase financial volatility when it removes constraints.

As one strategist put it privately, with the candor markets reserve for off-the-record conversations: A weak coalition forces discipline; a strong one invites temptation.

This is not a crisis narrative. Japan's bond market remains deep, domestically anchored and institutionally supported. But it is a repricing narrative. Term premia rise not because default risk has increased, but because political uncertainty has. Investors are demanding compensation for a future in which fiscal anchors appear more negotiable.

The yen as a political barometer

If JGBs represent Japan's balance sheet, the yen is its mood ring.

The currency has weakened not simply because interest differentials remain wide, but also because policy signals have grown noisier. Markets are attempting to reconcile three competing forces that do not naturally coexist.

First, a Bank of Japan that has technically exited emergency policy, but cautiously, almost apologetically, mindful of Japan's long struggle with deflationary psychology. Second, a government signaling fiscal generosity without articulating credible anchors. Third, an election calendar that rewards ambiguity and penalizes candor.

Against this backdrop, the yen behaves less like a currency and more like a referendum — on belief.

The February election matters because it may clarify this uncertainty, or it may institutionalize it. A narrow result could restrain fiscal excess. A landslide could accelerate it. In foreign exchange markets, clarity matters more than ideology. Markets can price almost any policy. What they struggle to price is drift.

The uncomfortable truth is this: Japan does not need intervention to strengthen the yen. It needs belief.

Belief that inflation above target will be met with normalization rather than reinterpretation. Belief that tax cuts will be financed rather than deferred into abstraction. Belief that the social contract still includes arithmetic.

Absent that belief, any yen rally risks being temporary — another bounce in a structurally downward channel, another opportunity for markets to test official tolerance.

Trump, Bessent and the theater of the dollar

Across the ocean, the dollar is telling a different but related story.

When Donald Trump says that a weaker dollar is “great,” he is not making a technical argument. He is making a moral one. In Trump's worldview, currencies are not prices; they are instruments of power. A strong dollar, like a strong ally, is only useful if it obeys.

Scott Bessent understands the danger of this framing. His insistence that the United States maintains a strong dollar policy is less a declaration than a firebreak — a reminder that institutional memory has not been entirely erased by political rhetoric.

But markets trade on power, not reassurance.

The dollar's recent slide reflects more than interest-rate expectations or growth differentials. It reflects a growing suspicion that the United States may tolerate depreciation as a policy outcome, even if it refuses to name it as such, as in the Mar-a-Lago Agreement. That suspicion matters because it alters the behavior of global investors long before it crystallizes into formal policy.

For Japan, this shift is consequential. A weaker dollar removes one of the external constraints that once supported the yen. If Washington is ambivalent about dollar strength, Tokyo cannot rely on moral suasion or tacit coordination to stabilize its own currency. The old architecture — where the US defended dollar prestige, and others adjusted around it — is giving way to something looser and more transactional.

This does not require coordination to be destabilizing. It requires only plausibility.

The metaphor of the escalator

Think of global currencies as standing on a set of escalators.

For decades, the dollar rode upward, powered by growth, institutional credibility and political consensus around stability. Others adjusted around it. Now the escalator slows. It does not reverse — at least not yet — but the speed changes.

Japan, meanwhile, is stepping onto a different escalator — one that moves downward unless actively resisted. Consumption tax cuts, if unfunded, are like choosing lighter luggage while stepping onto a steeper slope. You feel freer. You move faster. But not necessarily in the right direction.

What connects Washington and Tokyo is not coordination, but convenience. Both are discovering that depreciation — explicit or implicit — can substitute for difficult conversations. It can delay reform. It can redistribute costs quietly. It can smooth politics while unsettling markets.

But appreciation or depreciation is not reform.

It is delay, priced daily.

And markets, unlike electorates, keep score continuously.

[Kaitlyn Diana edited this piece.]



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Dollar Milkshake Theory Is Still Useful

Alex Gloy
February 04, 2026

Despite rising debt and excessive money printing, US Treasuries remain the ultimate safe haven for investors worldwide. No other alternatives exist at scale. That is why investors flock to the dollar in a crisis. However, the dollar declined by 9% in 2025 against a broad basket of currencies, though. Does this signify the end of the dollar's "exorbitant privilege"? The "Milkshake Theory" provides some insights.

In 2018, investment manager Brent Johnson introduced the Dollar Milkshake Theory to answer a big puzzle in modern economics: Why does the dollar grow stronger during crises, even when the US is printing money?

Johnson argues that a strong US dollar (the straw) sucks up liquidity from global markets (the milkshake) into dollar-denominated debt and assets.

Fair Observer Editor-in-Chief Atul Singh has explained the Dollar Milkshake Theory simply. According to this theory, the dollar owes its strength not to markets, superiority of technology or confidence in future growth, but to expansionary monetary policy distortions. As Singh says:

A constant supply of artificially cheap credit and market interventions has created a global economic order in which capital is allocated not

based on productivity, innovation, or comparative advantage, but instead on the relative ease of financial arbitrage. No currency or commodity allows for this arbitrage better than the dollar. Moreover, policymakers believe that the US dollar is the only truly safe currency in the world and that increased geopolitical turbulence is likely to lead to a greater demand for dollars.

According to the Dollar Milkshake Theory, the US dollar acts like a bully in the global economy. Those who buy into this theory base their argument on the following:

The US dollar is still the world's reserve currency. Most global trade happens in dollars. Most foreign debt is denominated in dollars. The entire global financial system runs on dollars.

The inevitable question arises: Why?

Convenience

Imagine you own a market. You sell oranges, bananas and black olives. You have buyers from different countries, and they would like to pay in their local currencies, and you price the goods in many different currencies. Bananas in dollars, in euros, and in yen. When foreign exchange rates change overnight, you would have to change the price tags in the morning, or risk getting taken advantage of. Your oranges could be copper, your bananas gold and your black olives, crude oil. Now, imagine selling copper, gold and crude oil in different currencies. Suffice to say, your life is much easier if you price everything in the same currency!

Necessity

Imagine living in the Principality of Seborga, a small village in Italy that claims independence. It uses a local currency called the Seborga Luigino (SPL). There are only a few thousand SPL coins in

circulation. Your local gas station is running dry and you order a fuel truck to replenish the tank. For the refinery that lies outside the Principality of Seborga, your local SPL coins are worthless, since they are not convertible into any goods outside of the principality. So, you need to pay with a currency that is globally accepted, which, in this case, is the euro. That's what happens to importers in many countries that do not have a globally accepted currency and they are forced to use the dollar!

More Necessity

Imagine you are a vanilla grower on the island of Madagascar. Your production is growing. You need a larger storage and packaging facility. The local banking infrastructure is underdeveloped, so you apply for a loan from the World Bank. The World Bank believes you will be able to pay back the loan in five years. But the bank has no Malagasy ariary (MGA), which is the local currency. Also, the bank does not want to be paid back in MGA, since nobody knows how much it will be worth in five years' time. The World Bank lends in dollars; it wants to be paid back in dollars, and you don't have a choice but to use dollars!

Fear

Imagine you are responsible for investing the \$1.3 trillion foreign currency reserves of the Bank of Japan, which are the result of years of trade surpluses achieved through the hard work of Japanese workers making some of the world's most reliable cars. Suppose you could choose any currency of your liking, which one would you pick?

Foreign exchange investing carries risk. If your investments lose money, you will lose your job. So, you want to avoid losing money and definitely avoid blame if you end up losing money. Here, the old saying applies: "Nobody ever got fired for

buying IBM." This means that if you are the head of the IT department, and you bought IBM computers, you will not get fired even if those computers don't work, because (a) they are very unlikely not to work, and (b) nobody can fault you for buying the "gold standard" in computing!

As a non-American central banker, you prefer US dollars, since you are unlikely to lose your job for buying them.

Practicality

Imagine you are the central banker of an oil-exporting country on the Arabian Peninsula. Your oil revenue makes up between 35% to 40% of the gross domestic product (GDP). This means an awful lot of dollars are coming into the country since you are selling oil for dollars. Your local currency is either pegged to the dollar, as in the case of Saudi Arabia, United Arab Emirates, Iraq and Qatar, or to a basket of international currencies, as in the case of Kuwait.

In theory, you could exchange your dollar proceeds from oil into local currency. But the amount of incoming dollars relative to the size of your local currency is so large that the peg would break, and your exchange rate would go through the roof. You are better off keeping the dollars, recycling them into US Treasury securities instead.

Despair

Ecuador adopted the US dollar in 2000 after a severe financial crisis destroyed the value of its currency, the sucre. Was it a success? Initially, yes. The move killed hyperinflation and stabilized the economy. However, Ecuador now had a currency it did not control, and the same holds true for interest rates. When oil prices — Ecuador's main source of revenue — dropped, the government was unable to devalue its currency.

A central bank acts as the ‘lender of last resort’. In a credit crisis, it can help to reliquify lending markets by purchasing assets (loans) and taking doubtful loans off commercial banks’ balance sheets. This prevents bank runs and enables credit creation to continue. However, Ecuador’s central bank cannot “print” dollars and create credit in a crisis. Unsurprisingly, Ecuador has defaulted on its external dollar liabilities twice already. Following these defaults in 2008 and 2020, Ecuador “survives” only thanks to dollar loans from the International Monetary Fund (IMF).

We now know why the world uses the dollar. Now, another question arises: Why does the dollar strengthen in a crisis?

The size effect

The US equity market has a market capitalization of nearly \$70 trillion and commands a 48% share of the global equity market. Foreign investors own a relatively small share of the US domestic market. Because of the sheer size of the US equity market, foreigners have a relatively small impact on stock prices.

In contrast, the German equity market has a market capitalization of \$3 trillion, comprising only 2% world market share. Notably, American investors own around a third of German stocks and, consequently, have a major impact on stock prices.

In a crisis, investors cut risk by withdrawing from foreign “adventures,” recoiling from less familiar markets. US investors repatriating money from German equity markets have a far greater impact on stock prices than German investors selling shares of American companies. This phenomenon intensifies crashes for the German stock market, while the US market is largely insulated from capital outflows and, more often than not, rebounds quickly.

The lending effect

A lot of dollar lending outside of the US is done in so-called eurodollars. To keep things simple, those dollars are created outside the US banking system. They are literally lent into existence by non-US institutions. The eurodollar is a currency without a central bank, even though its value is pegged to the US dollar. The Federal Reserve, rightly, does not feel “responsible” for those eurodollars. They are created outside the Fed’s jurisdiction. Also, they lie outside US regulations and were created without its blessing. Those eurodollars have no lender of last resort.

A credit crisis often begins with an innocent event: some borrower cannot service its debt. The bank licks its wounds, writes down the loan and takes a loss. It instructs the credit committee to be “more careful” going forward. After this event, the bank may decide to lend less aggressively or not to extend credit lines to certain borrowers. These borrowers then go on to knock on other doors, often without success.

The lack of a lender of last resort creates a potential instability for the eurodollar market. It is best compared to a game of musical chairs. As long as the music plays, the kids happily dance around and enjoy the party. When the music stops, a mad scramble for available chairs ensues and often ends up causing panic. Even the absence of a single chair throws the entire party into disarray.

In a crisis, forced repayments of Eurodollars often cause dollar shortages. This occurs because the loan proceeds have been invested in longer-dated assets that cannot immediately be liquidated. Access to on-shore dollar creation is only possible through a US financial institution willing to extend additional dollar loans, which will come at a price. In case of a severe shortage, the Federal Reserve might offer so-called dollar swap lines to foreign central banks, which, in turn, can use those to lend

dollars to financial institutions in their jurisdictions. The Federal Reserve takes neither currency nor counterparty risk — those remain with foreign central banks. Under the current US administration, the withholding of swap lines could be used as a weapon, even against countries formerly believed to be allies.

The flight to a safe haven

A similar phenomenon occurs on the investment side. When times are good, investors venture out on the risk ladder, often attracted by higher yields abroad. Currently, Brazilian government bonds yield above 13%, compared to just above 4% for the US. To invest in Brazilian bonds, you first have to purchase Brazilian reals using US dollars. This demand for reals appreciates the value of the Brazilian currency.

When a crisis hits, investors panic and retreat to the safest assets possible. Despite rising US debt and excessive money printing, US Treasuries remain the ultimate safe haven for investors worldwide. No other alternatives exist at scale. Investors sell Brazilian reals and buy US dollars. Hence, the dollar appreciates.

Everyone needs dollars to pay their debts, fund their trades and buy safe assets. In a crisis, though, dollars are flowing back to America. The most basic economic law of supply and demand tells us what happens next — the dollar appreciates as demand spikes while supply outside the US shrinks.

What does the Dollar Milkshake Theory predict

In a crisis, a stronger dollar makes everything worse for the rest of the world. Foreign companies with dollar debt suddenly owe more in their local currency. This creates more stress, more defaults and a greater flight of capital back to the US.

The US literally “drinks the milkshake” of global liquidity. This phenomenon happened both in 2008 and 2020: Despite financial crises and extremely loose monetary policy, the dollar strengthened as global capital fled to the only market big enough to absorb it. America’s financial dominance means even a crisis originating in the US strengthens America’s position.

Valéry Giscard d'Estaing, the late French finance minister and president, captured this phenomenon with the term *privilège exorbitant* — better known as “exorbitant privilege” in English — for the dollar. Simply put, this means that the issuer of the international reserve currency can issue debt at cheaper rates than other countries and run perpetual trade deficits with impunity.

Having a trade deficit means more stuff is coming into the country than leaving. It also means more money leaving the country than coming in. Every other country experiencing large, persistent trade deficits would inevitably see its currency depreciate. Recipients of the currency of a country running a trade deficit would want to exchange it for local money. An increased supply of this currency would exert downward pressure on its exchange rate value. Once this currency has a lower exchange rate value, exports would become cheaper and imports more expensive. This would encourage exports and discourage imports until, ideally, the trade balance would reach equilibrium.

This does not happen in the case of the dollar because of its status as the international reserve currency. Everyone wants the dollar, allowing the US to run persistent trade deficits. But such a status comes with strings attached.

Exorbitant privilege comes with a dangerous curse

As the international reserve currency, the dollar is hoarded globally. This stops the dollar from

depreciating and pumps up its value artificially. Over the last few decades, this persistent overvaluation caused a hollowing out of the US manufacturing base. The number of employees in the manufacturing sector declined from 20 million in 1980 to a mere 13 million today.

A strong dollar not only discourages exports but also encourages imports. It serves as a transfer of wealth from foreign workers to US consumers. The latter can afford a higher standard of living by spending less on imported goods thanks to the strong dollar. In contrast, foreign workers need to produce additional goods for export to satisfy their trade surplus. In exchange for goods consumed by Americans, exporting economies receive foreign-denominated IOUs — dollars. In aggregate, exporter nations will never be able to collect on these IOUs because this would require the US to run a trade surplus.

Being the issuer of the world's reserve currency is indeed an exorbitant privilege in the short term. In the long term, though, this privilege turns into a dangerous curse, hollowing out the industrial base and causing overindebtedness. This is not a desirable position for the economy of the world's reserve currency because industrial decline and overindebtedness inevitably lead to a financial crisis.

This phenomenon has occurred in recent history. Before the US, the UK enjoyed exorbitant privilege from 1815 to 1945. In 1815, when the Duke of Wellington beat Napoleon Bonaparte in the Battle of Waterloo, British national debt accounted for more than half of the world's traded securities. In February 1943, the pound sterling enjoyed 74.9% of central bank foreign exchange reserves. The story of British industrial decline is all too familiar to be repeated here.

Before the British pound, the French livre briefly had currency reserve status. The Dutch

guilder replaced the Spanish real, which substituted the Portuguese real. The Venetian ducat took the crown from the Florentine florin. Note that most reserve currencies lasted around 100 years.

In the case of the dollar, it seems inevitable that the milkshake becomes so big that it breaks the straw. America's monetary superpower has become so asymmetrically dominant that it destroys the host country, and with it the current monetary system. A dollar has no intrinsic value. It is neither backed by gold nor land. Ultimately, the dollar is a fiat currency. People around the world accept it out of convenience, practicality, necessity and other reasons enumerated above.

Most importantly, people accept the dollar because of trust in the US government. If that trust erodes significantly, people will stop using the dollar as a store of value, even if they continue to use it as a means of exchange.



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Arms (Nuclear) and the Man (Epstein)

Peter Isackson
February 06, 2026

Two chilling stories converge this week: The Epstein files reveal an oligarchy operating beyond democratic oversight, while nuclear arms control collapses into mutual mistrust. Both expose a world where power brokers recognize no constraints — where “trust” has become an abandoned relic and force alone governs.

This week has seen two instances of what I’m inclined to refer to as “devil-related news.” It’s a rarity in our secular age, but there’s good reason to think that devils may be making a comeback.

It wasn’t long ago that psychologist and author Steven Pinker was assuring us that the “better angels” had taken over the reins of history and were leading us into a neoliberal utopia devoid of violence. A quick glance at the news should convince us that Pinker’s better angels have unequivocally yielded power to a host of fallen angels. You could say that Puritan poet John Milton was a prophet, who in his epic poem, *Paradise Lost*, described the triumph of the archangel Lucifer who, after leading a third of the angelic host in rebellion, successfully revolted against the divinity and established his headquarters in the underworld. From that infernal vantage point, with no other weapon than a forbidden fruit, he successfully corrupted the entire human race (which at the time consisted of two individuals: Adam and Eve). Ever since then, as the original couple went forth and multiplied (from

two to eight billion), for Lucifer and his cohort of devils, it’s been business as usual.

This week’s hellscape began with a focus on the diabolical and is ending with the demonic. Monday’s infernal scoop turned around a deceased individual, sex trafficker Jeffrey Epstein. Friday’s story from hell addresses a vaster and more serious, but not unrelated, demonic issue: I’ll call it “nuclear neo-liberalism.”

This week, the US Department of Justice released 3.5 million pages of the famous “Epstein files.” The world was finally treated to the first batch of an explosive trove that every official in the Trump administration and even a CNN data analyst had dismissed last year as “a nothingburger.” The media are now feasting on the heavily redacted but nevertheless abundantly revealing titbits spread across the platter. And there’s plenty to digest, even if much of it appears nauseatingly indigestible.

Bannon and the Devil

One of the more spectacular morsels that has emerged is the video of a two-hour interview conducted by Steve Bannon. Most people remember him as Donald Trump’s evil genius back in his first US presidential term in 2017. The two-hour conversation was just a starter. It appears that Bannon recorded a full 15 hours of video with Epstein. These sessions were recorded shortly before the sexual predator and all-purpose spy was arrested in 2019. And therefore shortly before Epstein met a fate similar to that of his former mentor Robert Maxwell. According to one of Epstein’s own emails, though it was officially declared a suicide, Epstein accomplice Ghislaine Maxwell’s dad “was passed away” by his friends at Mossad.

The major passage from the interview that interests this Devil’s Advocate appeared at the

very end, when Bannon confronts Epstein with the question: “Do you think you’re the devil himself?” Epstein blinks twice nervously before trying to dodge the challenge by making a joke about possessing a mirror. He then asks Bannon, “Why would you say that?” Some might perversely interpret that as meaning: “How did you find me out?”

The troops of the investigative media have begun a massive quest to determine just how Satanic Epstein may have been. But the real issue the more serious commentators wish to focus on is more complex. It concerns the level of complicity of all those prominent members of the cosmopolitan elite who fraternized with Epstein. Although many of the names have been redacted, it includes some unlikely suspects, including serious thinkers and academics such as Noam Chomsky. There’s even a connection with the promoter of our “better angels,” Pinker, who, apparently out of ignorance, contributed to Epstein’s legal defense that preceded his conviction as a sex offender in 2008.

The serious question many wish to see answered is this: What are the systemic forces in politics and the economy that enabled Epstein to bring all these people together, who thus appear to form a secret, self-protective geopolitical oligarchy motivated by greed, power and manipulative pleasure? Yes, Trump appears as a major player, as does Microsoft cofounder Bill Gates and even Britain’s Labour Party political Svengali Peter Mandelson. His patent complicity with Epstein may well bring down the United Kingdom’s current prime minister, Keir Starmer. Epstein’s links with Israeli intelligence are now undeniable, but the influence and surreptitious activity he engaged in stretched across continents.

The public is finally becoming aware of how a class of visible and invisible power players have crafted and are running a system designed for their

comfort, pleasure, greed and narcissism. We now need to look beyond the anecdotal and seek to discover and describe how their power articulates with what we still believe to be the legitimate political authority of our liberal democratic institutions. Democracy, like beauty, may well be in the eyes of the beholder, but we can see more clearly today that it’s also in the tight grasp of an invisible oligarchy.

Going nuclear: from the diabolical to the demonic

Diabolical characters like Epstein fascinate the public. That’s why the media will continue — for weeks, months and years to come — to milk the Epstein files for all they’re worth. Characters who appear as devils in disguise driving the plot of a suspenseful drama have always been popular. Just think of the character called Vice in the medieval morality plays and Shakespeare’s Iago in Othello. Or more recently, Keyser Söze, Kevin Spacey’s character in the 1995 movie, *The Usual Suspects*. Fun fact: Spacey had his own connections with Epstein.

But beyond the world of entertainment, the world is facing a truly demonic and truly existential drama that has none of the sensationalism associated with Epstein’s circle of friends and associates. For that reason, it hasn’t managed to draw most of the media’s attention. *The Financial Times* is a notable exception. In Monday’s edition, it featured an article with the title, “A world without nuclear arms control begins this week.” A satirical journalist versed in black humor writing for *Private Eye* (UK) or *The Onion* (US) might be tempted (by the devil, of course) to append a subtitle after “...begins this week:” “And may end next week.”

Such satire would be no exaggeration. Every day, we hear serious analysts warning that within the next 24 hours, Trump may launch his

threatened assault on Iran, whose government entertains a strategic global relationship with two well-equipped nuclear powers: Russia and China. It has two declared enemies, both nuclear powers: the United States and Israel. Who today can afford to forget the price paid for the assassination of a mere archduke a century ago?

In its coverage, FT offers some cold analysis of the drama we might expect once the last remaining brake on nuclear proliferation disappears. It outlines the history of the failed relationship between the world's two most prominent nuclear powers throughout the course of the Cold War. Though many are tempted to focus exclusively on the question of the economic cost of a renewed arms race, the deeper issue of what FT calls "great-power atomic brinkmanship" concerns the increasingly fragile psychological state of a world that seems to have lost interest in maintaining guardrails of any kind.

This is where the link with the Epstein story becomes visible, on a cultural and psychological level. The serial sexual predator and so-called financial wizard epitomizes the kind of person who believes that his elevated status dispenses him from any of the constraints or limits that bind ordinary people's behavior. The quest of such people for wealth, prestige and pleasure appears to them its own justification. It defines them as superior beings not subject to most social and legal constraints.

Though the scale is very different, there is a factor that links Epstein's diabolical insouciance to the existential threat facing humanity due to the failure of today's nuclear powers to defend historical guardrails. The FT article cites this common factor multiple times without reflecting specifically on its importance. The concept is quite simply "trust," a traditional component required by every human culture, without which it will

implode. Let's examine some significant passages in the article:

"The treaty cessation brings to a close more than half a century of Moscow and Washington attempting, with varying levels of mistrust, to limit their respective arsenals."

Note the author's acknowledgement of "varying levels of mistrust" that obtained over the decades of the Cold War. Today, all "levels" have been abandoned. Mistrust alone has established its reign.

"Russian President Vladimir Putin has suggested that both sides could voluntarily continue to adhere to current limits when it expires. Donald Trump...has yet to formally respond."

Mistrust has thus become the default position. When the hope of trust can only be "voluntary," mistrust defines the norm.

"You cannot have a treaty that is better than the general status of your relationship. So the fact that there is no treaty is a reflection of what's happening."

This observation reflects the simple fact that we have reached the zero degree of trust. No one is surprised.

The article quotes former Russian President Dmitry Medvedev, known for his extreme but often brutally realistic rhetoric.

"There have obviously not been enough positive signals from the American side. Better not to have any [new agreement] than one that just covers up the mutual lack of trust and sparks an arms race in other countries."

Pavel Podvig, director of the Russian Nuclear Forces Project, appears hopeful but even when

expressing his optimism concerning what is possible and systemically required, he appears to acknowledge the absence of trust.

“It requires a fairly high degree of co-operation and trust and mutual respect. That is a good thing in this system.”

Matt Korda, associate director for the Nuclear Information Project at the Federation of American Scientists, sums it up in similar terms.

“The expiration of New Start is not really about New Start. It is about a broader pattern of mistrust and disinterest in arms control in general.”

Podvig understands the true stakes while noting that what he calls “the good thing” has been largely dismissed or forgotten.

“The value of New Start was not in the caps themselves but in this whole system of inspections, data exchange and notifications... It requires a fairly high degree of co-operation and trust and mutual respect. That is a good thing in this system.”

Have the kind of people who surrounded Epstein and who today exercise influence and power inside and outside our democratic institutions have even a vestigial notion of the value of trust? It doesn't seem so. Trump's “trusted” adviser, Stephen Miller, recently stated what he correctly describes as the philosophy of the Trump administration. He invokes what he sees as “the iron laws of the world” and explains that he's talking not about our concept of governance and democracy, but about “the real world ... that is governed by strength, that is governed by force, that is governed by power.” That may appear to violate traditional “American ideals,” but even among those who regret the open assault on democracy, it's a sentiment that is widely shared. US President Joe Biden's policies in many ways

reflected the same belief system. Its allergy to diplomacy, which Trump has attempted to attenuate, demonstrated a profound lack of interest in building trust.

Miller isn't wrong in his analysis. It's unlikely that Epstein, if he were alive today, would dream of contradicting him. Nor would Iago or Keyser Söze, if they were real people. The devils will have their day. Like Epstein's fortune, they can assert that “they earned it.” For the rest of the world, as nuclear midnight approaches, we can sit back and wonder if our days aren't numbered.

*[The Devil's Advocate pursues the tradition Fair Observer began in 2017 with the launch of our “Devil's Dictionary.” It does so with a slight change of focus, moving from language itself — political and journalistic rhetoric — to the substantial issues in the news. Read more of the Fair Observer Devil's Dictionary. The news we consume deserves to be seen from an outsider's point of view. And who could be more outside official discourse than Old Nick himself?]

[Lee Thompson-Kolar edited this piece.]



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The US Legal System Is Being Hacked

William Softky
February 06, 2026

The US legal system is being “hacked,” or acting non-functional as a result of bad inputs such as strict legal technicalities. Information and algorithmic theories, as well as three high-stakes hearings, demonstrate how the US legal system is being hacked to favor corporations over humans. Legal systems must refocus on live human judgement not only to protect people’s rights, but to implement the very law itself.

Once you understand algorithms, the US legal system starts to make more sense. Or maybe nonsense. In the neutral algorithmic terms of information flow and security, the US court system is being “hacked.” In a wide algorithmic sense, “hacking” is when a functioning system acts non-functional as a result of inputs going to the wrong place.

So, when I say that the US court system is being hacked, I mean that it is making rulings which are legally true, yet against the intent of the law. Too little common sense and too much technicality — legalism run amok — is tying the Law in knots. Informational concepts like data compression (reducing the bits needed to represent data) and legibility (or “legal cognizability,” the court’s authority to try a case without prior approval) explain how such strategies work, and can be stopped.

On January 5, I sat in a US Federal courtroom, hearing arguments in three cases which will determine the future of topics ranging from state violence to digital damage to children. These cases took place in the Ninth Circuit of the US Federal District Court, one of the highest courts in the US.

In the first case, Los Angeles Press Club v. Kristi Noem, the US Government argued that giving audible warning to a (peaceful) crowd before firing crowd-control weapons at people is burdensome, because audibility — making sure people can hear the warning and thus avoid injury — is “up to the whim of the crowd.” In the second case, an online company claimed that because their server sent an email, the court can presume the recipient was fully informed of (and thereby implicitly accepted) a term-of-use change depriving them of all US legal rights regarding the product, including its harms. Similarly, in the third case, an EdTech company claimed that because a child used their software at school, the software’s terms-of-use contract deprives the child’s family of all US legal rights regarding the product, including its harms.

All three cases demonstrate how the Law can be hacked. The culprits are compressed, non-human representations of human activities, such as contracts or disclosures, which assume for themselves the power of human judgement. But laws need context and live interpretation, which

comes from humans and not just other laws. The Founding Fathers had good reason to insist that only human beings be the judges and jury.

Hacking the Law has a historical precedent

Charles Dickens introduced the concept of “legal ignorance” in his novel *Bleak House* back in 1852. When a bypassed character in *Bleak House* named Gridley plaintively begged the Lord High Chancellor to recognize his complaint, the Chancellor’s response was, “I am legally ignorant of your existence.” Unfortunately for Gridley, a previous legal step deciding who belonged in the estate in the first place had left Gridley out, and now he was forever prohibited from even stating his case. That kind of legal gambit operates like a trap door, hard to reverse once triggered, however stupid the result.

That great book described a particular legal arena in Victorian England called “Chancery,” a kind of probate court gone rogue. A chummy network of lawyers and chancellors (judges) would pay themselves out of the estates they were supposed to administer, often draining the money entirely. Chancery was a travesty of justice, a perfect example of self-funded administration run amok.

In a narrow historical lens, Chancery began around the year 1000 as a royal document-issuing office. As with most administrative overgrowth, by 1400 Chancery had expanded beyond mere document issuing to include providing “fair relief” to petitioners in court. Over a few hundred years, the office became so parasitic it was abolished in 1872, twenty years after Dickens’ writing. In a wide algorithmic lens, Chancery illustrated the mathematical process of “leading indicator dependency,” a concept that explains the tendency of any learning system to make use of quick rewards and ignore long-term costs.

By blurring historical detail, this wide algorithmic lens covers a lot. On the one hand, leading indicator dependency can explain how creatures as simple as bacteria can be tricked into self-destructive behavior. In a strict sense, the motor systems of those creatures have been hacked. On the other hand, leading indicator dependency can also explain how systems as complex as Chancery evolve to exploit and defend their resource streams.

Chancery gained traction by creating and enforcing ever more specific contracts and technicalities which overrode common sense. That is, by creating and enforcing various minute Letters of the Law, Chancery collectively overwrote the Intent of the Law.

Now the same thing is happening in the US.

Hacking beyond the computer

We can understand this new hacking in terms of old hacking. Hacking the Law and hacking computers are similar, because computers and laws have similar structures, rules and loopholes. For example, software is organized in hierarchies — minutia atop foundational meta-categories, subclasses atop superclasses — while the law similarly stacks local jurisdictions atop county, state and federal, all on top of English Common Law. To decide what information to pay attention to, computers use protocols, handshakes, private keys and so forth, while the law uses standing, jurisdiction, appellate process and such. To categorize information safety, computers use address space, kernel space, sandboxes and user space, while the law tracks decisions, reasoning and precedents.

In both cases, once a bad decision becomes a precedent, it can spawn similar decisions, perpetuating itself. We know that in computers, security holes allow viruses, worms, malware,

kernel hacks, data breaches and countless other named and un-named ways to make the computer do what it shouldn't. We should expect the Law to be similarly hackable.

Most importantly, software and the law share a common weakness: they're both built on discrete categories, not the flowing real numbers of Nature. Nature has no sharp-edged borders anywhere. Made-up borders give categories, symbols and even logic an artificial certainty which doesn't hold up in real life. For example, in a computer, a single-bit error crashes the core; in politics, a constitutional ambiguity can incite revolution. Nervous systems aren't so brittle, being continuous in space and time to match the world they live in.

But even with the lubrication of natural bandwidth, Nature has hacking too. Hundreds of millions of years ago there were flying insects whose eyes saw specific colors, as well as plants whose pollen needed transport. To lure and reward the insects for transporting pollen, plants evolved special appendages and colors to tickle insects' visual systems. We call those attention-grabbing innovations "flowers."

In general, the colorful, aromatic attractants (flowers) hoisted up by plants benefit the insects they attract by providing edible pollen. But the coolest illustration comes from flowering carnivorous plants such as the venus flytrap, which both helps and hurts insects at once. Venus flytraps have a clutch of fatal fanged traps near the roots to capture prey, while higher up, on a very long stalk, a hospitable flower beckons other insects to visit and depart. Both catch and release. Two opposite flavors of sensory hacking.

In Nature, every kind of lure or camouflage — there are so many! — counts as an example of hacking. Humans are especially vulnerable to lures, especially when you consider how we hack

ourselves by things we make and by things we like.

Refined sugar is the best chemical for tickling human taste buds, making us want to swallow and eat more. Now the world manufactures enough sugar for 20 kilograms per person per year, damaging health because of being yummy. Tobacco is the most efficient way to dose dopamine (via nicotine), the neurochemical driving habit-formation. Modifying motor habits explains addiction, enough to overwhelm the damage done to lungs. Opiates, chemical keys to pleasure receptors, drive even more fatal addictions. Bright colors and sparkly things attract our eyes, just as they do insect eyes. That could explain why every culture uses color everywhere, and why people become addicted to colorful screen-delivered content. Likewise, pure tones and harmonies attract our ears, so we can hack ourselves by making music, or let earbuds do the hacking. Images and sounds of people tickle our social senses, making talk shows attractive to lonely people.

The wide algorithmic lens used here shows what these hacks all have in common: information compression. Tasting sugar (and/or fat) is a quick marker of caloric food, but it's only a marker, not a meal. Tasting dopamine ought to be the feeling of a job well done. Tasting opium ought to be the feeling of spiritual bliss. Attractive colors, sparkles, shapes, sounds and actors ought to be the first cues to interesting interactions. Unfortunately, as we know from real life, packaging can deceive, and will do so when it can get away with it.

Regardless of benefit or harm, what makes the hack a hack is the redirection of information. You can see it in how the "hackee" (the one being hacked) treats sensory input before and after. Before the hack, the hackee perceives the lure as a neutral collection of inputs to be investigated further from many angles. Therefore, the lure acts

as a high-bandwidth ingredient of interactive trust. After the hack, the hackee relies on those inputs as a trusted internal marker of what it believes, or of what it wants. That is, as a fixed, compressed marker of trust.

Principles of hacking legal systems

Hacking a legal system works pretty much like hacking an insect: you shift decision-making away from nuanced, context-aware interrogation into unambiguous, unquestionable categories of true and false. Before hacking a legal system, the law views contractual paperwork as ingredients in the live human conversation about what real people said and intended. That is, the Letters of the Law (thresholds and tests) are subservient to the Intent of the Law, as evaluated by in-person human trust.

After hacking, the law views specific paper clauses as determining everything else, including whether a human has any rights at all (e.g. by replacing court proceedings with private arbitration). That is, the Letter of the Law may contradict the Intent of the Law by overriding human trust. (This circular self-validation is how nonsense arises.)

The three appeals heard by federal judges (and overheard by me and friends) each recapitulate these features of hacking. Here they are:

Case 1: An attorney for the Department of Homeland Security (DHS) of the US Government argued DHS should not be bound by previous court rulings. He insisted that a prior court ruling which established that DHS engages in retribution should be ignored because the DHS charter contains a rule against retribution. That is, the failure of DHS to follow its own rule should be ignored because that same rule says it can't happen.

In a more chilling example, the attorney objected to the court's requirement that crowd-control officers give audible warning to people before firing on them with weapons. The court wanted people to be able to avoid harm, but the attorney said that determining audibility was subjective, being "up to the whim of the crowd."

The DHS attorney narrowly interpreted the don't-fire ruling as saying only that officers should not fire into a crowd containing the individual plaintiff who had won a lawsuit, but were otherwise free to fire on crowds without plaintiffs "of standing." When Justice Gould asked about the public's constitutional right to experience protests free from government intimidation and "chilling effects," the DHS attorney ignored him.

Case 2: An online company (Tile Inc.) does not want to be sued for harm caused by their product. To prevent the case from reaching court, they claim their new contractual terms banning lawsuits (in favor of corporate-friendly arbitration) hold sway. To make that claim, they insist that merely emailing the new terms to the customer was enough to make the new terms binding.

This was based on the rationale that upon receiving the email, the customer should have investigated and quit using the product. Upon hearing this argument, Judge Nguyen looked astonished and said, "I get thousands of emails a day, I could never read them all!" Exactly: the law contradicts itself. On the one hand, people are legally obligated to read every email. On the other hand, it is impossible to do so.

Case 3: A company selling so-called "educational technology" does not want to be sued for harms caused by their product. The argument is that the company, IXL (easily pronounced "I excel" in order to appeal to parents), harvests and then monetizes their users' data without their consent. Because they are an education platform,

most of their users are K-12 students. The “benefits” are suspect and the harms are real, which is why the lawsuit is necessary.

That smarmy background is necessary to appreciate the arrogance and cluelessness of the company’s following legal claims. Because a kid used the software at school, she could have read its legal Terms and Conditions. Because the parent did not pull the kid out of school, they implicitly accepted those terms. Because those terms ban lawsuits (again in favor of arbitration), this lawsuit alleging the product causes harm cannot be heard in US court. Now the parent and kid have no rights to rectify the harm, or even acknowledge it exists. The contract is so powerful, the instant your eyes behold its pixels, your rights evaporate.

This is the same deep point my partner Criscillia Benford and I spent two (unpaid) years shepherding through a prestigious AI journal. The point is worth making again: Trust is an interactive process dependent on physical context via high-speed interaction; it cannot be fixed or compressed. Compression throws away both data and interactivity, doubly undermining trust. While a compressed representation like a contract should point toward trust, to accept a compressed representation in place of real trust is dysfunctional.

Compression of data enables legal deception

The first evidence of written law in human history is Hammurabi’s Code, a collection of Babylonian laws. It outlined economic, family, criminal and civil laws — in other words, how humans interact. Contracts began in much of the same way: as written records of distinct human relationships. That is, as compressed representations. But although the contract was on paper (or clay), real live humans had to witness, write and interpret those contracts. The paper contract marked a live handshake or promise.

When the Founding Fathers wrote the US Constitution, they had human hardware in mind: in-person votes, public speech on soap-boxes, printing presses and trials in which accused faces accuser close to twelve attentive jurists. All of those in-person interactions, micro-expressions and nano-gestures provide the high-bandwidth validation of reality which any nervous system needs. Informationally, there is literally a million-fold difference between the bandwidth of a contract (a few thousand bytes of fixed text) and a sensory system processing real life (megabytes per second).

At first a contract couldn’t stand on its own, apart from the person who signed it. In case of disagreement, the contract’s counterparties could meet in person in court, and real people could decide in person whose interpretation is right. All that is changing fast.

One tipping point was the invention of the “corporation,” a fictional entity which has the same rights as a person, but is really just a set of contracts absent of heart or feeling. Once a non-human thing could have the (human) power to own and enforce a contract, it was only a matter of time before those fake-human entities also found ways to make The Law bend their way. Corporations began following written contracts more and following social contracts less. At the time of the Founding Fathers all business entities were actual people with families and opinions. Correspondingly, the main enforcement pressures were human: social contracts, social shame and threats of prison. Nowadays most businesses are abstract clouds of text with few identifiable owners and little human sense.

Governments bear equal blame for the accretion of nonsense. Once, governments merely collected taxes. Now, like administrations everywhere, governments create clouds of requirements as they try to exert more control over humans while

spending less human effort of their own. The result is too many rules: each separately followable in principle, but collectively overwhelming. Paperwork is a huge help in making rules, because paperwork stays put and can be validated. A test can stand in for understanding, a certificate can stand in for competence, a waiver or disclosure can stand in for permission.

New technologies of mistrust are everywhere

Unfortunately paperwork isn't paper any more. Compared to paper, electronic records are cheaper to broadcast in bulk, easier to lose, easier to fake and easier to use against you. And unlike paper and ink, electronic bits have no physical, testable trace of truth, and thus no trustworthiness. With paper, one often used "certified mail" or "process servers" to prove a message arrived and was seen. Now it can be enough to merely claim an email was sent based on a database entry, absent any other evidence it was seen or even arrived. But electronic bits tend to win for the simple reason that administrators receive the savings while humans bear the costs.

To be sure, electronic technology is technically neutral, at least until weaponized for gain. But that's happening. The formerly neutral field of "user interface," or human-computer interaction, has the active sub-field "adversarial design." Adversarial design produces adversarial interfaces, which use persuasive technology (pixels, colors) to hack a user's decisions against the user's interests. The law recognizes the user's decisions as binding, but does not notice the active deceptions which spurred them.

The worst innovation is automatic consequences. Now that machines can both record and execute, automated punishments (like red-light cameras) will be more prevalent, and will serve as precedents for even harsher auto-punishments.

California is evidence of hacking in action

Idiotic and/or dangerous rules and mandates are common in my home state of California, where attorneys craft so many laws. Each example of stupid legalism is ultimately a case of "technicality beats reality."

Nearly every public building in California bears a sign like this: "WARNING: Entering this area can expose you to chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm." The warning is useless to humans, because it offers neither details and magnitudes of the danger nor ways to avoid it. The placard only serves to let a lawyer mark a checkbox.

Electronic highway signs which display configurable messages sometimes flash two or three messages in succession, such as "Road work ahead" and "55 mph speed limit/will be enforced." Each message is on for two seconds, with "55 mph speed limit" and "will be enforced" two seconds each. In California drivers are legally required to read such signs, but at highway speed a driver could never see all three messages even if they take their eyes off the road for all six seconds. Furthermore, the final message, "Will be enforced," carries no information about enforcement.

Another example is the blinding headlights on the highway. Old regulations were established to keep incandescent lamps from being too bright. Thus, those regulations utterly fail at the task of reducing headlight brightness when applied to blue-enhanced LED bulbs. Someone should estimate the body count of those who crashed because of LED headlights.

Speaking of driving, across cities, Californians are seeing more and more self-driving cars. Self-driving cars are allowed to operate if a human

signs paperwork taking responsibility for anything that might go wrong. But no human nervous system can move fast enough to take over driving the instant an autopilot abdicates. The waiver is merely a way to shift blame away from the car company and toward the driver, nothing more.

As a more general example, office workers are often required to memorize a new random password every month without writing it down for security reasons. No one can do that. Similarly, many online activities require clicking a box asserting the boldfaced lie, “I have read and understood this contract...” No one ever reads and understands those things. Much like how the three cases I mentioned earlier attempt to hack the legal system, California has become a victim of hacking.

How to Hack-proof the Law

I am not an attorney, so I don’t know if the following ideas make legal sense. And I am not a politician, so I don’t know if they are politically feasible either. But as a lifelong engineer and scientist I know they would have the right effect on law anywhere in the world.

The Law must understand how nervous systems interact with information flows regarding trust. For example, informational toxins ranging from harsh blue lights to sociopathic chatbots do exist and cause harm, and will continue to be invented faster than any legislature can codify and regulate them. Disclaimers are a joke when applied to subconscious manipulation. Only a principled a priori understanding of trust will do, as described in my and Criscillia’s article, *Sensory Metrics of Neuromechanical Trust*.

All important decisions must be made by humans meeting in physical space, with the context-aware Intent of the Law always taking precedence over any particular Letter of the Law. The Law must also recognize that not all relations

are commercial contracts. Social contracts have always mattered more to society. The putative existence of a commercial contract should never override more important forms of obligation.

The current contract doctrine of consent-by-use should only apply to simple physical products whose functions and implications are obvious, such as hammers. The more abstract, complex, remote or interactive the product — online products are many steps removed from physical reality — the less presumption the user knows what’s happening, and the more responsibility the creator ought to bear. The idea that merely seeing some pixels deprives you of your rights is silly.

“Duty of care” (i.e., do not harm) should be expected of all products of all kinds, especially online products. Already, online products kill thousands of people — social media is known to have a negative effect on mental health. Such products hide out in the legal blind-spot between the immunity of so-called “publishers” and society’s blindness regarding informational toxins.

Humanity’s grand tragedy is twofold. On the one hand the laws of modern society are ever more mismatched to actual human function, and create ever more human dysfunction and misery. On the other hand the Law has always been and could only ever be driven by actual humans, its sharp edges smoothed by native human bandwidth. The Law hurts us, yet it still needs us.

[Cheyenne Torres edited this article.]



William Softky is a biophysicist who was among the first neuroscientists to understand microtiming, and among the first technologists to build that understanding into algorithms. Thousands have cited his scientific

work, his PhD in Theoretical Physics is from Caltech, his name is on 10 patents and two of the companies he inspired were acquired for \$160 million total.

Why Coffee Is Becoming Southeast Asia's Quiet Foreign Policy Tool

Kurniawan Arif Maspul
February 08, 2026

In Southeast Asia, coffee plays a crucial role in foreign policy and economic stability for major producers like Vietnam and Indonesia. As climate challenges and regulatory changes emerge, the coffee industry represents trust and rural livelihoods against urban consumerism. However, smallholder farmers continue to struggle for fair compensation, highlighting the imbalance in the coffee economy and the necessity for sustainable practices.

Coffee rarely announces itself as foreign policy. Across Southeast Asia, nations are turning it into a quiet, aromatic instrument of power, trust and survival in a region where supply chains, rather than slogans, increasingly shape geopolitics.

From the volcanic soils of Indonesia to Vietnam's Central Highlands, coffee now sits at the intersection of economics, climate stress, tourism and diplomacy. This is not a lifestyle story. It is a strategic one.

Southeast Asia today anchors the global coffee economy. Vietnam is the world's second-largest producer, harvesting an estimated 31 million 60-kilogram bags in 2025–26, generating export revenues approaching \$8 billion amid historically high prices. Indonesia follows closely as the fourth-largest producer, supplying more than 11 million bags annually, with exports exceeding 6.5 million bags despite climate volatility and aging trees. Together, these two countries shape global Robusta markets at a moment when climate shocks in Latin America and Africa have destabilized supply.

This scale matters. Coffee is no longer a peripheral commodity. It is a macroeconomic stabilizer, a rural employer and a diplomatic asset. In Vietnam alone, more than 600,000 households depend directly on coffee cultivation, while export prices surged by over 50% year-on-year in early 2025 amid global shortages. Indonesia's sector is even more socially embedded: around 98% of coffee farms are smallholdings of one to two hectares, binding the livelihoods of millions to global demand and regulatory decisions far beyond the archipelago.

The challenges faced by coffee growers in a global market

The European Union's new deforestation-free supply chain regulations, which will fully come into force in 2025, have effectively made coffee a test case for credibility. Vietnam has responded by fast-tracking traceability systems and aligning national standards with EU requirements, seeing compliance as a competitive advantage rather than a burden. Indonesian cooperatives, especially in Sumatra and Sulawesi, have expanded organic and Fairtrade certification, with about 25 certified cooperatives now operating across the country, nearly all of which are organic. In a fractured global trading system, reliability has become the currency.

Coffee also exposes a deeper paradox in Southeast Asia's development model. Urban café culture is booming. Thailand's coffee consumption has more than doubled in two decades, while Malaysia and the Philippines rank among Asia's fastest-growing consumer markets. Cafés have become social infrastructure — places of work, dissent and aspiration. Tourism agencies now market coffee trails with the same enthusiasm once reserved for beaches and temples, from Sarawak's Liberica farms to Laos's Bolaven Plateau.

Yet value continues to pool at the top of the cup. The Institute of Southeast Asian Studies (ISEAS — Yusof Ishak Institute) notes that while café profits and tourism revenues surge, these gains do not necessarily translate into increased incomes for coffee growers or into sustainable production. The imbalance echoes older commodity traps seen in cocoa and sugar: smallholders absorb climate risk while global markets capture margins.

Diplomatic implications of coffee diplomacy

Laos provides a rare example of an alternative approach. On the Bolaven Plateau, more than 20,000 farming families rely on coffee, making up about 6% of the country's employment. The Bolaven Plateau Coffee Producers Cooperative, established in 2007, now brings together over 1,800 smallholders and exports over 1,000 tons each year via direct, relationship-based trade. Japanese buyers focused on quality improvements instead of certifications, creating a trust-based value chain that sidesteps traditional extractive models. This isn't charity; it's a strategic partnership built on mutual dependence.

The diplomatic implications are increasingly explicit. Indonesia has institutionalised "coffee diplomacy," presenting regional blends during state visits and trade missions to symbolise unity in diversity while quietly opening markets for

premium beans. Vietnam deploys coffee at embassies and trade expos as evidence of industrial maturity and regulatory reliability. These gestures are not soft symbolism. They align culture with commerce at a time when middle powers must differentiate themselves through credibility rather than coercion.

Comparison sharpens the picture. Latin America professionalised coffee decades earlier but remains exposed to price cycles and cartel politics. Africa retains ceremonial depth but struggles with infrastructure. Southeast Asia's distinctive contribution lies in its integration: domestic consumption growth, export diversification, tourism linkage and state-led coordination unfolding simultaneously. Few regions combine scale, cultural embeddedness and policy ambition in this way.

Why Southeast Asia's coffee future matters to Australia

Climate change, however, threatens to unravel the balance. Rising temperatures are pushing Arabica cultivation to higher altitudes, while erratic rainfall reduces yields across Vietnam and Indonesia. Without coordinated replanting and climate-resilient varieties, productivity risks long-term decline. The absence of a regional replanting drive, noted repeatedly in United States Department of Agriculture (USDA) assessments, is a strategic vulnerability disguised as inertia.

For Australia, this matters more than caffeine. Southeast Asia supplies the bulk of coffee consumed domestically, while Australian aid, climate finance and trade diplomacy increasingly intersect with agricultural resilience. Coffee is a live indicator of whether regional supply chains can adapt to climate stress without social fracture. It is also a test of whether sustainability rules imposed by wealthy markets strengthen or hollow out neighboring economies.

And while the immediate frame is the Association of Southeast Asian Nations (ASEAN) and Australia, the cup reaches well beyond our region's shores — coffee is a truly global conversation. Consumers in Europe, North America and East Asia sip a product grown in Southeast Asian soils. Hence, the policy choices made in Canberra and Jakarta ripple through roasteries in Milan, cafés in New York and supermarket aisles in Tokyo. That means wealthy markets must share responsibility: not only by demanding deforestation-free, traceable beans, but also by financing technical assistance and long-term purchasing commitments that let smallholders meet those standards without being driven off the land.

The politics embedded in everyday consumption

Equally, multilateral forums — from the International Coffee Organization (ICO) to climate funds and trade fora — need to treat coffee as a cross-cutting test case for how to marry green rules with social protection. If we get this right, we can transform coffee into more than an export commodity. It can serve as a scaffold for global cooperation. It can showcase what equitable decarbonisation looks like. Additionally, it can demonstrate that we can brew ethical consumption and diplomatic goodwill together.

Coffee ultimately reveals the politics of everyday life. It shows how climate regulation becomes trade leverage, how tourism reshapes rural economies and how trust replaces power in a crowded region. In Southeast Asia, the cup on the table carries centuries of colonial history and decades of development ambition. What now emerges is something newer and more fragile: a regional attempt to transform an extractive past into a cooperative future.

That experiment deserves attention — not for its romance, but for its consequences.

[Liam Roman edited this piece.]



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Iran, Gaza and the Politics of Conditional Solidarity Within Western Activist Circles

Swapnarka Arnan
February 10, 2026

Global solidarity is complicated by strategic alliances formed out of necessity rather than shared beliefs, especially in struggles involving Iran and Palestine. Conditional compassion often leads to selective defense of human rights based on political loyalties, leaving many

oppressed groups overlooked. True solidarity requires acknowledging multiple truths and opposing all forms of oppression without compromise.

Last summer, I lived in Athens, volunteering with a nongovernmental organization (NGO) that provides food to refugees and people experiencing homelessness. I stayed in Exarcheia, a neighborhood that some of my friends warned me about in advance. They described it as dangerous, overrun by anarchists, radicals, even criminals.

What I found instead was warmth. The streets were alive with political graffiti, cafés run by refugees and conversations that stretched long into the night. People spoke openly about injustice and weren't afraid to take clear moral positions. I loved it.

One afternoon, however, a contradiction stopped me in my tracks. On one wall, a poster condemned Turkey's violence against the Kurds. Just meters away, another glorified the Iranian regime and its so-called "axis of resistance" — an authoritarian state notorious for repressing Kurds, crushing dissent and executing protesters.

The contradiction was hard to miss.

I understood the frustration behind it. Many people are desperate for anything that might challenge Israel's military dominance and Western hypocrisy over Palestine. The regime in Iran presents itself as part of that resistance. But when did defending one people start requiring excuses for another's oppression?

This question goes far beyond Athens. It sits at the heart of how global solidarity is practiced today, particularly in relation to Iran and Palestine.

The complexity of solidarity in a polarized world

Since the protests in Iran and violent retaliation by the regime, which left almost 30,000 dead, social media has been flooded with massive support for the protestors, but also a loud and sizable number of people supporting the regime.

One famous UK-based political commentator, widely followed for her solidarity with Palestine, tweeted, "I heard the regime killed everyone. There's no one left in Iran 🤔," which was seen by many as sarcastically dismissing or mocking the killings of protestors. She would later go on to claim that "many Muslims do want to live under a theocratic system — and many women support mandatory hijab," all while Iranians were protesting the regime that has murdered women like Mahsa Amini for not wearing the hijab properly.

Another influencer on Instagram referred to Iranians who want to cancel Huda Beauty founder Huda Kattan for not standing with the Iranian protestors as being "Spiritually Israeli."

Prominent Iranian-American left-wing activist Ariana Jasmine, who has been very vocal on Palestine and progressive issues in the US, has also shared how she has seen the Iranian movement being dismissed as a Central Intelligence Agency (CIA) or Mossad operation by fellow leftists. She even disabled comments on her posts because of the backlash she faced for supporting the protests in Iran, underscoring how ideological loyalty has, for some, overtaken solidarity with people resisting state violence.

Many have also noticed the prevalence of Israeli flags in anti-regime protests held abroad. This, along with some Iranian opposition leaders receiving support from Israel have also been used to criticize the movement as being "Zionist

aligned,” which even the regime uses to delegitimize the protests.

Something similar is done to supporters of the Palestinian cause. Supporters are routinely accused of being apologists for Tehran, supporting Hamas’ oppression of the LGBTQ community or of ignoring Palestinian ties with China, despite Beijing’s repression of Uyghur Muslims.

The implication is simple: if Palestinians accept backing from morally compromised governments, then their cause itself must be morally compromised. These have become common talking points for the Western right, who, while condemning Iranian and Chinese abuses, continue to arm and support Israeli aggression in Palestine.

Similarly, Iranians taking help from the US or having the support of Israel are labeled as being complicit in Neo-Imperialism and being in opposition to leftist international goals. This is what conditional compassion looks like. Human rights are defended when they align with political loyalties and quietly abandoned when they complicate a preferred narrative.

Strategic alliances vs. moral endorsement

Opposing such hypocrisy does not require pretending that oppressed movements operate in a moral vacuum. In international politics, shared values are a luxury; shared interests are a currency. Movements under occupation, siege or dictatorship do not get to choose allies from a menu of ethically pristine options.

Palestinian factions did not turn to Iran or China because they admired theocracy or one-party rule. They did so because Western powers were aligned with Israel, and alternatives were scarce. To mistake this for ideological devotion is to misunderstand how stateless or semi-stateless movements survive.

A drowning person does not ask who is offering the saving hand.

The same logic applies to Iranian opposition movements. Protesters confronting the Islamic Republic face a state with prisons, militias and oil wealth. Some opposition figures accept support from abroad, openly or quietly, not because they dream of becoming proxies, but because external pressure is one of the few tools available against a deeply entrenched regime.

Seeking help from abroad isn’t new; strategic alliances abroad were formed by revolutionaries and freedom fighters throughout history, from the US to the Philippines to Bangladesh.

In fact, during World War II, Indian independence leader Subhas Chandra Bose sought support from Imperial Japan to fight British rule. Bose was not a fascist or imperialist; in fact, he was a Socialist, but his move reflected a grim reality: oppressed movements often make decisions that look indefensible from a distance and inevitable from within in order to survive.

Understanding this does not require approval. It requires maturity.

The problem begins when alliances of necessity and strategy are mistaken for alliances of belief. When Palestinians are dismissed as “pro-Ayatollah,” or Iranian dissidents are written off as “Zionist-adjacent,” the complexity of the situation gets oversimplified. These labels are not about understanding reality; they are about deciding who deserves sympathy.

The Iranians know this dynamic well. When Israeli forces bombed them, many on the left denounced such actions, and rightly so. But when the Ayatollah regime executes Iranians, it does not fit neatly into the “anti-imperialist” script, so their deaths are often met with silence.

Tactical cooperation should never be confused with moral endorsement. Accepting support from a powerful actor does not require silence about that actor's abuses. When movements or their supporters begin excusing or denying the crimes of their benefactors, something essential is lost.

The importance of principle-based solidarity

Solidarity rooted in principle still matters. Defending Palestinian rights does not require minimizing Iran's repression of Kurds or women, or China's treatment of Uyghurs. Supporting Iranian protesters does not require celebrating Israeli military violence. We should be capable of holding more than one truth at a time.

Too often, today's discourse demands purity from the powerless and indulgence for the powerful. Oppressed communities are interrogated for every strategic alliance, while states with vast resources are excused as "complex." This tells us less about ethics than about comfort.

Human rights are supposed to be universal. That is the point. When compassion becomes conditional, the people who fall through the cracks are always the same: Kurds, Palestinians, Iranians, Uyghurs and countless others whose suffering refuses to conform to someone else's politics.

Recognizing this does not cheapen justice. It brings us closer to it.

[Kaitlyn Diana edited this piece.]



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The Dialectic: Narendra Modi's Vegetarian Stalinism Has Ruined the Indian Economy

Glenn Carle, Atul Singh
February 12, 2026

In this episode of *The Dialectic*, Atul Singh and Glenn Carle explain how India's current leader has rolled back the 1991 economic reforms, restoring the extreme centralization of the socialist 1970s. Competitive populism and crony capitalism have led to a dumbbell economy where the babu (bureaucratic) state torments the middle class through tax terrorism. Additionally, terrible policies implemented arbitrarily have wrecked small businesses, and cooking up economic data has destroyed investor confidence.

Editor-in-Chief Atul Singh and FOI Senior Partner Glenn Carle, a retired CIA officer who now advises companies, governments and organizations on geopolitical risk, turn their dialectic eastward to examine India's political

economy under Indian Prime Minister Narendra Modi. Atul uses a provocative metaphor — “Vegetarian Stalinism” — to describe the current governing model of India.

Glenn responds with humor and irony:

Looked at from outside, as a non-Indian India hand, India follower, the picture that has been painted, that one thinks one sees at least in part, is that Modi and his party have said they wanted to decentralize the economy, deregulate the economy and energize the private sector, that there has been a sea change in Indian culture at least among the ruling elites recognizing that colonial centralization, top-down government and socialist economies are less able to provide growth, wealth, health and so on than a well-regulated market economy and that huge changes are underway.

Glenn goes on to ask:

What exactly is happening then? What is Modi doing to the economy? Does he know — and I am not being facetious here — does he know what he is doing? Does he believe what he is doing is the opposite of what is happening? Many socialists I have known, quite sincerely, told me that all was going as well as possible in the best of all possible worlds, even as their economies and societies were imploding. So, tell me what is happening?

Atul clarifies his metaphor by pointing out that Modi is no Joseph Stalin. Unlike the Soviet strongman, Modi is not killing millions and sending hundreds of thousands to the gulag. No Lavrentiy Beria is raping and killing young daughters of Indian citizens. However, Modi is certainly centralizing power in the same way as Indira Gandhi did during the heyday of socialism in the 1970s.

The anatomy of Vegetarian Stalinism

Stalinism is a form of Marxist government in which all power is concentrated in the hands of a single ruler. In this deterministic political theology, capitalism is the final state of human development after which communism would emerge worldwide and the state itself would dissolve. Communism was the creation of an elite that saw the masses as needing help and itself as the vanguard of a political revolution. This elite seized power from the exploiters — the Tsarist elite — through a bloody revolution and placed all levers of production in the hands of the state. The new communist elite assumed all power, claimed the absolute right to the truth and the right to tell the people how to be free.

Joseph Stalin took over the reins of power of the Soviet state and was not just murderous but really genocidal. This Georgian (the country in the Caucasus) began by destroying his rivals and ended up killing millions. Stalin was training to be a priest. He walked out of his seminary. In came Karl Marx’s tomes and out went the Bible.

In Stalinist theology, the ruler claims complete authority over truth, economic life and social behavior. An elaborate state apparatus enforces the ruler’s authority. Stalinism was not just authoritarian but totalizing, eliminating rivals and suppressing feedback. Stalin did not spare his rival Leon Trotsky, even when he fled to faraway Mexico despite his mythic leadership in the 1917 Russian Revolution and in creating the Red Army.

Post-independence India was greatly inspired by the Stalin-led Soviet Union and adopted a socialist economy. The colonial bureaucracy came to occupy the commanding heights of the economy in addition to the state. The Indian Civil Service (ICS) of the British Raj became the Indian Administrative Service (IAS) and gained even greater powers post-independence. In 1976, Prime Minister Indira Gandhi amended the constitution to declare India to be a socialist country and created a

license-permit-quota raj where the babu (bureaucrat) was king.

While Pakistan became, in the words of the scholar Ishtiaq Ahmed, a garrison state, India became a babu state. Under Modi, this babu state is back. It secures compliance of citizens by tormenting them through administrative red tape and interminable judicial proceedings. As Atul points out, “You’re not sent off to the gulag but the Enforcement Directorate or the Income Tax [Department] or the Central Bureau of Investigation shows up at your door.” They start proceedings in court, which often last a decade or more. People end up traveling to dusty offices or decrepit courts, waiting interminably and wasting time, money and energy for years. They might end up innocent in court, but might be bankrupt by the end of their judicial ordeal. The Indian system is not Kafkaesque; it is Kafka.

Three features define the political system under Modi. First, Modi has centralized power to an excessive degree. Like Stalin, he wants all power for himself. The Prime Minister’s Office (PMO) is all-powerful now, and elected leaders in the ruling Bharatiya Janata Party (BJP) count for less than nothing. Modi exercises power not through the BJP but through a colonial-era bureaucracy led by the IAS. A coalition of big business, the bureaucracy and the BJP runs the country with an iron fist. This has led to a top-down babu state that lacks feedback loops of freer economies. Unlike a fascist system, this babu state does not corporatize or industrialize. Instead, India’s babu state has paralyzed the economy through bureaucratic oppression of the citizenry.

The perception and the reality

Glenn points out that the standard external perception of India is rather positive. From the outside, Modi appears to have deregulated, energized the private sector and presided over

major infrastructure expansion. Glenn notes that when he visited India, the infrastructure was improving. Construction was underway on roads, airports and other logistics projects.

Atul says that we have to give credit where credit is due. Modi has an outstanding minister named Nitin Gadkari, who is efficient and dynamic. Improving infrastructure, a historic weakness, counts as a genuine achievement for the Modi government. It has also ameliorated the lives of hundreds of millions through better micro welfare measures. Thanks to direct bank transfers, the spread of digital payments and identification based on India’s Aadhaar ID system, leakages in welfare delivery have decreased greatly. So, less government money is stolen or wasted in welfare programs. Indians are better fed, taller and live longer than before. This is indeed an impressive achievement.

Economic growth rates have been volatile but remain relatively high. Note that achieving high growth rates is easier for developing countries than for advanced economies, though. Since India is operating from a low base, a higher growth rate is easily achievable. The World Bank tells us that India’s per capita income is only \$2,694.7, which leaves a lot of headroom for growth.

Also, India’s economic numbers are no longer reliable. The International Monetary Fund (IMF) has given India a “C” grade (the second lowest) for its national accounts data. India failed to get the A (adequate) and B (broadly adequate) ratings. A C rating means economists, investors, and policymakers fail to get a completely accurate and timely picture of the Indian economy. Atul’s sources in the IMF, the World Bank and the Indian establishment reveal that the Modi government has cooked up its books, fiddled with the numbers and gamed World Bank indices. For example, the government has made it super easy for anyone to get electricity in Delhi and Jaipur, which are the

two cities World Bank measures. They reveal that the improvement in ease of doing business in India is largely a myth and the World Bank's indices for India are misleading.

India's inflation figures are now highly misleading. Per government figures, inflation was 0.71% in November and 1.33% in December. Many fear that the government is fiddling the numbers. Atul's mother Sudha believes that either Nirmalanomics is right or Sudhanomics is right. Finance Minister Nirmala Sitharaman must be either unaware of the cost of groceries or is lying about inflation figures.

Yet it is true that inflation under Modi on average has been 5.1% per year, lower than 8.1% under his predecessor Manmohan Singh. However, growth has been lower too: 6.8% per year under Modi in contrast to 7.7% under Singh. The rupee has fallen under Modi too. It was less than ₹60 per USD when Modi was elected and is now more than ₹90 per USD.

Atul makes the point that Modi is super sharp. He is cunning and charismatic. The prime minister is a decent orator who wins election after election. Yet Modi is not terribly well educated and began life as a teaseller. The prime minister has the instincts of a control freak who believes he will wave the wand and the elephant will dance. Fundamentally, Modi does not understand economics and policymaking.

The toxic legacy of the past

India became independent on August 15, 1947, two years after the end of World War II. Independent India chose socialism because it had been traumatized by British rule. The British had stripped India bare, engaged in an exploitative transfer of wealth and life expectancy was just 32. Remember the East India Company conquered India, not the British state.

At that time, the Soviets, communism and socialism seduced many Indian leaders. Vladimir Lenin's Imperialism, the Highest Stage of Capitalism was deeply influential. Many subjects of imperial powers who were Western and capitalist were looking for alternatives. Other than nationalists around the world, the only party supporting independence movements was the Soviet Union. The US only paid lip service to these struggles. It was a capitalist power that was the inheritor of the British Raj.

Mahatma Gandhi chose Jawaharlal Nehru as his successor. Gandhi was from the trading caste, believed in small business and freer markets. Nehru was a Brahmin who had gone to Cambridge and was deeply influenced by socialism. He was very impressed by the Soviet Union where he went to fake factories where actors pretended to be workers and managers, and ate together.

Nehru inherited an imperial state, a shadow empire with widely disparate parts that he tried to yoke together with the slogan "unity in diversity," Gandhi's center-right followers, including his relatives, were marginalized. Nehru was an idealist who brought in Soviet-inspired five-year plans, started the Indian Institutes of Technology, tried to create a public sector and built large dams to increase agricultural production. By the time Nehru died, India had become an elected monarchy.

Yet, at the end of the day, Nehru was using a colonial state to impose socialism. Harshan Kumarasingham, an outstanding scholar, has come up with the idea of the Eastminster model to describe former colonies. The British Viceroy in these colonies left for the UK and so did many of his officials. The brown sahibs moved into their bungalows and became even more power drunk because they acquired overweening powers under socialism. There was none of the Anglo-Saxon

philosophy or parliamentary tradition of the UK to keep the brown babus in check.

Under Indira Gandhi, Nehru's daughter, India lurched left and embraced hardcore socialism. She nationalized banks, promoted her sons and destroyed inner-party democracy in the Congress. Indira was charismatic, decisive and capable in many ways but also paranoid, a control freak and very dynastic. She destroyed all rivals in the party and ruled the country through the IAS who came to be more powerful than erstwhile feudal lords. Its predecessor, the British-era ICS, was the steel frame of the empire. British collectors ruled districts as representatives of the Viceroy. Their job was to collect revenue from these districts and send them on to London. Today, IAS officers, often in their early 30s, are district collectors who wield all power. Elected mayors or officials are toothless tigers with no power.

Today, the IAS has greater power than the ICS. During British days, the Surveyor General of India was a military man and an archeologist headed the Archeological Survey of India. Today, IAS officers head both these organizations. In the US, the UK, Japan and elsewhere, an economist heads the central bank. An IAS officer heads the Reserve Bank of India (RBI) despite never having studied any economics. In India, the IAS occupies the commanding heights of not only the state but also the economy.

Montesquieu's philosophy of separation of powers that involves checks and balances does not exist in India. In addition to the sclerosis of the system, there is a moral aspect: Power corrupts and absolute power corrupts absolutely.

After independence, India came to have political freedom but not economic freedom. Today, it is a land of elected monarchies. The prime minister of the country and the chief minister of India's 28 states rule like kings and

queens with a handful of IAS officers. Members of the IAS have no domain specialization. One day, they run agriculture, another culture and a third day finance. They are the winners of the annual civil services examinations that tests for all services from diplomats to auditors. The reservation system means that 50% of the seats are for those of lower castes. So, anyone who misses the IAS lives a life of simmering regret.

The annual civil service examination does not test for aptitude. Most people coming into the elite bureaucracy come for a fat dowry and a fatter marriage. More people of humble backgrounds are getting into the IAS and other civil services but they are far more corrupt than their more affluent predecessors who served the Indian state in the past. Since the judicial process in India does not work, there is no accountability for the IAS officers. They do as they please and are answerable to no one. There are indeed heroic IAS officers who proverbially work 25 hours a day but India remains a flailing state because the colonial system no longer works.

The dangers of competitive populism

In 1991, India liberalized its economy. The IAS and other babus lost power. Indian growth rates went up but the state shrunk and politicians lost some of their power. When Modi came to power, the IAS sold him the story that they were the best and brightest of India because they had cleared the world's toughest examination. As a control freak, Modi bought into the idea and the IAS came back.

Modi inaugurated the era of what noted analyst Manu Sharma and Atul have called Sanatan Socialism or what noted economist Arvind Subramanian has called "New Welfarism" has led to a number of populist welfare schemes that have indeed benefited millions. No less than 810 million get five kilograms of free food every month.

The BJP is not an exception. Every party is promising freebies. The Congress is the grand old party of India led by an energetic chap. Rahul Gandhi, the great grandson of Jawaharlal Nehru and the grandson of Indira Gandhi, has walked all the way from the south to the north of the country. This blue-blooded heir of the Nehru dynasty does not see a rollback of the state. The Samajwadi Party of Uttar Pradesh, Atul's ancestral state with 240 million people, is socialist too. Samajwad literally means socialism and its name translates as the Socialist Party.

The new Aam Aadmi Party (AAP) is promising free water and electricity. In West Bengal, the Trinamool Congress (TMC) is run by a former Congress leader and was ruled by communists for decades. West Bengal is a basket case with hardly any business left in the state. Kolkata, the former imperial capital of India and the capital of West Bengal, is a shell of its former self. Tamil Nadu, a relatively better-run state with industry, is ruled by a politician called Muthuvel Karunanidhi Stalin known as M.K. Stalin or just Stalin of the Dravida Munnetra Kazhagam (DMK). You have guessed right — he was indeed named after Stalin.

The Swatantra (Freedom) Party and the Bharatiya Janata Party (BJP) were the more free market parties in the past. The former died decades ago and Modi has taken the BJP in a statist direction. Now the three Bs — the BJP, big business and babus — have created a nexus that promotes oligopolies and monopolies. India now has the Adani-Ambani problem. The two big business houses control almost everything. Modi's compliance raj has replaced the license-permit-quota raj.

Modi's catastrophic policies

Two catastrophic policies have done incalculable damage. Demonetization in 2016 destroyed small and medium businesses. Modi arbitrarily

withdrew high-denomination notes, causing massive economic dislocation in the country. In 2017, he rolled out the goods and sales tax (GST), a good idea in principle, in the middle of the financial year to disastrous results. The black economy, which was an estimated 60% of the Indian GDP, crashed.

There is a real argument to be made that India's real GDP has actually shrunk under Modi. The cataclysmic demonetization and horrendous implementation of GST was a double whammy that killed off millions of small and medium sized businesses, many of which were a part of the black economy. Even assuming high growth, the real economy might have gone down from 160 to 100 by the end of 2017 and is yet to rebound to its pre-2016 level.

Today, the most important thing affecting taxpayers is tax terrorism. The tax babus under Modi have become increasingly arbitrary, extortionate and draconian. An American company was charged by the customs department for underinvoicing and by the income tax department for overinvoicing. Clearly, both of them could not simultaneously be right. Both departments were sending out inflated tax notices to meet top-down targets. People and businesses have to deposit 10% of the claimed amount and then fight it out in court. Millions of cases are stuck in Indian courts for an indeterminate period. The Indian system is not Kafkaesque but Kafka.

Given such catastrophic policies, businesses have collapsed. There are no jobs. Wage suppression and financial repression are destroying the middle class. Animal spirits are really low, a culture of fear prevails and demand has cratered. India is experiencing deindustrialization: Manufacturing has gone down from 17% to 13%, a similar level to 1965.

Protectionism through the back door means that tariffs and non-tariff barriers make goods expensive for the middle class. Thousands of quality control orders make it difficult for smaller American or European businesses to export to India. The same car costs more in India than in the US. Petrol costs much more in India than in the US thanks to taxes. Direct and indirect taxes are now extortionate. Atul's business executive friend speaks about a rupeeization of incomes and dollarization of expenses. The middle class is feeling the squeeze.

Foreign direct investment (FDI) has evaporated over the last two years: 2024 and 2025. Foreign institutional investors (FII) have been pulling significant money out of Indian equities since 2024, marking their biggest exit year in 2025. Capital and talent are fleeing India. Earlier 100,000 Indians left India every year. Since 2022, 200,000 Indians have been voting with their feet and leaving the country.

Modi promised "minimum government, maximum governance" but has delivered "minimum governance, maximum government." Doing business in India today is like pulling teeth, your own teeth, and is incredibly painful.

US President Donald Trump's tariffs are hurt dollar earnings and India needs dollars for imports

If the US acts against Iran and oil prices hike, India faces a 1991-style balance of payments crisis. Two other crises that are hurting the economy: rising pollution and decreasing water. The air pollution in Delhi is hazardous. Ground water is falling, glaciers are melting and river flows are declining.

The Modi government has some real achievements but has made one historic blunder. He has recentralized like Indira Gandhi and brought back a new form of Emergency. Modi has

filled his cabinet with sycophants with no competence who focus on slogans, not substance. They are lightweights with no competence. The Modi government makes lots of announcements but with little implementation. An economist comments that the government has a half-assed everything must happen now approach which gets nothing done.

The Modi government has an obsession with perception management. Cabinet members are fixated with Twitter (now X) and Instagram. Atul's classmate Ashwini Vaishnaw is called Reel Mantri (Minister) because is always posting Instagram Reels. He holds three ministries. Vaishnaw is the 39th Minister of Railways, the 35th Minister of Information and Broadcasting and the second Minister of Electronics and Information Technology since 2024. Finance Minister Nirmala Sitharaman is ignorant and arrogant. Neither Vaishnaw nor Sitharaman have been elected or are electable.

An example of the orgy of incompetence is IAS Officer Shaktikanta Das. As head of RBI, India's central bank, he blew \$70-\$100 billion of foreign reserves in a misguided effort to maintain the price of the rupee. He also launched a disastrous tax-free gold scheme that cost the government many tens of millions. Instead of being punished, Das has been rewarded for his catastrophic reign by being made No. 2 in the Prime Minister's Office. An English partner when Atul was a lawyer once quipped, "Only two things float to the top: shit and cream." Atul leaves the listener to conclude what is floating at the top of the Indian system.

Futures, not certainties

Glenn asks whether India is facing an existential crisis. Atul agrees and offers three future scenarios. First, India can return to the Hindu rate of growth without demand, manufacturing, technology or private investment. India can feed its

huge population and may muddle along. Second, India might face a 1991-style balance-of-payments crisis because of a lack of foreign exchange reserves. This would force India to reform and a freer market would unleash higher growth. A culture of fear would go, animal spirits would rise and business activity would increase. Third, India could face institutional and environmental crises. South India might resent subsidizing North India or funding Kashmir and the Northeast. The words of William Butler Yeats — Things fall apart; the centre cannot hold — might come true. The age-old fears of Balkanization might actually transpire.

The best case scenario is reform and the worst case scenario is disintegration. The future is contingent on choices that Indians make. The outcome is not predetermined. India still has entrepreneurs, human capital and a global diaspora. Reform would require rolling back the compliance raj, restoring professional competence in economic institutions and rebuilding trust. If India can rationalize, there is a lot of potential. Glenn says there is hope for India yet. Atul concludes, “We are not doing a podcast for the opposition at all. We are saying, for heaven’s sake, get a grip. All political parties have inner party democracy — get rid of competitive populism and reform, reform, reform.”

[Lee Thompson-Kolar edited this piece.]



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Epstein/Sade: The Philanthropist as Libertine and the Secret Life of the American Elite

Elliot Neaman
February 14, 2026

Prolific pedophile Jeffrey Epstein crafted a hidden world where elite power, influence and sexual exploitation intertwined under the guise of philanthropy and intellectual prestige. His private empire exposed deep fractures in societal norms, revealing how wealth and status enable impunity and secrecy. The most recent release of the Epstein files challenges us to confront systemic abuses embedded within elite culture and demand a more honest reckoning with sex, power and accountability.

Three years before Jeffrey Epstein was first investigated for a sexual crime by Palm Beach Florida police, a Vanity Fair journalist observed, in a feature piece with the prophetic title “The Talented Mr. Epstein”, that in the upstairs office of Epstein’s nine story Manhattan townhouse, lined with 18th century black Portuguese cabinets and a nine foot ebony Steinway “D” grand piano, was to be found a copy of the book *The Misfortunes of Virtue (Justine)* by the French libertine, the Marquis de Sade (1740-1814).

Epstein had laid it out clearly as a strategic piece of stagecraft and also as a mischievous advertisement: In Sade’s novel, *Justine* is a 12-year-old girl who sets off on a trip through France to learn virtue and instead is subject to sexual exploitation and abuse by monks, a rich gentleman and other “sadistic” male torturers.

Sade is remembered today less for his most famous writings, *Justine* and *120 Days of Sodom*, than for his reputation as offering a private theater of cruelty where privileged men could indulge their forbidden desires under a veneer of philosophy and high taste. He wrote about domination and the subordination of women, but, while his work was considered obscene, modern scholars, even feminists such as Angela Carter, have argued that Sade was engaged in a radical critique of contemporary sexual and social power structures.

Carter observed that while Sade’s writing was violent and pornographic, it also served as a radical critique of the sexual and social power structures of revolutionary France. She framed Sade as a “moral pornographer” who used obscenity to analyze the power dynamics between the sexes. Sade believed that the new revolutionary republic was just as oppressive as the old regime. The tension in these contrasting perspectives reveals a key to understanding the meaning of Jeffrey Epstein’s legacy.

The dark allure of influence

A massive trove of over 3 million pages of documents, 2,000 videos and 180,000 images, including emails, photographs and correspondence related to Jeffrey Epstein, was released by the US Department of Justice and the House Oversight Committee in late January and early February 2026. They constitute a nauseating catalogue of sycophancy, cruelty and misogyny.

Everyone is focused on Epstein’s depravity, but more interesting is the way they highlight the extraordinary hunger among late-20th and early-21st-century elites for a hidden space in which they could suspend the norms they spent their public lives pretending to uphold. If the Paris libertines of the late 18th century had their châteaux, salons and forbidden bestsellers,

America's donor class had access to a Virgin Islands foundation, a Manhattan mansion, a private jet and a small private island, among many other properties.

Epstein's reputation was not based on the fact that he was rich or lecherous, since those features have been attributed to the rich and famous as long as celebrity has been an obsession of mass culture. Rather, once Epstein had made his money, he did not remain satisfied with the usual trophies of the newly arrived — bigger planes, fancier yachts or art pieces — that others desire. He built something more strategic, a small, flexible foundation and self-cultivation as someone with both scientific and humanistic interests. He then used that constructed persona to lure in a semi-secret court of intellectuals, politicians, financiers and celebrities. A foundation buys something much more valuable than expensive toys; it buys you influence.

The complex web of philanthropy and influence

Epstein's main philanthropic arm, the Jeffery Epstein VI Foundation, "VI" for Virgin Islands, was established in 2000 in the same Caribbean jurisdiction where he based many of his businesses and owned his private Caribbean Island, Little Saint James. The foundation's board included Cecile de Jongh, the wife of the then-governor of the US Virgin Islands, a detail that illustrates the formula: money equals proximity to power equals legal and ethical protection.

The VI Foundation's official mission was to fund "cutting-edge science and science education." In practice, it operated as both a checkbook and a calling card. Epstein pledged tens of millions to elite universities and research centers. The most famous example was \$9 million to Harvard, including a \$6.5 million commitment to Harvard's Program for Evolutionary Dynamics, which was ultimately only partially fulfilled, but enough to

place Epstein's name at the center of a prestigious research initiative and to grant him an advisory role on university committees.

Through this and similar gifts, some routed through other vehicles, some quietly anonymized, Epstein cultivated a network of scientists and technology experts, including theoretical physicists, AI researchers, geneticists and roboticists. His VI Foundation backed international work on AI, brain science and futuristic robots. Epstein also sprinkled smaller grants on local Virgin Islands charities: a mental health clinic, youth programs, even animal welfare groups. These comparatively minor donations functioned as political grease, building goodwill in a territory whose laws and regulators he depended on, while his headline gifts went to institutions that conferred prestige on the East Coast and beyond.

The scientists, students and patients who benefited from Epstein's money were usually not complicit in his crimes. There is no evidence that the VI Foundation's grantees, as individuals or as a group, knew about, much less participated in, Epstein's sex-trafficking operation. The point is that by creating the appearance of a serious, high-minded philanthropic agenda, Epstein purchased something no amount of visible luxury could buy: a place inside the collective brain of the elite.

To be invited to his townhouse was to find oneself in a room that looked like a parody of a New York Review of Books launch party. Nobel laureates traded bon mots with hedge-fund managers, movie stars were seated next to cabinet officials and tech founders, spiritual gurus, literary publicists and the occasional ex-prime minister mingled. The currency traded was visibility and access.

The recent email dumps show just how transactional this ecosystem was. They are full of the kind of correspondence you would expect from

any donor network, requests for gala tables, pitches for new theaters, speculation about Saudi arms deals and quantum computers, but charged with the added frisson of Epstein's notoriety and the intimacy of his circle. Some sought money from him, while others funneled money and introductions to him. He, in turn, dispensed access to his digital Rolodex, his planes, his islands, his image as a man who could make things happen and who rarely said no. From a distance, it looked less like a Bond villain's lair than like something older, French hostess Madame de Goeffrin beamed up to the 21st century.

Libertinism and moral exemption in high society

The comparison to 18th-century France is not facile. Heirs to the Sun King, the court of Louis XV and his grandson were infamous for bifurcated morality. In public, Catholicism and royal authority demanded rigid observance. In private, aristocratic men and the women dependent on their favor constructed a parallel world of mistresses, brothels and secret clubs where the very taboos upheld in the daylight were gleefully violated at night.

The libertines of that era produced a whole literature of apology and celebration for their lifestyle. Sade, imprisoned in the Bastille and then in asylums for his extreme pornography and alleged crimes, turned sexual transgression into a metaphysics. If God is dead, then power and pleasure are the only real currencies. His noble characters, bored by ordinary vice, required ever more elaborate cruelties to feed their lust.

The appeal was not merely sex but rather the sense of exemption from normal rules, an exemption that proved one's status and power. To be an insider to libertine culture was to understand that the sermons and catechisms of the church, and the bourgeois insistence on decency, were all a

kind of theater. The real life of the ruling class happened in the shadows.

Epstein's life and relationships suggest he knew this history, or at least intuited it, and enjoyed seeing himself in that lineage. His three-volume bound 50th birthday album with personalized greetings, assembled by Ghislaine Maxwell, contains bawdy and cruel jokes from scores of prominent people. The emails and party guest lists that have emerged in the files display off-color jokes, explicit musings about "girls," and the casual tracking of who had which yacht, which villa, which art collection. The Wall Street Journal's description of the files as making Tom Wolfe's *Bonfire of the Vanities* look "genteel" is less about criminality than about tone; the preening, the moral vacancy, the sense that nothing outside the game of status accumulation was quite real.

One email from Deepak Chopra to Epstein, unearthed in the latest tranche, crystallizes that mix of glibness and appetite. He writes, "God is a construct, but cute girls are real." The line is juvenile, but precisely for that reason, so revealing. The guru of mind-body wellness casually inverts metaphysics to flirt with a convicted sex offender. He was not alone.

Recently released records show that Chopra was in contact with Epstein between 2016 and 2019, trading emails about public figures and attending dinners with people like Woody Allen. Many of these correspondences, including his, may involve nothing more than bad judgment and vulgarity. But they point to a deeper truth, that in every generation, the people who preach balance and virtue in public still seek out private spaces where those rules are suspended.

The American paradox: public virtue, private taboo and Epstein's sanctuary

What makes Epstein uniquely American is the particular historical moment in which he built his empire of influence, the 1990s and 2000s, years that saw the rise of what was first called “political correctness” and then, more broadly, a therapeutic, HR-managed public culture. The early 1990s were defined by the Clarence Thomas–Anita Hill hearings, which forced workplace sexual harassment into national consciousness.

Universities built entire bureaucracies around stifling codes of conduct and speech. Corporations hired diversity trainers and forced employees to attend sensitivity training. The Clinton impeachment pivoted on sex and lying about sex. So-called “family values” became a mantra of both Republican campaigns and Democratic defensiveness. Public life was shot through with sexual righteousness and the language of harm, trauma and propriety. It appears quaint now, but George W. Bush was elected partly to restore “honor and dignity” to the White House.

In the digital age, mass-market pornography migrated from below the news store counter to the browser. The Playboy mansion gave way to internet webcams, and cable television mainstreamed shows and jokes that would have been unthinkable in earlier network eras. America’s libido did not vanish; it was displaced, driven out of official spaces, channeled into highly commodified, legally insulated industries, and wrapped in shame.

For a certain cohort of lawyers, financiers, academics and media figures who came of age in the 1970s and 1980s, this new dispensation felt constricting. Many had grown up with or at least in the fading afterglow of counterculture sex, drugs, and rock and roll, and now found themselves living amid unwelcome taboos, some progressive, some neo-Victorian, without any corresponding private world in which those taboos could be easily broken.

Here lies one of the keys to Epstein’s attractiveness. He offered not just luxury and sex, but a place where powerful men (and some women) could drop the stiff, careful personas that late-20th-century Anglo-American culture required of them. His planes and island functioned as zones of deniability and permission. The donor meetings, “science” seminars and off-the-record dinners were the front rooms of a house that had back rooms to which only a “lucky” few were invited. For special guests, the taboo was the feature, not the bug.

It is telling that many of the figures most embarrassed by the new documents are not outright villains but instead people whose brands depend on some form of respectability: wellness influencers, big-firm lawyers, tech philanthropists, global-governance mandarins. The emails expose not only their proximity to a criminal but the gap between their public images and their private appetites.

Navigating public morality and private vice in America and Europe

If America’s elites turned to Epstein for a kind of outsourced libertinism, their European peers often developed parallel structures within their own political cultures. France has long treated the intimate lives of its leaders as a private matter. François Mitterrand maintained a second, secret family during his presidency; when his illegitimate daughter showed up at his funeral, much of the French press treated the spectacle with a shrug.

Later, President François Hollande’s motor-scooter rides to visit an actress lover were tabloid fodder but not, for most French voters, disqualifying. Italian Prime Minister Silvio Berlusconi’s “bunga bunga” parties, which blended showgirls, young women and off-color jokes, became a national spectacle; his brazenness

was part of his populist appeal (and an early model for US President Donald Trump).

This is not to say Europe has been free of sexual scandal, or that its elites have been kinder to the vulnerable. The mass-abuse investigations into Catholic institutions in Ireland, Germany and elsewhere, the British grooming-gang inquiries and the Gisèle Pelicot mass rape case in France, among others, laid bare long-running patterns of exploitation. In some instances, these inquiries culminated in national commissions, official apologies and attempts at collective reckoning. In some respects, European politicians have been held to a higher standard than those in the US.

In the UK, Peter Mandelson, a former ambassador to the United States, was fired, and Prince Andrew Mountbatten-Windsor has come under renewed pressure as a result of the file dump. Ironically, the number of scandals under the Trump administration, sexual and otherwise, has made Americans almost numb to outrage.

The difference is not that European elites behave better, but rather that their public cultures have traditionally drawn the line in a different place. Consensual adult infidelity, long-term affairs and even relationships with much younger partners have often been treated as a matter for families and the boulevard press, not prosecutors or human resources (HR) departments. America, by contrast, makes little distinction in its rhetoric between private vice and public fitness. Business leaders and politicians (unless your name is Donald Trump) can be hounded from office for an affair without any allegation of nonconsent.

This divergence is not as stark as it once was. France's response to #MeToo was initially ambivalent, but the movement has had real effects there, as in Spain, Britain, Sweden and elsewhere. Still, the United States remains notably more Puritan in its public sexual morality than most of

Western Europe. That Puritanism breeds both openly moralistic politics and private workarounds, such as the “what happens in Vegas stays in Vegas,” the anonymous escort, the VIP club, the private yacht and, for a small subset of the very rich, someone like Epstein. In that sense, Epstein's operation is recognizably transatlantic, an Anglo-American version of the old French and Italian systems in which power confers space to misbehave, and scandal is something to be swept into the realm of “private life” until it can no longer be ignored.

Epstein's manipulation of wealth, influence and deception

What truly distinguishes Epstein from the archetypal libertine, however, is not just his setting but his method. Sade was a marquis whose power was inherited. Epstein was a striver whose origins were middle-class and provincial. He worked first as a teacher, then as a trader and money manager, moving through the lower and middle ranks of finance. His tool for entering the world of the very rich was precisely the thing that defined late-20th-century American power: philanthropy as a front.

The Germans have a word for Epstein: a Hochstapler, a social climber and fraudster. A friend of his, the CEO of Tiffany, Ross Monckton, observed of Epstein, “You think you know him and then you peel off another ring of the onion skin, and there's something else extraordinary underneath. He never reveals his hand ... He's a classic iceberg. What you see is not what you get.”

The donor class in America is a caste unto itself, created not just by wealth but by participation in a particular set of rituals, such as charity galas, naming rights, advisory boards and campaign bundling. This world has its own currencies and its own hierarchies. One can be worth billions and still be a nobody at Davos, or a peripheral figure at Aspen. Or one can give a

charity \$10,000 and sit on a board with genuine bigwigs. That world is fluid. Epstein was not averse to using what he knew about the powerful as leverage. Some of his fortune might have been due to blackmail. In the recent email dump, one finds evidence of Epstein threatening benefactors like the billionaire Les Wexner, with lines like “I owe a great debt to you, as frankly you owe to me,” adding ominously that he “had no intention of divulging any confidence of ours.”

Epstein exploited all of his advantages, sexual and otherwise. His VI Foundation and related entities enabled him to join the club without matching the largest gifts. By focusing on a specific niche, frontier science, especially in mathematics, AI and genetics, he bought a disproportionate share of attention from a relatively small but symbolically powerful group of people: Nobel-level scientists, Ivy League presidents, Massachusetts Institute of Technology (MIT) lab directors, and the intellectuals and journalists in their orbits. Some needed his money. Others liked the flattery of being courted by someone who presented himself as a polymath investor, a man who could talk string theory in the afternoon and campaign strategy in the evening. He possessed desirable and nonpublic information.

There were also those, like wellness celebrities and certain tech founders, who saw in him a way to launder their own aspirations. Epstein’s connections eventually ran to a higher level of politics. He could make introductions to presidents and prime ministers for people who needed access. There is no proof that he was on the payroll of the Central Intelligence Agency (CIA) or the Mossad, but the many tantalizing clues left behind that he worked as an asset for various intelligence services make a lot of sense. He had the kinds of contacts and intel that spies covet.

The latest email caches confirm the asymmetry of Epstein’s relations to power. Scientists are

thanking Epstein for his support and encouragement in their AI research. Media figures and lobbyists are looping him into threads about Trump, Saudi money and Saudi arms deals, clearly seeing him as a node in a larger power web. Epstein had ties to Saudi Arabia’s royal court and was in contact with individuals close to and with Crown Prince Mohammed bin Salman (MBS). There are invitations to awards shows and festivals, campaigns to place him at the right table next to the right director or star.

Many of these correspondents were not asking to fly to his island or use his massage table. They wanted introductions, donations or simply a chance to be close to someone they believed had pull. For them, Epstein’s sexual deviance was not necessarily the selling point. In some cases, it was a reputational risk to be minimized or ignored. But for others, the deviance was the real draw.

Power rarely travels alone. It travels along with sentimentality, cruelty, generosity, boredom and a Nietzschean aspiration to feel that the rules do not apply to select Supra-individuals. The Epstein files, incomplete and heavily redacted as they are, make this dichotomy visible in ways that are often excruciating. The messages are full of juvenile mockery about “girls,” using human trafficking code words like “pizza,” “grape juice,” “Chanel,” or “Snow White.” The files reveal assessments of women’s bodies in language that reduces human beings to anatomy and availability. In the vocabulary of one popular wellness influencer caught in the blast radius, this was “just banter.” For others, it was “locker-room talk,” as Donald Trump’s handlers once repackaged his own vulgar comments. The phrase is meant to reassure us that boys will be boys, and words are not actions.

Yet in Epstein’s case, the deeds were real. The “locker room” had an actual lock, with verifiable victims whose stories of coercion, grooming and

violence have been documented in court cases and investigative reporting. The most recent United Nations report on global trafficking underscores that sex trafficking overall is on the rise worldwide. Epstein's operation was not an aberration, but an extreme link in a much larger system of exploitation.

Elite connections and compromised choices

What the new materials add is a context for how tempting that link was for some in the elite. They capture a range of attitudes: the fawning, the blasé, the vaguely curious, the opportunistic. To be included in the Epstein's Files does not, by itself, mean crime. Many names appear only in a single email, or in Epstein's own messages to himself. But alongside those incidental contacts, there is a smaller inner circle, people who continued to see, defend or do business with him long after his 2008 conviction for procuring a child for prostitution.

Some, like Woody Allen, were men already targeted in the culture wars. Accused in the early 1990s of molesting his adopted daughter, a charge he has always denied and for which he was never criminally charged, Allen became a symbol of an era's failures to take children's testimony seriously. By the 2010s, he found himself shunned by studios and festivals. Today, he makes films only in Europe. For a public figure like Woody Allen, Epstein's continued hospitality would be both a risk and a kind of perverse refuge, one disgraced man lending comfort and introductions to another.

Others, like former Harvard president and Treasury Secretary Lawrence Summers, arrived with sterling institutional credentials and left badly singed. Summers' appearances in the new emails, cordial, bantering, too cute by half, are a textbook illustration of elite myopia, a belief that proximity to a known sex offender could be managed as a private embarrassment rather than a public

scandal. When those correspondences surfaced, Summers expressed regret and stepped back from some high-profile roles, but the damage to his and Harvard's moral authority had already been done.

There are also the tech billionaires and philanthropists — most prominently Bill Gates — who acknowledged that their meetings with Epstein after his conviction were grave errors. Gates has said he approached Epstein to discuss philanthropy and was wrong to do so. Reid Hoffman, the co-founder of LinkedIn, has similarly apologized for facilitating and attending gatherings where Epstein was present. Elon Musk continues to deny accusations that he had anything to do with Epstein, despite a message found in the recent email dump asking, "What day/night will be the wildest party on your island?" Musk characterized such correspondence as "a distraction" that could be "misinterpreted" by detractors to smear his name.

For some of these men, Epstein's dark charisma likely lay as much in his promise of influence as in the sexual theater around him. He could arrange meetings, suggest investments, donate to pet causes and provide an environment in which the usual constraints of corporate public relations (PR) and institutional decorum fell away. Yet it is hard to avoid the sense that at least part of the attraction was precisely his willingness to go where others would not. He stood out as brazen in a world of timid titans.

A new Gilded Age and populist fury

The timing of the latest document release is not incidental. It lands in what many have called a new Gilded Age, in which the yawning gap between the very rich and everyone else has become impossible to ignore. The same period saw Trump win the highest office in the land despite, or perhaps because of, boasting about grabbing women's genitals and shrugging off multiple sexual-

misconduct accusations. At the same time, the culture witnessed the rise and partial ebb of #MeToo, the largest public reckoning with sexual abuse and harassment in modern American history.

If #MeToo was often framed by the political right as the grievance of “angry feminists” and an example of cancel culture, the Epstein Files have a more bipartisan, even cross-ideological appeal. Social media reactions to the latest leaks have an almost revolutionary tone, a digital storming of the ramparts.

For many younger Americans — Gen Z, younger millennials, the underemployed and debt-burdened — the Epstein network confirms a suspicion that had already hardened into cynicism, that the rich and powerful live by different rules. The spectacle of lawyers, wellness gurus, academics and moguls hovering around a convicted sex offender for access and advantage looks, from the outside, like evidence of a rigged system. The rich and the powerful never pay for what they do. Populism of both the left and right is the result.

The political system, so far, has offered only partial answers. Epstein is dead. His collaborator, Ghislaine Maxwell, is in prison. Civil cases have produced settlements and some measure of accountability. But there is no independent commission charged with fully parsing the files, no formal truth and reconciliation process, no promise that everyone who ever requested a flight to the island will be hauled before a public tribunal. The redactions and gaps in the record fuel conspiracy thinking, but they also reflect the reality that the legal system is not designed to resolve every moral question.

This gap between public rage and institutional response is itself part of the story. California Representative Ro Khanna, who introduced the Epstein Files Transparency Act, called on

Congress to haul in every single person who emailed Epstein about visiting his island, saying, “The American people are frustrated with the rich and powerful getting a different set of justice.” Epstein is less an anomaly than a symbol, not just of male predation, but of class impunity.

It is tempting, in the face of all this, to focus exclusively on the roster of names and their individual sins and stupidities. Who was at dinner? Who flew when? Who wrote “cute girls are real”? The files lend themselves to this sort of scavenger hunt. The dark fun involves watching the high-brow brought low.

But as with earlier waves of scandal, from Watergate to #MeToo, there is a risk that the obsession with individual downfalls will obscure the conditions that made those downfalls possible.

The structural enablers of elite abuse

Epstein flourished because he exploited at least four structural features of modern elite culture. First, a philanthropic system that trades money for access and moral cover. The donor class is invited, even begged, to treat their giving as a path to virtue. Institutions know that some of their benefactors are dubious; they accept the bargain anyway, often reassuring themselves that the money will be put to good use. Epstein did not invent this arrangement; he simply exploited it.

Second, a public discourse about sex that combines moralism with repression. America’s mix of religiosity, litigation and media outrage makes it hard to talk honestly about adult sexuality, power and desire. That pressure does not eliminate bad behavior, but rather drives it underground. Some people who spend their days policing language in conference rooms will look for opportunities at night to say and do what they can’t at times when people are watching.

Third, a global economy of trafficking and exploitation that treats the bodies of young women and girls as commodities. Epstein's operation tapped into broader flows of vulnerability: runaways, migrants, poor teenagers. The UN's finding that sex trafficking is rising globally suggests that, absent systemic change, there will always be an Epstein or someone like him ready to monetize that market demand.

Finally, a culture of elite impunity, in which reputations are protected by networks of lawyers, PR firms and institutional allies. The names in the Epstein files are a cross-section of this ecosystem, people who can expect, in most circumstances, to avoid the worst consequences of their actions. When justice does arrive, it is often partial, delayed or depersonalized, as settlements without admissions, resignations without clear reasons and apologies that use the passive voice.

If there is a lesson in the contrast between Epstein and, say, the grooming-gang inquiries in Britain or the Pelicot case in France, it may be that some societies, under sufficient pressure, are capable of treating sexual abuse not just as a collection of individual crimes but as a systemic failure. They commission reports, revise laws and, at least, claim to seek a kind of national deliverance. Whether the United States will ever mount a comparably comprehensive reckoning with the culture that enabled Epstein remains an open question.

After Epstein: reckoning or repetition?

Epstein is gone. Maxwell sits in a federal prison. Archives are being pored over; pundits and politicians are virtue-signaling and displaying outrage. Yet the underlying arrangements that made his world possible are, in many ways, intact. The philanthropic complex still offers the wealthy a path to soft power and air-brushed reputations, even if due diligence departments are marginally

more cautious. Global sex trafficking remains profitable; encrypted apps and the dark web have replaced some of the email channels that boomers like Epstein used. Pornography and commercialized "sex work" are growing industries whose labor conditions remain deeply compromised. Who knows what new methods of exploitation will occur with the turbo-charged power of AI?

Meanwhile, the cultural pendulum swings back and forth. #MeToo has spawned both reforms and backlash; a muscular online "manosphere" offers young men a set of misogynist scripts that would not look out of place in a Sade plot, stripped of elegance. Dude-bro culture is alive and well in finance, tech and politics, even if its public presentation has been smoothed and focus-grouped.

The risk, as with all moral panics, is that Epstein will be remembered primarily as a monster, a freakish outlier whose biography can be safely quarantined from the rest of us. That is the opposite of the truth. He was, in many ways, a concentrated expression of broader patterns of male entitlement, of class privilege, of the seductions of secrecy, and of the uses and abuses of philanthropy.

The paperback copy by the Marquis de Sade seen in Epstein's office was, whether he intended it or not, both a secret confession and a sleight-of-hand. Like Sade, Epstein was a libertine who mistook his own appetites for a kind of higher philosophy, who thought that because he could act without consequence, his actions had some larger meaning. But where de Sade belonged to an old regime that fell to the ire of the masses, Epstein belonged to a new one that has yet to face its own revolution.

The question the Epstein files leave us with is not simply "Who else was on the plane?" or

“Which guru wrote which gross email?” It is whether a culture that has outsourced its conscience to HR policies and its moral imagination to social media can find a deeper, more honest way to think about sex, power and money, one that neither demonizes desire nor indulges the powerful in believing they are above the law.

Until it does, there will always be another island, another jet, another man with a foundation and a client list, eager to offer the next generation of elites tantalizing objects of desire, no longer so obscure.

[Kaitlyn Diana edited this piece.]



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He has edited and introduced several translations of Ernst Jünger's works and contributed to volumes on the radical right, including *Key Thinkers of the Radical Right: Behind the New Threat to Liberal Democracy*. Neaman is a member of the editorial board of the *Journal of Right-Wing Studies* (UC Berkeley). His *Selected Writings: A Journey in Intellectual History* (1988–2025) is forthcoming in the “Best of the

Humanities” series from Columbia University Press.

TRUMP vs. the BBC

Ellis Cashmore
February 19, 2026

US President Donald Trump's lawsuit against the BBC is scheduled to see trial in February 2027. Trump is suing Britain's broadcaster for defamation over the way its program, Panorama, edited two sections of a speech together, making it appear he had directly encouraged the insurrection on January 6, 2021. The case may have far-reaching consequences beyond the two litigants.

When a sitting or former US president sues a media organization, it's big news. When they sue the British Broadcasting Corporation for \$10 billion, it's something else, closer to a geopolitical spectacle than a legal action.

Florida judge Roy K. Altman has set a February 2027 trial date for US President Donald Trump's lawsuit against the British public service broadcaster, BBC for defamation. The claim centers on an episode of the BBC current affairs program *Panorama*, titled “Trump: A Second Chance?” The episode edited together two passages of Trump's speech on January 6, 2021, in a way that appeared to suggest he had directly urged his supporters to march on the US Capitol and “fight like hell.”

Trump has sued American outlets before and his record is mixed. In 2024, ABC News settled a defamation action after anchor George Stephanopoulos inaccurately described the E. Jean Carroll verdict as a finding of “rape” rather than sexual abuse under New York civil law. The settlement reportedly included a multimillion-dollar payment toward Trump’s future presidential library and legal fees. In 2025, CBS News and its parent company, Paramount Global, also reached a financial settlement over a 60 Minutes segment Trump claimed was misleading.

But other suits have failed. In 2023, a federal judge in Florida dismissed a \$475 million defamation claim against CNN over its use of the phrase, “the Big Lie.” A separate multibillion-dollar action against The New York Times met a similar fate. American courts have repeatedly emphasized the high constitutional threshold for public figures alleging defamation. Two settlements, two dismissals. A 2–2 record, if we want to keep score.

But this is different. The BBC is not a partisan cable network in the crowded US market. It is a century-old British institution, funded primarily by a license fee, chartered to inform and educate as well as entertain. It does not allow advertising. The BBC is woven into the cultural fabric of the United Kingdom and regarded internationally as the Rolls-Royce of broadcasting.

That is what makes this case extraordinary. It’s not simply Trump versus another newsroom. It is Trump versus a totem of British civic life. And the near-theatrical \$10 billion figure signals that this is about much more than compensation. It’s about what or who has authority, power and legitimacy on a global stage.

Error of judgment

The BBC has already conceded that the program spliced together two segments of Trump’s speech, delivered nearly an hour apart, without making that clear to viewers. The effect was to compress his rhetoric into a single, more incendiary sequence. Critics argue that the edit omitted a crucial line in which Trump urged supporters to protest “peacefully.”

After an internal uproar and the leak of a critical document by Michael Prescott, a former advisor on editorial standards, the BBC apologized. Its chair, Samir Shah, described the edit as an “error of judgment.” Director General Tim Davie accepted responsibility before stepping down amid the wider turbulence. Deborah Turness, chief executive of BBC News, also departed.

Crucially, though, the corporation stopped short of admitting defamation. It offered no damages. And it strenuously denied malicious intent. So, when Trump’s lawyers escalated the matter into a multibillion-dollar suit filed in Florida, the BBC challenged the court’s jurisdiction, arguing that the program was neither produced nor broadcast in Florida and was not available there via its streamer BritBox as alleged. Judge Altman rejected attempts to delay discovery; the case will now proceed.

Could the broadcast genuinely have damaged Trump’s checkered reputation? That is the legal nub of the matter. Defamation law in the United States, especially for public figures, sets a prohibitively high bar. A claimant must show not only falsity but “actual malice:” knowledge of falsity or reckless disregard for the truth. Trump’s legal team claims the edit was “intentionally and maliciously” misleading. Note: Intentionally. The BBC says it was a mistake, now acknowledged.

There are precedents for media organizations paying dearly for editorial lapses. But there are few, if any, precedents for a British public

broadcaster facing a \$10 billion claim in an American court over a documentary edit. And, in this instance, timing matters because the BBC doesn't enter the fray in good financial health.

Under pressure

Even without Trump, the BBC is under pressure. The broadcaster is pursuing savings of up to £600 million (over \$860 million) over three years. License fee revenues are falling as households move toward streaming platforms and social media. Around 300,000 fewer British households paid their license fee in the last reported year. Departments are bracing for cuts. Outsourcing is inevitable.

Public service broadcasters were never designed to absorb shocks of this magnitude. Unlike commercial rivals, the BBC doesn't rely on advertising or subscription revenue. It's funded by a compulsory license fee whose legitimacy is periodically contested in Parliament and in public debate. It is right now.

In that context, a \$10 billion liability — even a fraction of it — would not be an ordinary line item. It would be an existential catastrophe. (While the BBC isn't in literal "debt" like a business with a balance-sheet liability that must be paid off, it is running deficits and facing revenue shortfalls and operating pressures that are forcing cost cuts and license fee increases.)

Which brings us to the first conjecture.

What if Trump wins?

Bookmakers, were they to set odds, would likely price a full \$10 billion victory as 25/1, maybe 33/1 at most. The legal hurdles are formidable. Yet imagine, for argument's sake, that Trump prevails and secures a judgment on that scale.

The immediate consequence would be seismic. The BBC's annual budget is roughly £5 billion (\$6.8 billion) sterling. A damages award of \$10 billion (about £7.5 billion) would eclipse its annual income. Even a significantly reduced award could destabilize the corporation's finances, potentially forcing emergency government intervention or radical restructuring.

The reputational damage would be devastating, too. For a broadcaster that trades on credibility, reliability and impartiality, a court finding of malicious defamation would undermine its moral authority at home and abroad. Critics who already question its impartiality, neutrality and objectivity — and there are plenty in the UK and elsewhere — would feel vindicated. Politicians skeptical of the license fee would gain leverage. Calls to privatize, allow advertising or dismantle the corporation completely would intensify.

For Trump, by contrast, victory would be nectar. He has long depicted mainstream media as hostile and dishonest. A courtroom triumph over, of all broadcasters, the BBC would validate his narrative to a global audience. It would bolster his standing among supporters who see him as a victim of elite institutions. It would inflate his already considerable self-belief.

And there is a longer-term implication: A Trump win would signal to media organizations worldwide that editorial misjudgments, even acknowledged and corrected, can carry calamitous financial risk. The effect could be sobering. Investigative journalism, already expensive and fraught, might grow more cautious. Legal departments would gain power. Editors would hesitate. The media would be domesticated.

That might please those who see the media as already too powerful and untouchable. It would trouble those who value the media's autonomy and ability to criticize without fear.

What if the BBC wins?

The alternative is less obvious but still significant. Suppose the court finds no defamation — perhaps that the edit, while erred, did not meet the criterion of actual malice. The BBC would emerge legally vindicated. Bookies might price this as evens, perhaps 5/6 (meaning you stake \$6 to win \$5 if the case is thrown out).

A “victory” for the Beeb would not, however, bring a reward of \$10 billion from Trump. Nor would it remove the BBC’s structural financial problems. License fee decline would continue. Savings targets would still loom. Pride and honor might be restored, but balance sheets would not be any healthier.

For Trump, defeat would sting. By February 2027, he will be 80 years old and approaching the end of a second term in office. Attention will be shifting to the next presidential contest, which is scheduled for November 7, 2028. The Republican Party will be thinking about succession and electability.

In July 2024, gunman Thomas Matthew Crooks attempted to assassinate Trump, grazing his ear with a bullet — an event that underscored how deeply the now-president divides American society. A courtroom loss would not change his polarizing potential nor end his overall influence. His capacity to command loyalty and shape narratives as well as antagonize detractors and engender hatred would remain formidable. But failure would pierce the aura of inevitability that has often surrounded him. For a leader who reduces complex events, especially conflicts, to deals or no-deals, a public defeat against a foreign broadcaster would be an unequivocal disaster. Not just defeat, but humiliation.

Would it be transformative? No. The BBC would continue to struggle financially. Trump

would continue to dominate attention for at least the remainder of his tenure. Yet the symbolism would matter. It would reaffirm the resilience of established media institutions against political assault. It would remind would-be litigants that courts are not just campaign platforms.

Beyond damages

Strip away the legal briefs and this case is about something larger: the collision between a populist politician who thrives on confrontation and a public broadcaster that embodies an older model of civic rectitude.

Trump has built a career on challenging institutions, including courts, universities, newsrooms and intelligence agencies. The BBC represents a particularly attractive target: foreign, publicly funded, proud of its editorial standards, perhaps even haughty about the global prestige it still enjoys after over a hundred years of broadcasting.

The corporation, for its part, is navigating a media environment transformed by YouTube, Netflix, TikTok and myriad streaming services. It’s pruning costs while trying to maintain global reach. It can ill afford complacency at the moment. The Panorama edit was, by its own admission, a lapse. In an era of forensic scrutiny, lapses can be expensive.

What happens in that Florida courtroom in 2027 will reverberate far beyond the litigants. A Trump victory could reshape the risk calculus for journalism worldwide. A BBC victory would help stabilize an institution under strain and reinforce the legal protections that enable robust reporting.

Either way, this is emphatically not routine litigation. It’s a clash of reputations: one personal and political, the other institutional and national. When the gavel falls, the consequences will extend

well beyond damages. [Ellis Cashmore is the author of *Celebrity Culture*, now in its third edition.]

[Lee Thompson-Kolar edited this piece.]



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The Nancy Guthrie Kidnapping Spectacle

Elliot Neaman
February 21, 2026

Invoking Guy Debord's theory of the spectacle, the disappearance of Nancy Guthrie anchors a meditation on how crime becomes media drama. Her case, amplified by celebrity ties and digital frenzy, shows how attention can both generate leads and fuel hoaxes. From Charles Lindbergh Jr. to O.J. Simpson, high-profile kidnappings and murders reveal a justice reshaped by spectacle.

Guy Debord (1931–1994), was a French writer and filmmaker who cofounded the Situationist International, a late 1950s radical European avant-garde movement, which preached that, in the modern age, people had become like American science fiction author Philip K. Dick's androids, dreaming of electric sheep, machines that simulate life to fill the emotional void left behind by the emptiness of lived experience. Under the beguiling, hypnotic effects of capitalism, automaton human beings chose simulations of reality over authentic inner experience.

Debord's most famous book was *The Society of the Spectacle* (1967), in which he defined modern consumer culture as a public show of mediated images, separating human beings from genuine life. His main insight was that the world in the premodern era was characterized by direct, tangible involvement, now replaced by the passive, indirect consumption of reproduced reality. Think Andy Warhol, who turned Campbell soup cans or the photos of Marilyn Monroe into an art form of images without any original production, in other words, no aura. In his day, the main culprit was advertising. In our day, we have much more to worry about: deep fakes, AI, teenage suicide caused by body shaming, internet addiction of all types, cultural conformity and its opposite, silo cultures, podcast populism and much, much more.

Debord's inspiration led to psychogeography, the study of how our environment affects our perception. The kidnapping of Nancy Guthrie, mother of TV's *Today* show cohost Savannah Guthrie, is a perfect illustration of this phenomenon. This true crime case, followed now by millions every day on television and the internet, began when Guthrie failed to show up at church on February 1. When friends raised the alarm, local law enforcement, the FBI, then the national media converged.

The official line was that Nancy was taken from her home against her will. Days later, investigators managed to recover doorbell camera footage that shows a masked person at her front door, gloved and apparently armed, tampering with the camera before it went dark. Engineers at Google dug into “residual data” beyond the reach of backend systems to retrieve the images after an initial assumption that the video had been deleted due to an unpaid subscription.

The clip instantly became a national media sensation, looped on cable and sliced into bits for social platform dissemination. The disappearance of an elderly woman was turned into a serialized thriller. The mystery of what happened is quite simple. She was taken, and her family wants her back. But the story that has ballooned around the case is anything but simple. It became, in Debord’s terminology, a spectacle involving public compassion, voyeurism, conspiracy and self-reproduction, so tangled that investigators had to spend significant time sifting not only through evidence but also through the fun-house mirror of public distortion. In Debord’s language, authentic social life was replaced by a pseudoworld of appearances, in which news consumers became passive observers of their own projections.

Within days of Nancy’s disappearance, ransom messages began arriving, not to the family, but to media outlets. A local station in Tucson reported receiving a detailed email claiming to be from her kidnappers, with information about damage to a floodlight and the location of an Apple Watch in Nancy’s house, details that appeared to match the crime scene. The celebrity gossip site TMZ said it had received a note demanding millions of dollars in Bitcoin for her safe return, to be sent to a specific, verified cryptocurrency wallet.

At least one man, Derrick Callella, was arrested and charged with sending fake ransom texts to Nancy’s daughter Annie and her husband,

messages prosecutors said had nothing to do with the actual kidnappers but were rather an attempt to profit. The man has since been released on bail pending trial following an initial court appearance.

Meanwhile, the Pima County Sheriff’s Department and the Federal Bureau of Investigation (FBI) have repeatedly urged the public to stop treating tip lines like chat rooms. After the FBI released the doorbell footage, officials asked people to call 911 or local nonemergency numbers only with actionable information and directed everyone else to online portals and dedicated tip numbers.

In one sense, the Guthrie case is statistically extraordinary. In 2025, there were more than 49,000 kidnappings and abductions reported in the US, while only about 10% of the victims were 50 or older, and just 145 cases involved people in Nancy’s age group of 80 to 89. Only about 9% of all kidnappings that year were committed by strangers. But the same visibility that might help bring Nancy home attracts hoaxers, grifters, armchair detectives and people for whom other people’s pain is just another genre of entertainment.

The FBI has now plastered her image and that of the masked figure on her porch, across the country, and has raised the reward to \$100,000. The Guthrie investigation now unfolds on two fronts: the physical search for an 84-year-old woman, and the digital management of a frenzied news cycle.

Now three weeks in, the picture is at once clearer and more unsettling. After a forensic review of the Nest video, the FBI now describes the suspect as a man between 5’9” and 5’10” tall, of average build, carrying a black Ozark Trail Hiker Pack backpack, a Walmart house brand that investigators are trying to trace through purchase records and other surveillance footage. DNA that

does not belong to Nancy or to people known to be in close contact with her has been recovered from her property, possibly from gloves and other items found within several miles of her home, and is now being tested. Authorities say they have received more than 30,000 combined leads.

On a recent night, Special Weapons and Tactics (SWAT) trucks and forensic vans filled a street about two miles from Guthrie's home as law enforcement executed a search warrant at a house linked to the investigation. Roads were blocked off for hours. One man was questioned and released; at the FBI's request, local authorities have said almost nothing about what, if anything, they found. In other words, the case keeps generating drama, but not resolution. We have seen this before.

Lindbergh and the birth of the kidnapping spectacle

This is not the first time an American kidnapping has become a national obsession. It may, however, be one of the clearest cases yet of what happens when crime, celebrity and the business model of modern media fully converge.

Long before doorbell cameras and true-crime television, the US experienced what many historians consider its first modern media kidnapping, the abduction of Charles Lindbergh Jr., the 20-month-old son of aviator Charles Lindbergh, in 1932.

Lindbergh was arguably the most famous man in America. The solo transatlantic flight — navigating by dead reckoning from New York to Paris in 1927 — turned “Lucky Lindy” into an international icon. When his baby son was taken from the family estate in rural New Jersey, the crime unfolded in the full glare of publicity.

The Lindbergh case set patterns that would echo down the century, starting with an avalanche of bogus leads as thousands of tips poured in. So did ransom notes, more than a dozen letters, many from impostors trying to cash in on the family's desperation and the public's prurient interest. Each had to be checked, consuming investigators' time and attention. Newspapers reduced the case to a series of cliffhangers, mysterious messages, marked bills and dramatic handoffs in cemeteries. Complex police work, painstaking forensic analysis of a homemade, three-section wooden ladder used to reach the second-story nursery and the careful tracking of suspects had to compete with the press's hunger for daily drama.

The Lindberghs' grief became a national spectacle. Their home was besieged by reporters. Every move they made was scrutinized, interpreted and monetized. In the end, an immigrant German carpenter, Bruno Richard Hauptmann, was arrested, convicted and executed for the crime. Yet the “trial of the century” left behind enduring doubts, not only about his guilt, but about how the carnival atmosphere might have skewed the investigation.

The case catalyzed new federal kidnapping laws, but it also ushered in something much harder to legislate away, the idea that a crime involving a famous family was not just a legal matter but an ongoing mass-culture event. The Lindbergh baby was the first kidnapping to become a kind of national “content,” updated daily. It would not be the last.

Getty and Hearst, on the miniseries model

Four decades later, another heir became headline fodder. In 1973, 16-year-old John Paul Getty III, grandson of oil billionaire J. Paul Getty, was kidnapped off the streets of Rome. There were ransom notes from his abductors, but his grandfather at first refused to pay the \$17 million,

dismissing the abduction as a possible hoax. Then came the horrific “proof of life,” when the kidnappers mailed the boy’s severed ear to a newspaper, along with a threat to send him back “piece by piece.” The elder Getty eventually agreed to pay part of the ransom, structured as a tax-deductible business expense.

What stands out, in retrospect, is not only the brutality of the crime but the way it was mediated. Early coverage was dominated by class narratives. Was this a spoiled rich kid staging his own kidnapping? Was it a scam? Those suspicions were fed by the family’s own dysfunction, but amplified by a media eager to sell a story part true crime, part social satire.

Just as in the Lindbergh case, real ransom communications were surrounded by false ones. Opportunists phoned the Getty family, claiming to know the kidnappers; they sent fake notes and tried to insert themselves into a story that was at once a crisis and a global spectacle. Each intrusion demanded verification. Each verification drained resources. Statements by the kidnappers, the family, and Italian police all filtered through an international media system hungry for sensation. The result was a high-stakes negotiation conducted, in effect, on a public stage.

Getty III survived, though permanently scarred, physically and psychologically. The case became a cautionary tale about extreme wealth, family coldness and “value” when the commodity is a human being. But it also established a template, a famous name paired with a kidnapping created a kind of dark miniseries, replete with plot twists, villains and moral lessons. If Lindbergh and Getty turned elite kidnappings into media events, the following Patty Hearst case scrambled the formula by blurring the line between victim, celebrity and participant.

In 1974, Patricia Hearst, 19-year-old granddaughter of newspaper magnate William Randolph Hearst, was kidnapped by the Symbionese Liberation Army (SLA), a small terrorist cell, active from 1973 to 1975, that claimed to be a militant vanguard of the American left. The SLA had attained notoriety for murders, bank robberies and, then, the Hearst kidnapping. The group demanded not just money, but also a massive food-distribution program for the poor, leveraging Hearst’s family name and the media attention, which was a tactically novel gambit and perversely innovative.

Then something happened that even the kidnappers had not anticipated: Hearst twisted the drama to her own ends. On audio tapes sent to radio stations, she declared that she had joined the SLA, adopting the name “Tania,” and later appeared on Hibernia bank surveillance footage alongside her captors, wielding an M1 Carbine rifle. The photograph and video ricocheted around the world. Was she a brainwashed victim? A radical convert? A symbol of elite guilt? The Hearst case became a national obsession not only because of her lineage but because it seemed made for television.

Every tape the SLA sent was broadcast and dissected, an early version of what CNN later pioneered as content cycles, a relentless, round-the-clock, seven-days-a-week reporting model relying on immediate, sometimes sensationalized, updates rather than waiting for scheduled, daily or weekly broadcasts. Each message had to serve both as evidence for investigators and as fodder for pundits. Competing theories about Hearst’s agency, either as victim or perpetrator, played out in public. Law enforcement, meanwhile, had to parse the same material for leads, under the pressure and influence of public narratives.

Hearst’s eventual 19-month trial was less a quiet legal proceeding than a referendum on the

meaning of American criminal defense attorney F. Lee Bailey's "coercive persuasion" defense and consent in the age of mass media. The jury was composed of citizens who had already "known" Patty Hearst as part of the national drama. Although Hearst was convicted of armed robbery, the celebrity kidnapping stopped being a story about celebrities and shifted to a narrative about public media consumption.

The media cycle spectacle

By the late 20th century, the patterns established in the Lindbergh, Getty and Hearst cases were deeply embedded in American culture. Kidnappings involving elites, or at least people who could be framed as such, tended to become national dramas. Television accelerated that process. Cable news, with its 24-hour appetite, valorized live stakeouts, press conferences and aerial shots of search parties. The O.J. Simpson case in 1994–95, though not about kidnapping, entrenched the idea that certain crimes could function as national soap operas, with recurring characters and daily plot updates.

The true-crime boom of the 2000s and 2010s added new layers. Podcasts, streaming docuseries and "investigative" YouTube channels turned cold cases and active investigations into genres. In some instances, public attention has genuinely helped. The 2021 murder of travel vlogger Gabby Petito in Grand Teton National Park was partly solved after an online follower identified her van in another YouTuber's footage, narrowing the search area and speeding the discovery of her remains.

But the successes come with costs. Legal scholars warn that jurors steeped in stylized TV procedurals expect forensic breakthroughs and dramatic confessions that reality rarely delivers. Their distorted expectations can influence verdicts and perceptions of guilt. This so-called "CSI

effect" describes a paradox: the more people consume fictionalized justice, the more real justice can be derailed when evidence looks ordinary instead of cinematic.

Online forums encourage ordinary people to dissect cases in real time, often with very limited information. Misidentifications, conspiracy theories and harassment of innocent "persons of interest" have become common side effects. For influencers, commentators and some media outlets, every new case is also a new opportunity for ad revenue, subscriber growth and clout. The moral rhetoric is often one of "awareness" or "justice," but the underlying currency is attention.

All of this forms the backdrop to Nancy Guthrie's disappearance.

The Guthrie case in the attention economy

Nancy Guthrie's kidnapping was not just another tragic crime, but rather a test of how our current attention economy responds when a real person vanishes, and the story is, in effect, open to individual assimilation. Her case crystallizes the paradox of spectacle crime, precisely because she is not a celebrity in her own right, but rather a retired teacher, a churchgoer, a mother and a grandmother. Her "fame" is entirely derivative, as Savannah Guthrie's mom. In Debord's terms, the spectacle transforms active participants into passive observers of their own lives through the lens of an artificial public sphere. By identifying with media images, observers lose themselves in the melting pot of media-driven desire.

That powerful connection was enough to make her disappearance front-page news and the lead story on national broadcasts for over three weeks now. Loneliness became nationalized, spawning live blogs, specialized subreddits, impromptu podcasts and waves of social-media commentary. Neighbors in her Tucson community tied yellow

ribbons around trees and lamp posts, while a makeshift shrine of flowers and notes has grown at the entrance to her home. Women across the nation have read themselves into the drama. The relationship is entirely arbitrary. As Allison M. Alford, the author of a forthcoming book, *Good Daughtering*, observed, without any irony, Ms. Guthrie’s “unfiltered expressions of love and worry for her mother resonated with women who have complicated relationships with their own mothers.”

The attention is not just digital. A YouTube true-crime host from Australia, who calls himself an “armchair detective,” set up a kind of outdoor studio on the street in front of her house, streaming for hours every day to tens of thousands of followers. Viewers have ordered pizza and snacks for him, turning the block into a strange mix of crime scene, media camp and fan meet-up. Other true-crime enthusiasts have driven in from Phoenix simply to stand outside the house where the 84-year-old vanished, to “feel the story” up close.

From an investigative standpoint, some of this attention is helpful. The more people see Nancy’s face and the image of the masked person outside her home, the higher the odds that someone recognizes something, a gait, a backpack, a car. The FBI has blanketed interstates and city streets with digital billboards and has doubled the reward to \$100,000 for information leading to an arrest or conviction. Authorities have published multiple phone numbers as well as an online portal for tips, hoping the network effect of millions of viewers will produce at least one actionable lead. Yet the same visibility also creates complications that would be unthinkable in a lower-profile case.

The first alleged ransom note did not go to the Guthrie family directly but instead landed in the inbox of KOLD News 13, a local TV station. The message reportedly contained detailed information about the crime scene and demanded millions of

dollars in Bitcoin, with tight deadlines and escalating threats. TMZ later announced that it, too, had received a Bitcoin-linked note, this time from someone who claimed not to be the kidnapper, but to know the kidnapper’s identity, and who wanted one Bitcoin in exchange for that information.

This amounts to negotiation as a high-risk spectacle. Instead of private contact between kidnappers and family, mediated quietly by law enforcement, the ransom dynamic plays out through newsrooms and gossip sites, each with its own incentives and audiences. Officials have had to devote substantial energy to authenticating or debunking each new “message,” often under the gaze of those same outlets.

The crypto angle adds another twist. This weird modern currency is another type of spectacle, since the point of crypto is nonfungible value, but it is entirely copyable, as the phenomenon of worthless meme coins attests. Experts have pointed out that, despite its outlaw aura, Bitcoin is far from untraceable. Blockchain records allow investigators to monitor the movement of coins tied to extortion attempts in real time. That doesn’t stop criminals from demanding it; it does mean that every new wallet address mentioned in a note becomes another thread investigators must follow, whether the threat is real or a hoax.

Even beyond the arrest and release of the man accused of sending fake ransom texts, officials have acknowledged receiving multiple letters and emails claiming to know the kidnappers or to possess crucial information, for a price. Each hoax siphons time from the search for Nancy and adds emotional whiplash for her already traumatized family.

Savannah Guthrie and her siblings have responded in part by going public themselves, without TV makeup, as regular folk. In emotional

Instagram videos, they have spoken directly to whoever is holding their mother: “We received your message, and we understand,” Savannah says in one clip. “This is very valuable to us, and we will pay.” In other posts, she has thanked strangers for their prayers, reposted the FBI’s stills from the doorbell camera with the caption “Someone out there recognizes this person,” and shared home-movie footage of her mother with the quiet vow: “We will never give up on her.”

Behind the scenes, the FBI has given the family advice on these messages, but officials say the final wording is theirs. The result is a kind of split-screen existence. The family finds itself both in private mourning and as actors in the public square at the same time. Their pleas function simultaneously as negotiation tactics and as media content.

As images of the masked figure at Nancy’s door spread, the Pima County Sheriff’s Office was forced to ask people not to clog emergency lines with theories or commentary, reminding residents that 911 and nonemergency numbers are for concrete tips, not viewers’ interpretations of the video. At the same time, online communities dissected clips, frame-by-frame, speculated wildly about suspects and spun elaborate scenarios, some involving cartel violence, others suggesting media conspiracies. Very little of that speculation is likely to help investigators, and some will surely muddy the information waters. This is the CSI effect in action. People who think they care, or help, or stay informed, actually participate in a spectacle that can and will impede the very justice they hope to see served.

Appearance as reality

The Guthrie case is fundamentally about a missing woman and a family in agony. But it takes place in a postmodern culture that turns tragic private lives into Netflix cliffhangers. One way to understand

our culture is to look not at this specific crime, but rather at politics, and who else but at US President Donald Trump? The following is not an indictment or a political statement, but just an observation: Trump is an unusually literal embodiment of the politician as celebrity — a reality-TV star who became president and then, out of office, turned his legal troubles into an ongoing media franchise. His scandals have been covered like TV seasons, complete with teaser leaks, dramatic arraignments and press conferences designed for maximum visual impact and diversion.

Debord coined the phrase concentrated spectacle, by which he meant how charismatic leaders and totalitarian regimes maintain control through the cultivation of distraction and attention diversion. Last week’s outrage is replaced by this week’s new eruption. But Trump is more symptom than cause. He rose in an environment where visibility is the central currency of power. Politicians compete less on legislative skill than on memeability; governing increasingly requires showmanship. A bill signing becomes a photo op. A hearing becomes an opportunity for a two-minute campaign ad.

The same dynamics shape how we experience crime. A case like Nancy Guthrie becomes legible to the public partly because it fits familiar genres: the grainy security footage, the tearful press conferences, the countdown clocks to ransom deadlines. Savannah Guthrie is herself a skilled television performer, used to crafting narratives for a morning audience. Her visibility, and that of the Today brand, help generate the intense public focus that might save her mother’s life, but also the intense noise that investigators must now filter.

In a politics of spectacle, every event is a potential storyline. The line between “news” and “show” blurs. Structurally, the Guthrie case is being treated much like a major political scandal or a

high-profile trial, with live updates, expert panels, branded graphics and emotional arcs.

This is not to accuse any individual journalist or viewer of bad faith, but rather to note the structural incentives. Outlets compete for attention in a crowded market. High-profile kidnappings drive clicks and ratings. Social platforms reward commentary and speculation. Public figures, politicians, pundits and even some law enforcement officials understand that their visibility rises when they attach themselves to such stories.

The cliché today is that politicians have to be celebrities to be heard. But that also means victims of certain crimes become celebrities whether they want to or not. Their suffering becomes raw material in a culture that treats every public event as potential content.

The human cost

The Guthrie investigation is still unfolding. As of this writing, the FBI says it is pursuing multiple persons of interest. Investigators confirmed that DNA not belonging to Nancy or her close contacts was found at her home. This evidence is being processed as a potential breakthrough to identify the perpetrator, but Nancy herself has not been found. A man detained during a traffic stop in Rio Rico, near the Mexican border, was questioned for hours and later released without charges; he has publicly insisted he is innocent and says he wants an apology.

Whatever the outcome, the case has already revealed the contours of a disturbing reality. Investigations must now navigate an economy of attention as surely as they navigate an economy of evidence. Families in crisis are pushed into quasi-public roles, performing their grief and their negotiations on camera. Hoaxes, scams and

conspiracies are not side notes, but rather are built into the logic of visibility.

For many people far from Tucson, what is happening to Nancy Guthrie is primarily a story, a narrative to follow, discuss and eventually, perhaps, move on from. The platforms through which we encounter that story are designed to maximize engagement, not empathy. The longer the case goes unsolved, the more content it generates.

The question, then, is not just how law enforcement can adapt, but how the public will as well. It would be easy to end with a pious call for “less media” or “more restraint.” But the history of celebrity kidnappings suggests the problem runs deeper than any editorial choice. It lives in the basic structure of how we pay attention, how Debord’s concept of the spectacle functions. There are ways, imperfect but real, to resist the worst distortions. For journalists and editors, one option is to treat active investigations less as serialized dramas and more as public-safety issues: minimize speculation, foreground verified facts, resist the impulse to publish every rumor that pings a newsroom inbox, especially when doing so might reward hoaxers.

For law-enforcement agencies, clarity about what kind of attention helps and what kind hurts can matter. In the Guthrie case, officials have been unusually explicit in asking the public not to flood emergency lines with analysis, but to use dedicated channels for concrete tips. Similar guidance on handling ransom communications, social-media outreach and false leads can set expectations early.

The hardest work, though, is internal. When public interest morphs from concern to compulsion, when people start refreshing for “updates” less out of hope for a good outcome than in search of the next twist; when they scroll through clips of sobbing relatives and grainy

footage, are they witnessing someone's pain, or consuming it? In an era when politicians must perform like celebrities to get anything done, and when crimes tied to famous names are framed as prestige dramas, it is tempting to think of attention as an unalloyed good, a form of solidarity.

The history from Lindbergh to Getty to Hearst to Guthrie tells a more complicated story. Attention can save lives. It can also distort reality, reward bad actors and turn justice into just another kind of show. In May of 1968, as students and workers staged an insurrectionist cosplay in Paris, Guy Debord quipped that "boredom is counter-revolutionary." In the face of spectacle saturation today, one might respond, "Please yes, more boredom."

[Kaitlyn Diana edited this piece.]



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Pakistan's Tightrope: Between America's Embrace and China's Shadow

Zahra Zaman
February 24, 2026

Following the May 2025 skirmish, Pakistan emerged as a renewed US ally, gaining military aid and economic investments, yet the relationship remains largely transactional. Meanwhile, China sustains a deep, albeit debt-tinged, partnership with Pakistan through extensive trade and strategic projects like the China-Pakistan Economic Corridor. Navigating this US-China rivalry, Pakistan must pursue balanced, multivector diplomacy to safeguard its interests.

After the skirmish between India and Pakistan in May 2025, Pakistan became America's new favorite ally — a strategic reset that came as a bolt out of the blue for many. With Pakistan basking in the glory of its military feat, a diplomatic spectacle unfolded, with US President Donald Trump and Pakistan Prime Minister Shehbaz Sharif as costars, showering each other with effusive praise.

From lauding Trump's "peacemaker" role to floating a Nobel Peace Prize nomination and now jumping on the bandwagon of Trump's adventurism — the "Board of Peace" — Pakistan has delivered masterful diplomacy, which, although glaringly obsequious, remains well reciprocated.

A strategic windfall for Islamabad

As Islamabad enjoys the perks of this upswing, the diplomatic fanfare remains a strategic hit. Not only have there been back-to-back high-level meetings between the top brass of both countries, but Pakistan is also set to receive US-made Advanced Medium Range Air-to-Air Missiles (AMRAAM) and a \$1.2 billion disbursement from the International Monetary Fund (IMF).

Islamabad has also positioned itself as a nascent hub for cryptocurrency mining, as the Pakistan Virtual Asset Regulatory Authority recently reached an agreement with SC Financial Technologies. Eyeing Pakistan's untapped geological potential worth \$6 trillion, the US announced a \$1.25 billion financing for critical minerals mining at Reko Diq in Balochistan — a project viewed as a strategic boon for Pakistan's ailing economy.

With such geopolitical openings, one might question if the tides have actually turned in Pakistan's favor after years of drift. While a major strategic win for Pakistan out of this detente is that it has regained relevance after a long hiatus and secured a seat at forums of multilateral gravity, this surface-level "bromance" remains, at best, transactional; tethered to Pakistan's strategic utility, supported by pragmatic calculus.

Trump's transactional pivot

By offering a lucrative trade deal to develop Pakistan's oil reserves and reducing reciprocal

tariffs to 19%, President Trump is nailing his colors to the mast. The US is mending fences with Pakistan to harness its energy resources and diversify supply chain networks in the Indo-Pacific to circumvent Chinese chokepoints.

Another scenario where the US wants to strike while the iron is hot is Pakistan's engagement with the Gulf, especially since it recently signed a mutual defense pact with Saudi Arabia. By using Pakistan as a buffer state for its proximity to the region, the US not only aims to deter Iran and curtail Yemen with allies, but also to coordinate in the event of oil market shocks.

Trump's pivot to Pakistan also left India in the lurch, and New Delhi continued to show open defiance by purchasing Russian oil. As the US-India liaison went awry, what was once America's darling became Trump's bete noire. Gone are the days when India was mollycoddled, as it now also faces Trump's unpredictable "carrot and stick" approach, with the US reducing its "punitive tariff" to 18% exclusively on the condition of India's commitment to stop purchasing Russian oil, which the Modi administration has not confirmed thus far.

Due to his proclivity for cowboy diplomacy, much of Trump's second term is also marked by hackneyed appeals to American exceptionalism, a rhetoric that has thus far remained successful, albeit in stirring up a hornet's nest in the geopolitical arena. After all, the fruits of his unilateralism are obvious — Gaza was razed, Venezuela occupied, Greenland is under gambit and Iran is faced with an imminent threat. This hegemonic hubris that the US currently carries should make any country wary of its unctuous support.

Given the confrontational tenor of Trump's administration, Pakistan's expectations should remain tempered. Islamabad is now faced with a

Washington that weighs partnerships by what they bring to the table. Simply pitching itself as a hub of oil reserves, critical minerals or presenting itself as a willful participant in counterterrorism operations is not sufficient — Pakistan needs to deliver tangible results. Otherwise, this relationship will ebb from these halcyon days of bonhomie.

China: the enduring constant

In contrast to the tactical romance, Beijing has maintained an all-weather friendship with Islamabad throughout the course of history, particularly tilting the scales in its favor during the May 2025 Indo-Pak conflict itself. Not only does Pakistan stand as the largest recipient of Chinese defense hardware, but China also remains its largest trading partner.

Nevertheless, the Sino-Pak ties are not smooth sailing either. As Pakistan has become China's largest creditor with \$29 billion in loans, it now hovers at the precipice of a deadly debt-trap crisis. The partnership faces headwinds as a structural imbalance casts a shadow over economic relations. Regardless of the camaraderie, the escalating security dilemma, owing to insurgency in Balochistan, also remains a bone of contention.

Despite these challenges, however, the \$65 billion China-Pakistan Economic Corridor (CPEC) is now in its second phase with enhanced strategic synergy. Under the Action Plan (2025-2029), it offers \$8.5 billion in Chinese investments compared to a mere \$1.25 billion in US financing.

As the strategic depth of the partnership covers a gamut of cooperation, its salience cannot be supplanted by the transient “honeymoon” phase that the United States has beguiled Pakistan into savoring — and Beijing has spared no effort to highlight the opportunism of such courtship.

Pakistan itself is well aware of the travails at the heart of this triangle. Allaying any concerns Beijing may have about Islamabad's budding romance with Washington, Pakistan has reassured that this thaw will not eclipse its ties with China and will not provoke its longtime ally's ire.

Beijing has also maintained high-level engagement with Islamabad as Chinese Foreign Minister Wang Yi and Pakistan Deputy Prime Minister Ishaq Dar co-chaired the 7th round of the Pakistan–China Foreign Ministers' Strategic Dialogue, terming Pakistan–China friendship “vital” for regional peace and stability.

Navigating the great power tightrope

Now, whether this ironclad brotherhood between China and Pakistan will wane due to the revival of US–Pakistan ties remains to be seen. Sooner or later, it will face a reckoning in the wake of the great power competition.

Regardless, Pakistan should eschew entrapment in the US–China bifurcation that risks pulling it into the labyrinth of bloc politics. It should err on the side of caution. Severing ties with the US would limit Pakistan's access to global financial institutions and security collaborations, while excessively pivoting towards China would expose Pakistan to economic vulnerabilities should CPEC investments yield limited success.

At this critical juncture, Pakistan needs to redefine the contours of engagement with both powers to reconcile the conflicting expectations and reject zero-sum alignments. The strategic sweet spot lies in maintaining hedging between these powers while also leveraging multivector diplomacy with other partners, predicated on the convergence of interests. Ultimately, Pakistan will have to play chess, not checkers, in this US-China tightrope game.

[Kaitlyn Diana edited this piece.]



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The Warm Illusion of Winter Prices — Signal or Mirage?

Masaaki Yoshimori
February 25, 2026

Early-year inflation often appears stronger because residual seasonality and annual price resets create a recurring statistical and behavioral pattern that can exaggerate January readings. Historical data show that while inflation averaged about 2.5% from 2006–2025, the 2023–2025 period displayed elevated early-year figures that gradually cooled, culminating in a softer 2.39% reading in January 2026. The evidence suggests that Federal Reserve policy responds primarily to sustained disinflation trends rather than to short-term seasonal noise or isolated monthly surprises.

Every January, inflation seems to wake up before the rest of the economy. Recent reporting in the Wall Street Journal (WSJ) suggests that prices are heating up again, markets are twitching and analysts are searching for culprits — from tariffs to corporate pricing power. But sometimes the drama says more about the calendar than about the economy itself.

The idea of “residual seasonality” — the lingering seasonal bias that survives even after statistical adjustments — has become a powerful lens through which to interpret recent inflation data. Research from Federal Reserve economists suggests that residual seasonality may help explain why January inflation often appears elevated — though interpretations of what this means for policy remain open to debate.

Yet the most recent data introduce a subtle twist. January 2026 inflation came in at roughly 2.4% (2.39%), noticeably cooler than the elevated early-year averages seen during 2023–2025. Rather than contradicting the idea of residual seasonality, this softer reading complicates it. If previous January spikes reflected a mixture of pricing resets, tariff effects and statistical noise, the latest number suggests that the seasonal “heat” is not guaranteed to repeat. The illusion, it seems, fades when underlying inflation momentum weakens enough.

A seasonal curve and a shift in momentum

Consider the longer historical pattern. From 2006 to 2025, average monthly inflation has been remarkably stable, hovering around the mid-2% range: roughly 2.58% in January, 2.57% in March and 2.47% in October. The seasonal curve is gentle, almost flat — a quiet baseline that rarely attracts attention. Yet when we isolate the more recent period from 2023 to 2025, the curve shifts upward. January jumps to 4.13%, February to 3.97% and March to 3.59%. By late summer and

autumn, the numbers cool toward the low-3% range, with October at 2.91% and November near 2.85%.

The image of a tide offers a useful way to think about monetary policy, because central banks rarely react to every passing wave. Policymakers do not chase each crest of incoming data; instead, they try to read the direction of the current beneath the surface. Between 2023 and 2025, the Federal Reserve's actions appeared less tied to isolated monthly fluctuations and more aligned with the broader trajectory of disinflation. Rate hikes were concentrated earlier in the year in 2025 — with single increases in February, March, May and July — at a time when inflation remained elevated relative to its longer-term trend.

As the year progressed and price pressures gradually eased, the policy stance shifted. Cuts emerged later, with two reductions in September and December and additional moves in October and November, coinciding with inflation readings that had moved closer to historical norms.

Taken together, this sequence suggests that policymakers were responding to underlying momentum rather than short-term noise. If a strong January inflation print resembles a dramatic opening note in a symphony, the Federal Reserve appears more concerned with the evolving melody than with the volume of any single instrument.

The softer inflation reading in January 2026 reinforces this interpretation. Rather than reigniting fears of renewed tightening, the cooler data point implies that patience during the disinflation process may have allowed seasonal distortions to dissipate naturally, enabling policymakers to maintain a steadier course as the economic tide gradually turned.

Tariffs, corporate strategy and the fading distortion

The debate over tariffs adds another layer to the narrative. Some observers argue that higher import duties have encouraged companies to push up prices at the start of the year. But tariffs and seasonal pricing habits often move together, making it difficult to isolate cause and effect. Businesses frequently reset prices in January — adjusting service fees, subscription plans or post-holiday discounts — regardless of trade policy. In that sense, tariffs may act less like the engine of inflation and more like a gust of wind that amplifies a seasonal pattern already in motion. The fact that January 2026 inflation cooled despite these dynamics suggests that structural demand conditions may now matter more than seasonal timing.

Corporate behavior hints at this complexity. As consumers became more cautious after years of rising prices, companies began experimenting with affordability strategies: smaller packaging, promotional discounts or diversified price tiers. These shifts suggest that demand conditions are evolving alongside cost pressures. When shoppers hesitate, businesses may find it harder to sustain aggressive price increases — a dynamic consistent with the recent return to lower inflation levels.

Residual seasonality, then, is less a technical curiosity than a reminder of how economic data can mislead. Imagine looking at the economy through a window with faint vertical lines etched into the glass. You can still see the landscape beyond, but certain shapes appear distorted depending on the angle of light. January inflation may be one of those distortions — but the cooler 2026 reading shows that the distortion itself can fade when underlying conditions change.

The long horizon beyond the January illusion

What makes the recent period particularly revealing is how policy actions align with the seasonal curve. The early-year months that saw

rate hikes also carried inflation averages well above the historical baseline, while the months with cuts coincided with cooling readings. This alignment suggests that policymakers were responding to persistent trends rather than reacting reflexively to single data releases. The softer start to 2026 further supports this interpretation: rather than chasing a seasonal spike, policy appears to be anchored to the broader inflation trajectory.

For readers following the story, the temptation is to treat each inflation report like a weather alert. A hotter-than-expected January feels like a thunderclap, a signal that the storm has returned. But the broader statistics tell a quieter story: a gradual shift from elevated inflation toward something closer to normal. And when January itself cools — as it did in 2026 — it reminds us that even familiar seasonal narratives can lose their grip when the economic climate changes.

In many ways, inflation behaves like a marathon runner at the start of a race. The opening pace may look fast, even frantic, but the real story emerges only over distance. Policymakers appear to recognize this dynamic, adjusting interest rates only when the runner's rhythm changes consistently rather than when a single split time surprises observers.

And perhaps that is the most important lesson hidden inside the January illusion. Like a mirage on a desert road, a sudden burst of heat can capture attention and distort perception. But step back far enough — and include the cooler reading of January 2026 — and the landscape resolves into something steadier: a long horizon where seasons change slowly, tides rise and fall predictably, and the economy moves forward not in sudden jolts but in measured, deliberate rhythms.

[Kaitlyn Diana edited this piece.]



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Trump and German Rearmament: Sowing the Seeds of Upheaval in Europe

Alfredo Toro Hardy
February 26, 2026

After eight decades of continuous peace in Western Europe, US President Donald Trump is actively sowing the seeds of upheaval. He is bringing back fears of a Germany that is too militarily powerful and too politically nationalistic. His actions threaten to destabilize the delicate balance established after World War II and reshape Europe's geopolitical landscape with potential long-term consequences.

Russia's invasion of Ukraine in 2022 triggered Germany's *Zeitenwende*, which can be translated as a historic turning point. Then-Chancellor Olaf Scholz put it in motion as a response to Germany's need to adapt to the changing European geopolitical landscape. This policy included a €100 billion special fund for defense and a pledge to long-term military modernization.

US President Donald Trump, however, is not only pushing the historic turning point that Scholz put in motion in 2022 too far, but also sowing disruption in German domestic politics. In doing so, he is bringing the so-called "German Question" back into the current geopolitical scene. This term is historically associated with European anxieties about Germany's strong tradition of militarism and nationalism.

The German question

After Germany's reunification in October of 1990, fears emerged that the country's central geographic position, industrial might and warmongering history could transform it into a potential threat to the rest of Europe. With the sudden strengthening of Germany, indeed, the delicate balance of power upon which the European Economic Community had been built was turned upside down. A newly empowered Germany, it was believed, could always trigger back latent nationalistic instincts.

Not surprisingly, British Prime Minister Margaret Thatcher strongly opposed such reunification, dreading that a too-powerful Germany could undermine European stability and endanger her country's security.

To deal with these fears, Germany's Chancellor Helmut Kohl and French President Francois Mitterrand came up with the same answer: transforming the European Economic Community into a European political union. On this basis, the

December 1991 Treaty of the European Union, approved in the Dutch city of Maastricht, came into being.

The reasons that had motivated both leaders in creating the European Union, however, were exactly the opposite. Kohl wanted to strengthen his country's links with Europe to keep his fellow citizens' nationalistic instincts in check, while Mitterrand wanted to strengthen Europe to keep Germany in check.

Three decades after the emergence of the European Union, Scholz's *Zeitenwende* did not raise fears among their fellow Europeans. With an aggressive Russia at the borders, the idea of a stronger military Germany was well received by them. If anything, European distress came not from a strong Berlin, but from a weak one.

Trump 2.0's actions, however, are turning things upside down by generating European anxieties about a Germany that could become militarily too strong and politically too nationalistic. In the words of historian and political scientist Liana Fix:

But left unchecked, German military dominance might eventually foster division within the continent, France remains uneasy about the fact that its neighbor is becoming a major military power ... In the worst-case scenario, competition might return. France, Poland and other states could attempt to counterbalance Germany, which would divert attention away from Russia and leave Europe divided and vulnerable".

Trump's three-lane avenue

But how is Trump turning things upside down? This takes shape through a three-lane avenue. The first lane propels NATO European members to invest up to 5% of their GDP in defense. The second materializes by threatening to abandon NATO, or, even without doing so, by threatening

to disregard the alliance's Article 5 — the cornerstone of collective security — thus sowing anxieties about America's reliability. The third takes shape by legitimizing and seeking to empower Germany's ultra-right Alternative für Deutschland (AfD), which is considered an extremist organization.

The first and second avenues have converged, forcing European NATO members to make much larger defense disbursements while seeking European strategic autonomy. However, this is not as easy as it sounds. No other European country can match Berlin's military expenditure, which by 2029 would budget \$189 billion annually. That is, three times more than in 2022. In total, Germany plans to expend more than \$750 billion on defense over the next four years. If this is accomplished, Germany would again become a great military power before the end of the decade.

However, with smaller economies, larger public debt or tight social welfare commitments, the rest of Europe will not be able to follow suit. Having the largest economy in Europe translates into much larger absolute spending, although, as a percentage of GDP, it could equal what smaller economies allocate to defense. Moreover, countries with higher public debt or tighter social welfare obligations, like France or Italy, have less fiscal space to raise defense outlays. As a result, while Germany was able to loosen its debt brake to invest heavily in defense, many others cannot do the same. All of the above create the conditions for Germany becoming Europe's military Lemuel Gulliver. At least in conventional military terms.

As if this were not enough to create a tremendous power imbalance in Europe, Trump's third avenue lane aims at putting an extreme right party, the AfD, at the helm of Germany. As Deutsche Welle's Hans Pfeifer affirms:

The party is also becoming increasingly openly extremist. AfD officials use Nazi slogans, pose with their hands on their hearts in front of Adolf Hitler's bunker, wear clothing from the mail-order catalogue of Germany's largest neo-Nazi organization, and call themselves the "friendly face of National-Socialism."

Not surprisingly, AfD was labeled as an "extremist" organization by Germany's intelligence services.

A military Gulliver under an extremist government

Although important sectors of the population see with fear the rise of AfD, opinion polls show that it has already surpassed Chancellor Friedrich Merz's conservative bloc as the country's strongest political force. Under those circumstances, the active support this party receives from the President of the US and top members of his administration plays an important role in legitimizing and normalizing it in the eyes of the German people. Specially relevant in this regard was the Trump administration's dismissal of the validity of a 1,100-page report by the German intelligence agency, labeling AfD as "a proven right-wing extremist organization."

The possibility of a European military Gulliver controlled by a "proven right-wing extremist" government is thus an important one, courtesy of Mr. Trump. If this materializes, a powerful bulwark against liberal Europe would emerge. The largest economy and military in Europe would be at odds with both the EU and NATO, representing a major historical shift in post-1945 German foreign policy. If so, the "German Question" rather than Russian aggression would become Europe's biggest problem.

Contrariwise, Germany's military strength will certainly not be a bulwark against an aggressive

Russia. Indeed, AfD is known as the most Russophile party in German politics, maintaining a friendly, mutually supportive relationship with the Kremlin.

After the first eight decades of continuous peace in Western Europe's recorded history, Trump is actively sowing the seeds of upheaval.

[Kaitlyn Diana edited this piece.]



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Is Europe a Possessed Continent?

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Europe's crisis runs deeper than economics or politics — it's both an identity crisis and a spiritual collapse. Its leaders have surrendered independent judgment, blindly following American-prescribed verdicts on Ukraine and Gaza while abandoning diplomacy entirely. Has the continent lost its soul to a modern form of demonic possession?

Europe finds itself submerged in a deepening crisis, financial, social and political. The media struggle in their attempts to describe it, but their failure to do so contributes to the confusion and aggravates its effects. The result appears in the astonishingly unfavorable ratings of Europe's most prominent politicians, notably in France, Germany and the United Kingdom. Some may cite Italy as an outlier, but polling reveals a paradoxically deeper confusion highlighted this week by *Le Monde*. "Although 71% of Italians believe their country is headed in the 'wrong direction,' Italy's prime minister, Giorgia Meloni, continues to enjoy significant public trust."

This Devil's Advocate is tempted to view the current crisis as something beyond politics in the sense that no set of political measures can address the causes and reestablish order. The obvious symptoms concern the economy, but the quandary Europe's governments and populations are facing is more existentially challenging than mere economic dysfunction. We should see this as a spiritual crisis, in the sense that it implicates Europe's spirit or soul. To borrow a metaphor from Europe's historical past, it resembles a case of demonic possession.

We need to examine the patterns revealed by the symptoms. The first is the absence of any form of nuanced thinking. At the geopolitical level, this directly translates as the unwillingness and

resulting incapacity to practice any recognizable form of diplomacy when reacting to a conflict. Classic diplomacy requires the careful and discreet investigation of chains of cause and effect accompanied by a serious effort to probe into the sources of all the concerned parties' intentions and motivation. This leads to the formulation of hypotheses that can produce an informed judgment about the current state of play — obviously marked by tension — and the multiple possibilities of resolution. Investigation and nonlinear reasoning precede the formulation of a propositional framework that may lead to resolution. Judgment, specifically informed judgment, is part of the process and can be neither the starting nor the ending point.

What we see today is the opposite. Let's consider the two major ongoing conflicts Europeans have been unable to even contribute to settling: Ukraine and the Israel–Palestine conflict. In contrasting ways, both represent a potential existential threat to European identity. The starting point used by most European leaders in both cases is a simplistic statement of peremptory judgment. Simplism reigns within a political system where it's possible to take seriously the idea that, for example, Russian President Vladimir Putin is Adolf Hitler with a nuclear arsenal and that anyone who hints at a possible genocide on the part of Israel is antisemitic. Those who dare to entertain informed positions deviating from those simplistic views — people like Swiss military expert Jacques Baud or UN rapporteur Francesca Albanese — may be “excommunicated,” which includes being literally deprived of status by banks, credit agencies and businesses.

Now, the notion of judgment can have two curiously contrasting meanings. We only need to think about the perceived difference of connotation between “exercising judgment” and “passing judgment.” Confusing those two meanings will inevitably lead to abuse, especially if the stakes are

war and peace, or even an individual's well-being, as in the case of Albanese and Baud. Exercising judgment refers to a patient process of weighing evidence to clarify pertinent facts, understand relationships, characterize motivation and eventually deliberate on a response or plan of action. This is a dynamic, open-ended process. Passing judgment brutally ends the process as it pronounces the final verdict. The verdict is a moment of stasis that only emerges at the end of the process of judging. It marks the point at which exercising judgment stops.

Judge not that ye be not judged

Regarding the conflicts in Ukraine and the Middle East, European leaders have clearly preferred to skip the process and instead work from a preordained verdict. In the case of Ukraine, Europeans renounced from the get-go any effort at processing the evidence. From day one, four years ago this week, European leaders aligned with a preformulated verdict. It took the form of a narrative and read something like this: “Russian President Vladimir Putin, a criminal madman who enjoys the status of dictator (despite the fact that he was democratically elected), chose to realize his wildest, darkest fantasy and began a campaign aiming at the conquest of Europe. He began modestly by attacking ‘unprovoked’ a weak neighbor, who was minding its own business.”

This adopted narrative made available to the media in 2022 originated from the other side of the Atlantic Ocean, not from Europe itself, even though exercising judgment about the status of Ukraine should properly have been the object of a European debate. But this entire episode and its latest developments, notably between Hungary and the European Union, proves that the messy process of debate, which requires exercising judgment, has yielded to the far more efficient habit of pronouncing verdicts.

History tells us that at least two very prominent European leaders in 2008, French President Nicolas Sarkozy and German Chancellor Angela Merkel, read the available evidence in a different way and informed the US President of the time, George W. Bush, of their analysis. That might have led to a debate, but their protestations were duly ignored by Bush, “the leader of the free world” (a title generally understood to be the chief magistrate of the free world, responsible for rendering verdicts and sentencing).

Thirteen years later, in 2021, the newly-elected US President Joe Biden declared that the world was locked in a struggle between light and darkness, democracies and autocracies. A kind of geopolitical Super Bowl. As the leading non-dictator, Biden made the judgment call everyone else on the democracy side was expected to follow. He required we all agree that Putin is a criminal madman (“For God's sake, this man cannot remain in power”). There was no need to consider the Russian president’s plea to sit down and work out an architecture for European security, one that would begin by examining the concerns on all sides. Biden, the anti-autocrat, made it clear to all his friends and allies that they must not fall for Putin’s ploy. Like any self-respecting non-dictator, Biden could be certain that his own “judgment” is what all his wise allies would follow.

And follow they did. I can vouch for the fact that since February 2022, the dominant media here in France have been consistently preaching this verdict on Putin. And, with few other available sources to inform them, most French people are willing to believe it. Believing it, by the way, means refusing to rethink it unless provoked to do so by those same media.

For anyone who has paid attention to history and in particular French President Emmanuel Macron’s occasional homage to the doctrine of “strategic autonomy,” this may seem paradoxical.

Barely three months after the invasion, Macron dared to stand up to the non-dictator in Washington by impertinently recommending a path through (horror of horrors!) diplomacy. “We must not humiliate Russia,” Macron proclaimed, “so that the day the fighting stops, we can build a way out through diplomatic channels. I am convinced that it is France’s role to be a mediating power.” Macron had failed to understand that the non-dictator had dictated the final verdict and that the rest of Europe had dutifully aligned with it.

Since that time, Macron himself has understood that it was in his interest to align with the judgment of the non-dictator. He has since become perhaps the most vocal of the anti-diplomatic war party. He even took the initiative of disbanding France’s diplomatic corps “that he regards as elitist and homogeneous” — in other words, capable of exercising judgment independent of the verdicts of a democratically elected “Jupiterian” president.

Trump’s unprovoked invasion of the White House

In the three remaining years of Biden’s non-autocratic reign, everything seemed to be running smoothly towards the fulfillment of yet another forever war provoked and supported by the US, but this time designed specifically to exhaust Russia. All might have gone well had not the annoyance of a democratic election gone awry leading to the Blue non-dictator’s replacement by a Red non-dictator, current US President Donald Trump, who nevertheless affected the style of dictators. Before his invasion of the White House, Trump had promised to uninvade Ukraine within 24 hours.

That never happened, partly because the European leaders who had followed the persuasive tactics of the previous US non-dictator didn’t trust the new guy (who was, in fact, another old guy in two senses of the word: in age and due to the fact

that he had already served four years as a “new guy”). But it wasn’t just that they didn’t trust Trump. They had committed to the previous non-dictator’s plan for their own future and even bought into the idea that sacrificing the health of their own economy was the kind of generosity that would permanently endear them to any Oval Office non-dictator, whom they could regard as their “Daddy.”

Over the past decade, I’ve repeatedly claimed that our civilization has developed an unhealthy taste for “hyperreality” as a substitute for reality. It has transformed our field of perception. Reality in a quantum universe is complex and messy, impossible to pin down. It plays out according to an inherent, intuitive, organic logic whose interplay we can perceive but not even hope to fully understand.

We have to get on with our lives and so we need others to break it down for us, reconstruct its components, combine them in new ways and simplify their underlying logic in ways that might make sense to us. This may come at the cost of distorting reality’s logic beyond recognition, but that’s no matter. We loyal citizens of the consumer society will not only passively consume it when it’s offered to us, but we’re usually happy to pay for the best version of it.

Politics in our democracies (i.e. non-autocracies) has become hyperreal. Trump himself is the ultimate figment of hyperreality who sums up all the deepest trends in US culture: superficiality, celebrity wealth, individualistic independence of collective meaning, greedy consumerism, belief in assertiveness as the highest virtue, disregard for history and context, narcissistic self-celebration, preference for win-lose logic over win-win logic simply because recognizing a winner is the whole point of competing. These trends do not stand at the core of US culture, but they have emerged powerfully

from it, and they appear to have accelerated in recent decades.

Exorcising devils

People on both sides of the Atlantic have long understood that despite some common cultural sources the US and Europe are different. Following World War II, Europe became aware of the subtle ways in which its economy and culture were becoming Americanized. But there was always a sense of resistance. The project that led to the realization of the European Union exemplified the ambition to share things with the US but to affirm one’s difference. That tension still exists among Europe’s populations, but it has clearly been abandoned by its political leaders.

To the honest observers who study the complex reality of history, the simplistic rhetoric — to a great extent “made in the USA” — to which Europe’s political leaders appear addicted has penetrated most of its public institutions, including mainstream media. The rhetoric conveyed by leaders and media so far deviates from simple rationality that the metaphor of demonic possession appears an appropriate characterization of it. It is as if these people and their institutions were possessed by an unidentifiable parasite, a modern devil that requires some novel form of exorcism.

In the European tradition, demonic possession is traditionally described as a disease of the soul involving commerce with the devil, conceived as an intelligent being that seeks to control innocent humans, even overtaking the body’s normal metabolic processes. Europe has long been suffering from the disease that robbed it of its inherited sense of identity. The two European wars of the 20th century that immediately turned into world wars planted the seeds.

So it may now be time to wonder whether Europe, having lost its human autonomy, is in the hands of the devil, and if so, who might that devil be? Where should we look to find the diabolical presence? Is it a person, a cabal or a system? And if it's a system, who maintains it and how do they become part of it?

These are questions we definitely intend to come back to... if only to begin to independently “exercise our judgment.”

[The Devil's Advocate pursues the tradition Fair Observer began in 2017 with the launch of our “Devil's Dictionary.” It does so with a slight change of focus, moving from language itself — political and journalistic rhetoric — to the substantial issues in the news. Read more of the Fair Observer Devil's Dictionary. The news we consume deserves to be seen from an outsider's point of view. And who could be more outside official discourse than Old Nick himself?]

[Lee Thompson-Kolar edited this piece.]



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

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